

СБОРНИК ОТ МАТЕРИАЛИ

УСТОЙЧИВО РАЗВИТИЕ
И МНОГООБРАЗИЕ
В БЪЛГАРИЯ

УСТОЙЧИВО РАЗВИТИЕ И МНОГООБРАЗИЕ В БЪЛГАРИЯ
SUSTAINABLE DEVELOPMENT AND DIVERSITY IN BULGARIA



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AND DIVERSITY
IN BULGARIA



COLLECTED PAPERS



Institute of
Economics
at BAS

**SUSTAINABLE DEVELOPMENT
AND DIVERSITY
IN BULGARIA**

IKOPIS

2010

SUSTAINABLE DEVELOPMENT IN A DIVERSE WORLD (SUS.DIV)

is a multi-disciplinary project under the 6th EU Framework Program (FP6), involving 32 institutions from Europe, India, USA. The main objective is to study the correlation between cultural diversity and sustainable development mainly in Europe. This project integrates European researchers of various spheres of science from universities, research institutes, NGOs, etc. The research target and the expected results are the development of ideas and the formulation of specific instruments and approaches to manage the cultural diversity as a new component of the common sustainable development strategy.

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SUSTAINABLE DEVELOPMENT AND DIVERSITY IN BULGARIA

First Edition 2010

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Stylistic editor: Raina Mandjoukova, Diana Dimitrova

Proof-reader: Raina Mandjoukova, Diana Dimitrova

Prepress: Ilko Valkov

© Title page styling: Ilko Valkov

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ISBN: 978-954-91905-3-3

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SUSTAINABILITY, DIVERSITY AND CHALLENGES IN FRONT OF BULGARIAN ECONOMY

Key concepts of the project „*SUSTAINABLE DEVELOPMENT IN A DIVERSE WORLD*” (SUS.DIV) (2005-2009) – conclusions for Bulgaria

„*Sustainable Development in a Diverse World*” is a multi-disciplinary project under the 6th EU Framework Program (FP6), involving 32 institutions from Europe, India, USA.

The main objective is to study the correlation between cultural diversity and sustainable development mainly in Europe. This project integrates European researchers of various spheres of science from universities, research institutes, NGOs, etc. The research target and the expected results are the development of ideas and the formulation of specific instruments and approaches to manage the cultural diversity as a new component of the common sustainable development strategy.

Therefore some specific features and manifestations of diversity could be monitored – a concept acquiring an exceptional significance in the formulation of theoretical and practical assignments of various branches of science, including also social sciences.

The debate on the diversity has been carried out in the scientific community, the government and the political parties. The Universal Declaration on Cultural Diversity (UNESCO), 2001 asserts the importance of this issue for the entire society. Cultural diversity is as necessary for humankind as biodiversity is for nature, and it is one of the roots of development, understood not simply in terms of economic growth, but also as a means to achieve a more satisfactory intellectual, emotional, moral and spiritual existence. (Article 3)

Inspired by biodiversity, studying the biological species in their integrity, the economics has adopted this approach and considers society as a mix of various companies, industries, economies, religions, etc. Parallel „bridges” and similar phenomena are searched between biodiversity and formulation of indexes, enabling the understanding and measuring of the economic diversity. It is difficult, because large-scale data bases for income, salaries, consumption, etc. for longer periods of time are used. The obtained results are often contra-

dictory, requiring alternative decisions to be formulated.

This is an issue entailing various aspects and alternatives and the instruments of social sciences, and economics in particular must be used in order to comprehend its role and impact.

The economic environment is dynamic and the identification of the diversity requires enormous efforts. The scientific community has not yet formulated a single view and conception of the measurement of the diversity.

This approach has turned out to be of benefit for the long-term study of the income inequality, where diversity has been investigated for many years. Certain results were obtained in the sphere of:

- Concentration of the population, proving that the concentration of the population results in imbalances of the uniform pattern of distribution of incomes and respectively the national wealth.

- Polarization of the population, that may cause racist, ethnical, religious problems in the separate concentrated groups and actually the growing diversity of the population gives rise to increasing risk factors for the society, not only on the cultural, but also on the social and on the economic level.

The studies were carried out on the level of the state, but now they are concentrated on micro-level – the level of cities and regions.

In this respect the main diversity-related problems have been screened, namely:

- Conflict situations in extremely polarized society. The heterogeneous nature of society might have an impact on the distribution of incomes, resulting in potential conflicts among the separate groups of individuals and having a negative effect on the economic growth and on the investments.

- Ethnical problems, resulting in corruption, with negative effect on investments.

- The effects of the ethnical polarization and the impact on the economic growth are implemented by means of ungrounded government policies, limited trade opportunities, biased state expenditure and poor public infrastructure.

- The production is also affected by the diversity, with an immediate effect on the labor productivity. Therefore the cities are also subject of the study, as they play a key role in the commodity trade, different services are rendered therein, a number of new ideas and skills are generated, influencing the labor productivity to a certain extent.

The inflow of larger groups of people of foreign origin into a society with established economic and social practices undoubtedly has a shock effect, both on society, and on diversity. In general the immigrant communities entail a lot of economic effects in the receiving country – both positive and negative. The immigrants pay taxes and use utilities, influencing the redistribution process within the state. The social aid system in the state is affected, changing itself in a lawful way, but in some cases in unlawful way as well. The immigrants are

considered an exogenous factor, with an implication on the labor market and the inflow of labor. In this respect the labor in the respective state is affected due to the probable reduction in the salaries and the loss of jobs. The investigations are aiming to making use of the supply and demand model in its standard form in order to foresee the development of such processes.

The scientific literature, studying the long-term effect of the emigration on the economy of the receiving country is based on the neoclassical model of economic growth. From this point of view the migration is a positive mechanism, enhancing the convergence of the incomes of the population and the wages, having an equilibrium effect on the movement of the human and capital flows among the states, rich in capitals and the states, needing financing.

Another issue deals with the implications of the immigration in the short run and in the long run. They also have positive and negative effects. The obtained results are of heterogeneous nature, regarding the effects of the diversity on the economic development and policies. Categories are included therein such as demographic structure and characteristic features of the population. One should not disregard the cognitive diversity, i.e. the emerging new knowledge, endogenous ideas, opinions of the individual communities, modifying the public and economic background of the state. The resulting effects are multifaceted, due to the available continuous exchange of profits and losses for the society. The government should adopt policies, reducing such a lack of coherence between actions and ideas of the individual groups and maximizing the benefits, by means of overcoming the inconsistency between them.

In the modern society the diversity has been increasing on different levels, for instance in the companies, in the cities, in the regions, in the separate states, as well as in different sectors – cultural, social, economic.

Some of the key reasons for such a diversity are the globalization and the European integration, having an accelerating and boosting effect, or having a contradicting effect on the international migration processes. Generally speaking a considerable increase in international migration towards the economically advanced countries has been observed, as well as towards the less advanced countries in Europe. Actually this is a relatively new trend for Europe, as for decades Europe used to be predominantly the starting point of the emigrants, leaving to other destinations throughout the world. There is a growing number of the citizens in the country born abroad. EU is facing the dilemma to resolve new problems, of having new places, full of conflicts and tension. EU is facing a number of political dilemmas, such as the growing mobility of labor, with various skills, education, capacities and being a resource for the receiving country. However most often the immigrants are regarded a threat by the local inhabitants. As a result thereof hostilities, tension, xenophobia may arise, making the coexistence of different groups of population difficult, causing increased risks,

large-scale political and economic debates in Western Europe, but the already elaborated integration policies, being the main policies for EU and for the individual countries do not yield the expected effect. In this regard the emigration policies need to be developed.

The implications from the immigration are the other trend. The economic, social and political influences are easy to identify and therefore the investigations are based on the changes of the economic variables, such as GDP, unemployment rate, social aid and a lot of other indicators.

A key manifestation of the globalization here as an element, that could be determined, is the attraction of foreign workers, or in order to increase the employment on the domestic labor market – the attraction of foreign capitals in the long run, in the form of foreign direct investments (FDI). It would explain the easier „absorption” of additional labor, it could result in higher labor productivity due to increasing technological level of the corporate foreign investor, which would be reflected on the remuneration level and the higher general living standard.

The growing diversity in Bulgaria requires a more rational economic and social policy. The diversity is rising due to the increasing flows of immigrants into Bulgaria. Representatives of other nations are coming to our country with other traditions, religions and cultures. Shall this inflow of foreign labor have a positive impact on our economy? This issue shall be examined in the future.

The economic background and the market are influenced by the incoming FDI and their impact on the labor market and the improving economic welfare.

Consequently new instruments and practices providing more realistic estimation of the development of economy should be found and formulated. New possibilities should be searched to integrate the diversity in the political decision making process.

I look forward these collected works to contribute to the development of some of the issues raised above.

Iskra Christova-Balkanska

SUSTAINABILITY OF THE DEVELOPMENT OF MUNICIPALITIES IN THE PERIOD 2000-2004

Introduction

Municipalities are main territorial entities in Bulgaria, where the interaction „man – nature” is especially strong. A team of researchers from the Institute of Economics at the Bulgarian Academy of Sciences conducted a monitoring of the social-economic and ecological differences of the municipalities for overlapping three-year periods after 1994. The study determined general evaluations on the different aspects of the development of the municipalities, namely: economic state, financial state of municipalities, social status of population, unemployment level, infrastructure, population dynamics. An integral evaluation, characterizing their development level, is determined on this basis.

The concept of sustainability of the development of a municipality concerns its progressive and balanced development and the reporting of its specific characteristics. Presented in this way, the concept of sustainability of the development of a municipality includes the requirement of sustainable development, where the focus is placed mainly on the environment ecology.

Method of Studying the Sustainability of the Development of a Municipality

The method of studying the sustainability of the development of a municipality is developed in accordance with a work hypothesis. According to this hypothesis a certain municipality has a sustainable development, if its rank by integral evaluation coincides with the ranks of the different aspects of its development. In accordance with this work hypothesis, the bigger diversions of the ranks by different aspects of the development of a certain municipality from the rank by integral evaluation are, the higher its level of unsustainability is. Measurer, which evaluates the level of unsustainability of the development of i -th municipality, is the coefficient:

$$K_i = \sum_{j=1}^n |r_i - r_{ij}|$$

where r_i is the rank of the i -th municipality by integral evaluation, and r_{ij} is the relevant ranks by general evaluations.

The change in the unsustainability level is evaluated through the difference in the values of the measurer K_i for the first and last year of the studied period.

When the values of this measurer increase, the unsustainability level increases, and when they decrease – the unsustainability level decreases.

The results of the conducted studies of the sustainability of the development of the municipalities for different reported periods show that there is no municipality in the country, for which the coefficient K_i has a zero value, i.e. for which the ranks by general evaluations coincide with the rank by integral evaluation. However, the presented work hypothesis gives opportunity to evaluate the level of unsustainability of the development of each concrete municipality and to evaluate the occurred changes.

Four theoretical models of development of a municipality are built according to the changes in the ranking of the municipalities in the country by level of social-economic development in the first and last year of the studied period and the changes in the unsustainability level, schematically presented in table 1.

Table 1. *Theoretical Models of Development of a Municipality*

Municipality	Unsustainability level	
	decreases	increases
Moves higher in the ranking or maintains its rank	I model	III model
Moves lower in the ranking	II model	IV model

In the first theoretical model, the municipality moves higher in the ranking or maintains its rank, and the unsustainability level decreases. In this model, by moving higher in the ranking the municipality searches for its balanced place among the other municipalities in the country.

In the second theoretical model, the municipality also searches for its balanced place, but it happens by moving lower in the ranking and is accompanied with a decrease of the unsustainability level.

In the third and fourth theoretical model, the unsustainability level increases. In the third model it concerns the moving of the municipality higher in the ranking, and in the fourth model – lower in the ranking.

We have to point out that the increase of the unsustainability level should not always be considered as negative. In the third theoretical model, the increase of the unsustainability level concerns the moving of the municipality higher in the ranking, which undoubtedly is a positive trend. In the fourth model, the increase of the unsustainability level concerns moving of the municipality to lower positions in the ranking, which should be considered as a negative change.

Results of a Study of the Sustainability of the Development of the Municipalities

The studied period 2000-2004 is divided into two sub-periods 2000-2002 and 2003-2004, which aims at a comparison of the theoretical models, by which the concrete municipality has developed in these two sub-periods. Generally,

there are 16 possible ways for development of a municipality for two neighboring sub-periods.

Table 2. *Ways of Development of a Municipality for Two Neighboring Sub-Periods**

Theoretical model	First (I)	Second (II)	Third (III)	Fourth (IV)
First (I)	I-I	I-II	I-III	I-IV
Second (II)	II-I	II-II	II-III	II-IV
Third (III)	III-I	III-II	III-III	III-IV
Fourth (IV)	IV-I	IV-II	IV-III	IV-IV

* The first Roman numeral shows the type of the theoretical model, by which the municipality has developed in the first sub-period, and the second Roman numeral – in the second sub-period.

We have to mention here that the moving from one theoretical model of development to another concerns searching for the balanced place of each municipality in the ranking. The results of the conducted study show that in the period 2000-2002 the level of unsustainability of the development of the municipalities increases significantly. It is necessary to state once again that the increase of the level of unsustainability of the development of the municipalities should not always be considered as negative. For the municipalities, which have developed by III theoretical model, this increase is due to the higher places they occupy by different aspects of the development. Maintaining these higher positions requires purposeful efforts on the aspects, on which the municipalities are lagging behind. In this sense, the increase of the level of unsustainability of those municipalities, which have developed by III theoretical model, should be considered as positive.

However, for the municipalities, which have developed by IV theoretical model, the increase of the unsustainability level should be evaluated as negative, since it is determined by a significant lagging on different aspects of the development. The municipalities, which lag in their development, need purposeful impacts, since it is difficult for these municipalities to manage only by own efforts.

The comparison shows that in the period 2003-2004, according to the theoretical model of development, there is a substantial change in the ranking of the municipalities by regions. The number of municipalities, which have developed by first, second and fourth model, increases. The number of municipalities, which have developed by the third theoretical model, decreases.

Table 3 presents the ranking of the municipalities by theoretical model of development in 2000-2002 and 2003-2004.

The results of conducted study for the two sub-periods show that all 16 ways of development of a municipality are possible. For 27% of the municipalities the development has occurred by the same theoretical model for the both

Table 3. *Intensity of the Ways of Development of the Municipalities in the Period 2000-2004*

Theoretical model	First (I)	Second (II)	Third (III)	Fourth (IV)	Total
First (I)	17	17	13	14	61
Second (II)	14	14	11	19	58
Third (III)	24	15	18	19	76
Fourth (IV)	15	21	11	22	69
Total	70	67	53	74	264

sub-periods 2000-2002 and 2003-2004. For the other 73% there is a moving from one theoretical model to another. This result is evidence that despite the short studied period the change of the theoretical models, by which the municipalities have developed, prevails. However, it is logical that the more substantial changes in the ranking are reported by municipalities, which have developed by the same model.

Results of conducted studies show that in 2000, as well as in 2004, the „municipality” with average for the country values of the indicators is ranked on 39th place, i.e. the number of municipalities with level of development above the average for the country maintains. The comparison shows that 27 municipalities from the group of the developed ones in 2000 maintain their place in this group in 2004 as well. The following 11 municipalities fall out of the first group: Kameno, Suhindol, Dragoman, Rodopi, Yablanitsa, Sozopol, Sevlievo, Zlatitsa, Peshtera, Ihtiman and Treklyanovo. In 2004 the following 11 municipalities enter the group of the developed ones: Kavarna, Byala (Varna), Kostinbrod, Veliko Turnovo, Elin Pelin, Pleven, Pernik, Shumen, Gorna Oriahovitsa, Gorna Malina and Sopot. This means that industrially specialized municipalities, like Kameno, Sevlievo and Zlatitsa, are replaced by district centers, coastal municipalities and municipalities neighboring Sofia-Town.

In 2000 the number of average developed municipalities is 180, and the number of lagging municipalities is 46. In 2004 their respective number is 151 and 75, i.e. there is an increase of the number of the lagging municipalities on account of the average developed ones, which undoubtedly is a negative trend. The North-West planning region has the biggest number of lagging municipalities. In 2004 from all 32 municipalities in the region, the number of the lagging ones is 18, which is 56%.

As a whole in the period 2000-2004 there are significant changes in the ranking of the municipalities by level of development. It is considered that for the developed municipalities the change is significant – by 20 and more points; for the lagging municipalities the change is by 30 and more points. It is also considered that when certain municipality has developed by I or III theoretical model the changes are positive, and when it has developed by II or IV model – they are negative.

Despite the relatively short studied period, 119 out of 264 municipalities,

i.e. 45% of the municipalities in the country, report significant changes in the ranking in the period 2003-2004, compared with the ranking in the period 2000-2002. Table 4 presents the distribution of these municipalities by their level of development, as well as the theoretical model, by which they have developed.

Table 4 shows that the number of municipalities, which have developed by I theoretical model, is highest (47 municipalities). Among them the number of average developed municipalities is highest – 34. Among the municipalities, which have developed by I and II theoretical model, substantial changes in the ranking after 2004 should not be expected, since their unsustainability level decreases. For the municipalities, which have developed by III and IV theoretical model, more significant changes can be expected. Their number is respectively 18 and 21, since their unsustainability level increases.

Table 4. *Number of Municipalities with Significant Changes in the Level of Development*

Theoretical model	Developed municipalities	Average developed municipalities	Lagging municipalities	Total
First	10	34	3	47
Second	-	19	14	33
Third	5	10	3	18
Fourth	2	13	6	21
Total	17	76	26	119

Table 5 presents the municipalities, which report more significant changes in the level of development in the period 2000-2004. In the list of the developed municipalities, which have developed by I theoretical model, the municipalities – district centers prevail. Moving to higher positions, as mentioned already, these municipalities replace the industrially developed municipalities like Kameno, Zlatitsa and Sevlievo, which have been in the first group in 2000. The coastal municipalities Byala (Varna), Kavarna and Tsarevo, as well as Chepelare, i.e. municipalities with a potential for tourism development, are among the municipalities from the first group, which have developed by III model.

Lagging municipalities, which have developed by IV model, i.e. moving significantly lower in the ranking with increasing unsustainability of the development, are only 6 in number: Boinitsa (Vidin), General Toshevo (Dobrich), Sungurlare (Burgas), Tvurditsa (Sliven), Banite (Smolyan), Madgarovo (Haskovo). These municipalities are peripheral by their territorial location.

Dependence between Level of Development and Ecological Status

Results of a research, conducted by Dr. N. Chkorev, studying the ecological status of the municipalities based on indicators by main nature components in 2004 – air, water, waste, show that the first 10 municipalities with highest pollution are: 1) Sofia-town; 2) Radnevo; 3) Devnya; 4) Burgas; 5) Gulubovo; 6) Dimitrovgrad; 7) Bobov dol; 8) Mirkovo; 9) Beloslav; 10) Pernik. Except for

Table 5. *Municipalities with More Significant Changes in the Ranking in the Period 2000-2004*

Theoretic al models	Developed municipalities	Average developed municipalities	Lagging municipalities
First	Veliko Turnovo Pleven Russe Varna Shumen Maritsa (Plovdiv) Plovdiv Stara Zagora Elin Pelin Pirdop	Belogradchik, Vratsa, Oryahovo, Roman, Vurshets, Lom, Montana, Elena, Svishtov, Gabrovo, Teteven, Silistra, Turgovishte, Veliki Preslav, Yambol, Kurdgali, Bratsigovo, Velingrad, Purvomay, Rakovsky, Stamboliisky, Suedinenie, Borino, Zlatograd, Haskovo, Gotse Delchev, Petrich, Razlog, Hadgidimovo, Kyustendil, Pernik, Radomir, Samokov, Slivnitsa	Stambolovo (Haskovo) Belitsa (Blagoevgrad) Byala Slatina (Vratsa)
Second	-	Zlataritsa, Suhindol, Belene, Dve mogili, Ivanovo, Kotel, Elhovo, Malko Turnovo, Tundga, Brezovo, Bratia Daskalovi, Gulubovo, Opan, Kovachevtsi, Trun, Godech, Dragoman, Zlatitsa, Kamenno	Gramada, Makresh, Chuprene, Gorno Damianovo, Vurchi dol, Krushari, Alphatar, Glavinitsa, Hitrino, Bolyarovo, Strajitsa, Nevestino, Zemen, Treklyano
Third	Byala (Varna) Dobrich-city Kavarna Tsarevo Chepelare	Dulgopol, Razgrad, Novi Pazar, Dospat, Madan, Rudozem, Kazanluk, Gurmen, Yakoruda, Dolna banya	Omurtag Ardino Rakitovo
Fourth	Aksakovo Radnevo	Kula, Pordim, Karnobat, Sozopol, Batak, Belovo, Lesichovo, Luchi, Rodopi, Ivaylovgrad, Boboshevo, Rila, Koprivshitsa	Boinitsa, General Toshevo, Sungurlare, Tvarditsa, Banite, Madgarovo (Haskovo)

Dimitrovgrad, the other municipalities are in the group of the developed ones. Among these municipalities, Radnevo, Gulubovo and Pernik have the most significant change in the ranking by level of development in the period 2000-2004 (table 5).

In the period 2000-2004 Radnevo municipality has developed by IV theoretical model, i.e. it moves lower in the ranking by 11 points, with slightly increasing unsustainability level. Due to the worsened ecological status of the municipality, there are reasons to expect that the stated negative trend will remain.

During the studied period Gulubovo municipality has developed by II theoretical model – it moves lower in the ranking by 28 points, with significant decrease of unsustainability level. The municipality is searching for its balanced place lower in the ranking, which can be considered as a negative trend, added by the worsened ecological status of the municipality.

By level of development Pernik municipality has moved higher in the ranking by 45 points, though it is among the 10 most polluted municipalities in the country. Its unsustainability level significantly decreases, which shows that the municipality is searching for its balanced place higher in the ranking (I theoretical model). Due to the worsened ecological status of the municipality, there is a need of additional efforts for maintaining the achieved higher positions.

The dependence between the level of development and ecological status is revealed most strongly for the municipalities Devnya (3,3) and Mirkovo (8,8), where the first number in the brackets shows the place the municipality occupies by level of social-economic development in 2004, and the second number in the brackets shows its closeness to the most polluted „municipality”. Among them are the municipalities Sofia-town (5,1), Beloslav (7,9), Burgas (12,4) and Radnevo (15,2), i.e. developed municipalities with worsened ecological characteristics, where the dependence is strongly revealed.

In conclusion, there are reasons to consider that the results of the study of the sustainability of the development of the municipalities is interesting for each concrete municipality, as well as for the territorial entities of higher rank – districts and planning regions. They characterize the dynamics of the running processes in the municipalities in the period 2000-2004 and the place each municipality occupies by level of development among the other municipalities in the district, planning region and country. Conducting such type of studies is interesting also for evaluating the achieved results from carrying out.

CORPORATE SOCIAL RESPONSIBILITY – CORE OF THE SUSTAINABLE DEVELOPMENT

1. Corporate Social Responsibility and Sustainable Development

The corporate social responsibility is a component of the European sustainable development strategy. In the economic literature very often the sustainable development and social responsibility of the firms are considered synonymous. The reason is that the sustainable development as well as the social responsibility supposes the business not only to follow economic criteria but also to satisfy the social and ecological interests of the society. Besides, the theory of agents is a theoretical-methodological fundament of both concepts. Most often the effects of the socially and ecologically responsible business have a positive impact on the reputation of the managers, while the costs for social and ecological initiatives are in reverse proportional dependency with the dividends of the shareholders. However, the contemporary scientific studies show that companies, which follow the criteria of sustainable development and are socially responsible, in practice manage to realize also more significant financial effects. The results of the empirical study of a panel of US companies, listed by the social index Domini, show that the social costs reflect in changes of the companies' goals in direction from maximization of the shareholders' prosperity towards satisfaction of the interests of wide circle of stakeholders.¹ The included in the Domini index companies demonstrate higher sustainability to the sharp changes of the market. It turns out that the increased costs of the companies for labor force have positive impact on the motivation of the personnel, which leads to increase of the labor productivity.

The sustainable development, as well as the social responsibility as its core, suggest considering the interests of wide circle of stakeholders. Such interests have extremely wide range – from use of ecological materials to satisfying the interests of non-trade organizations and civil associations. In practice the synonymous satisfying of all possible interests is completely impossible. According to Paul², economically rational companies allow social and ecological costs when they are completely sure that the future profits will exceed the invested

¹ Becchetti, L., St. Giacomo. Corporate Social Responsibility and Corporate Performance: Evidence from a Panel of US Listed Companies, Research Paper Series, Vol. 26, No 78, 2005.

² Paul, C. Corporate Social Responsibility and Economic Performance, Working Paper, 2006.

costs in close perspective. According to Freeman³, the perception of the process of creating a value as a mutual action should be imposed as a main approach to the interaction of the stakeholders. This requirement increases its currency during financial crisis. The companies should really guarantee high possible profitability for their shareholders, but at the same time they should meet their obligations to the creditors, because otherwise the functioning of the bank system is burdened. Another issue is that the expectations of the stakeholders are a dynamic value and considerably fast changing in the conditions of a dynamic market environment. Having in mind this, economists like Gruning and Hunt⁴ suggest relevant models of interrelations to the stakeholders – a strategy of informing, a strategy of reacting and strategy of including.

It turns out that the theoretical approaches, as well as the practical problems concerning the sustainable development and social responsibility are mutually determined.

The review of the economic literature concerning CSR through the years reveals that yet in his book „The American Economic Republic” Berle states that the increasing power of the labor inevitably imposes newer requirements to the health care, education and social insurance of the workers.⁵

The concept of socially engaged business endures further development in the post-war period. According to the American economist H. Bowen the business should be socially adequate and the businessmen are obliged to make decisions, which should „respond to the values of the society”.⁶

A new step for recognizing the theoretical concept of corporate social responsibility is the formulations of Prof. R. Davis, according to which the social responsibility is not only a behavior, respectively of the law, but a new higher stage of recognizing the social obligations by the firm „outside the frames of the requirements of the law, together with the obligations determined in the law”.⁷ Continuing this logic of study, Prof. Sethi of the California University examines the behavior of the corporations in three aspects: social obligation, social responsibility and social responsiveness, which makes a step to the future „coding of a law of social expectations”.⁸

The concept of social responsibility of the corporations is arguable and provokes wide discussions in the economic circles even today. According to one of its sworn enemies – the founder of the monetarism Prof. M. Friedman from the Chicago school – the social responsibility of the business can be only one – „to use its resources and to conduct activity only towards increase of the

³ Freeman, E., R. Velamuri, B. Moriarty. *Company Stakeholder Responsibility: A New Approach to CSR*, Business Roundtable Institute for Corporate Ethics, 2006.

⁴ Gruning, J., Hunt. T. *Managing Public Relations*, 1984.

⁵ Berle, A. A. *The American Economic Republic*, N. York, 1963, p. 180.

⁶ Bowen, H. *The Social Responsibility of Business*, N.Y., 1964, p. 74.

⁷ Davis, R. *The Meaning and Scope of Social Responsibility, Issues and Viewpoints*, Englewood Cliffs, 1974, p. 629.

⁸ Sethi, S. P. *Japanese Business and Social Conflict*, Cambridge, 1975, p. 19-20.

profits in following the rules of the game in the process of open free competition without lies and fraudulences”.⁹

The thesis of the acknowledged representative of the London school Friedrich Hayek is similar. Recognizing the paradigm of „spontaneous order”, the economist opposes the principle of social justice and responsibility. The author considers that each interaction between two powerful groups – the organized labor and the organized capital – hides huge dangers.¹⁰ Based on it he thinks that the „spontaneous order” should be „ethically neutral”.

The economists of the institutional school also place the focus of their studies on the corporate social responsibility as a whole, as well as in the area of the corporate education. Not denying the role of the firm in the education, Williamson, O. and North, D. directly raise the question of the sources and optimal size of these costs. They consider them as transaction costs and raise sharply the question for the effectiveness of these costs and their direct impact on the labor productivity.

Nowadays the discussions about social responsibility are directed to whether it is a subject of management study, respectively corporate and strategic management or a type of marketing, respectively PR connections with the public. According to the US economist J. Smith, the intrafirm costs for health care, education and improving the quality of life should be set in the business strategy of the firm.¹¹ He states as an example the positive experience of the large US corporations, which have long-term traditions in this direction.

2. *European Parameters of the Social Standard*

The problems concerning the parameters of the social costs of the firms are extremely current in the developed market economies, as well as in the economies of the accessed to EU countries. The reasons for this are few.

The managers of the leading European companies completely acknowledge that the sustainable development of the business in strategic plan depends on the extent, to which are met the expectations of the stakeholders – state, local authority, workers, consumers, shareholders, corporate clients, investors, banks. The interconnection between the sustainable development, as „development, which responds to the needs of the contemporary generation but at the same time does not undermine the opportunities of the future generations to satisfy their own needs”, and the social responsibility, is undoubted. The sustainable development concept with its main components – protection of environment, guaranteeing economic growth and social equality – has much wider range than the social responsibility, initiated on firm level. The sustainable development concept is a base for unfolding of the corporate social responsibility.

The opening of the economies of the former socialist countries to the European market after the accession to EU requires the business to be adequate to

⁹ Friedman, M. *Capitalism and Freedom*, Chicago, 1961, p. 133.

¹⁰ Hayek, F. *The Road to Serfdom*, 2004, p. 65.

¹¹ Smith, J. *Business Strategy*, Cambridge, 1990, p. 204.

the current European standards. The socially responsible business is a guarantee for the stability of the company, and this is hugely significant for the potential investors. EU stimulates the creation of networks of companies, which are engaged in solving the economic, social and ecological problems. Such network of firm Responsible Care functions effectively in the chemical industry.

CSR is an approach, with which the foreign companies adapt their management in untraditional situation, particularly in investing on new markets. In this context there is also overlaying of the goals of the sustainable development with the social responsibility. That is why for a long time it was considered that only and with priority MNC show social engagement. There are no confirmed world rules and norms managing the behavior of the international investors abroad. All initiatives of TNC are voluntary. To a great extent they depend on the branch in which the firm functions, the regional specifics and many other factors.

When it comes to financing social initiatives by the business, the preliminary attitude is that such initiatives can be realized only by the large, acknowledged, financially stable firms. It turns out that according to their opportunities the small and medium-sized firms can have certain motivation for responsible behavior, which is a proof that they develop sustainably.

The situation analysis shows that CSR is a proactive firm policy. CSR should not be considered only an additional financial burden but on the contrary – an additional option for future added value and competitive advantages.

The large international research teams are engaged with the problems of the corporate social responsibility. Authoritative institutions, like World Bank, World Economic Forum, Organization for Economic Cooperation and Development (OECD), UN, conduct active campaigns in this direction.

According to the World Bank CSR can be defined as „engagement of the business to contribute to the sustainable economic development and to guarantee a connection with the workers, their families, local authority and public as a whole in order to improve the quality of life, which is acceptable for the business, as well as for the development”.¹² According to the definition of the World Economic Forum, the corporate citizenship is determined by the „contribution of the company to the society through its business activity, social investments and charity campaigns, including engagements in the public space”.¹³ The Organization for Economic Cooperation and Development focuses on the „optimal interaction between the business and society, in which it operates”.¹⁴ UN does not formulate a new definition of CSR. The authoritative institution focuses on the idea of „global corporate citizenship as a fundament of the individual corporate practices of the multi-national companies”.¹⁵

¹² Disclosure of the Impact of Corporations on Society. 2003, N.J. – Jeneva, p. 23.

¹³ <http://www.pwblf.org>

¹⁴ White Book for Corporate Governance in South Eastern Europe. 2003, Sofia, p. 52-54.

¹⁵ The Social Responsibility of Transnational Corporations. United Nations, N.Y. Jeneva, p. 9-11.

The European Commission defines the social responsibility as a „concept where the firms integrate voluntarily a social engagement and measures for protecting the environment in their business operations and in their interconnections with the other actors”.¹⁶ The social responsibility is an element of the corporate culture, which requires discharging the voluntary firms’ engagements, where the personal interest and private corporate interests fall behind, and a new vision of corporate values is confirmed. The business practice gives clear examples that socially responsible companies develop more successful business. In this sense CSR is a significant economic factor, which leads to creation of added value with certain time lag.

The accession of Bulgaria to the European Union means that the Bulgarian business should voluntarily adopt and follow a behavior, which integrates a social and ecological engagement in their interrelations with the partners. The European integration will make the Bulgarian companies face unknown for most of them norms and requirements, which are an obligatory component of the corporate citizenship. If the firms cannot respond them, they lose their chances to enter the Common European Market.

The main characteristics of CSR are:

- CSR means inclusion of social and ecological measures and responsibilities in the firm strategies and activities.
- CSR is voluntary and does not reflect into a conflict between the interests of the stakeholders.
- CSR is sustainable, permanent process and not a single act.
- CSR does not replace the legal orders and does not go beyond the legal frames.
- CSR has internal and external dimension. The internal dimension includes the interrelations between the employers and employees and is revealed in investing in human capital, insuring healthy and safe work conditions, etc. The external dimension covers suppliers, public and non-governmental organizations, municipalities and all other external parameters of the business environment, in which they function.

Since 2006 active discussions run concerning the future CSR standard ISO/WD 26000, developed under the aegis of the Technical Council ISO, as a system of CSR management. The developed standard is widely covering and provides recommendations not only to the business but also to the state organs, non-commercial, educational, public organizations, as well as to the small and medium-sized enterprises. Its goal is to support the organizations in realizing and reporting their social initiatives. The idea is to neutralize the conflicts between the stakeholders and to increase the trust in the social initiatives. The standard is only advisable and its use is foreseen despite the differences in the

¹⁶ Corporate Social Responsibility on the European Social Policy Agenda. Green paper – 2001, in <http://europa.eu.int>

social, cultural, legislative frames and environment.

The European Union encourages the creation of business networks of firms, which formulate strategies for protecting the environment, observing the human rights, responsibilities to consumers, personnel and public institutions.

Providing information for the social engagements of the business gets close to the reporting concerning the sustainable development on the line of the Global UN Contract. The reporting on the line of the sustainable development is much more widely ranging than the CSR reporting.

CSR requires an active dialogue between the stakeholders, which often have different interests. The three centers – business, public, state – should function as a common mechanism aiming at overcoming the occurred contradictions.

Undoubtedly, the CSR concept is extremely current. In the context of the European Contract the Bulgarian business cannot differ from the European norms. This imposes continuing and deepening of the scientific studies in this area of the economic science.

ROLE AND SIGNIFICANCE OF MARKETING ENVIRONMENT FOR THE SUSTAINABLE ECONOMIC DEVELOPMENT IN THE WORLD AND IN BULGARIA

One of the most cardinal scientific terms and categories, included in the category-term apparatus of the classical and modern marketing and marketing management, is Marketing Environment (ME), also called business environment and market environment.

The marketing environment is an everlasting and great term and category. The state and development of life, business, economy, society, nation and state in all countries, including Bulgaria, depends on its structure and dynamics. From this point of view quite axiomatically comes the statement that the perfect creation and problem-free functioning of ME is vital, always current and globally universal condition and premise for achieving and maintaining a sustainable economic development in the countries with developed market economy, including Bulgaria. The simple reason for this is that the firms of any type and size, as producers and suppliers of all consumer and industrial products, are bearers, engines and generators of the sustainable economic development, and they create and function inside ME and bear natural, decisive and even fateful influence and impact by ME. The rational, effective and profitable existence, functioning and progressing of the firms depends on the content, form, type and intensity of this influence and impact on the firms and their structures, products, personnel, plans, projects, strategies, tactics, policies and programs.

This influence and impact has two diametrically contradictory consequences. The first of them is positive and the second is negative.

The negative consequence of ME is that under certain conditions ME can create and does create big threats, dangers and uncertainties for the firms.

The positive consequence is that ME creates excellent market opportunities and chances for the firms. The following question appears: What are the market opportunities?

Market opportunities are certain areas of the nature, society, life, business, economy, science, technics, technology, literature and art, where exist certain small or big individual, family, firm, organizational and institutional needs to be satisfied. The market opportunities create favorable and necessary conditions and premises for generating sales, respectively profits, without which the firms cannot survive and progress in the national and global competition and cannot be a natural bearers, generators and engines of sustainable economic

growth in the country and abroad. It would not be unreasonable, exaggerated and wrong if we determine the following universal regularity and trend, which can be characterized as a concentrated expression of the objective connection and dependency between marketing environment, firms, sales and sustainable development:

ME	F	MO	Sa	Pf	Su	Pg	SED	ME
1	2	3	4	5	6	7	8	1

where ME is marketing environment, F is firms of all types and sizes, MO is market opportunities, Sa is sales, Pf is profits, Su is survival, Pg is growth, SED is sustainable economic development.

If this regularity and trend is good and modern, and if it functions without problems, then everything concerning the sustainable economic development will be good, modern and problem-free. This is a great and eternal, objective and regular cycle, which daily, even hourly and minutely functions and repeats. Its starting and end point is ME, on which structure, state and dynamics depends everything concerning the other components, i.e. 2, 3, 4, 5, 6, 7 and mostly 8.

Marketing environment in essence is a very complex and extremely dynamic combination of different forces, structures, factors, objects, subjects, organs, organizations, institutions, phenomena, processes, events, laws and sub-legal acts in certain country and in the world. This eternal and great combination exists outside the firms, but has weak or strong regular impact on the firms and their structures, products, personnel, sales, strategies, tactics, plans, projects, policies and programs. The marketing environment cannot be controlled by the firms. They should consider it daily, hourly and even minutely and should conform with its complex essence and dynamics. Otherwise they will suffer lethal blows from it, will have different problems and will not be able to realize the expected and dreamed sales, respectively profits. Thus they will not be bearers, generators and engines of the sustainable economic development. Due to all this one of the primary, vital and always current tasks of the firms and the firm managers is to observe, trace, scan, analyze and interpret the structure, evolution and dynamics of ME in the country and abroad. This task, which is one of the national functions of the state and the state organs and institutions, is nothing else but the planning, conducting and managing certain periodical and highly competent monitoring of the marketing environment.

The state and firm monitoring of ME has two interconnected parts. The first part is the scanning and the second – analysis and evaluation. The scanning means gathering, systematizing and processing of all initial and secondary information concerning the structure, evolution and dynamics of ME in the country and abroad. The analysis and evaluation consists of studying and interpreting the gathered information, as well as formulating short and concrete conclusions and recommendations, which should be addressed to the firm and state

governance.

The structure of the marketing environment is determined by the way of its influence on the firms and the firms' attributes and indicators. If this influence is direct, then it is a MICRO ME. If the influence is indirect then it is MACRO ME. Both parts (macro and micro) of ME have many structural elements.

MACRO ME, which has a considerably larger range, consists of the following structural elements:

1. Economic environment,
2. Demographic environment,
3. Political environment,
4. Legal environment,
5. Scientific-technical and technological environment,
6. Nature-climate environment,
7. Ecological environment,
8. Social environment,
9. Cultural environment.

MICRO ME, which has considerably small scales but more fateful impact, consists of the following structural elements:

1. Market,
2. Suppliers,
3. Mediators,
4. Competitors,
5. Contact audiences.

All mentioned above concerns the marketing macro and micro environment in Bulgaria. The monitoring of the past, present and future of ME in Bulgaria lead to the following main conclusions, statements and recommendations:

First, ME in Bulgaria in the period of the so-called „real socialism” had nothing to do with ME in the scientific sense of the word. ME in the same period was deformed, paralyzed and sick, and it suffered lack and distortion of many vital structural elements, for instance economic environment, political environment, legal environment, social environment, cultural environment, market, suppliers, mediators, competitors and contact audiences. Many of them do not function entirely or partially, they were perverted and deformed by the regime, they felt the anger and arbitrariness of the command and administrative system, they had no independence, they were not motivated materially or morally, they had no fear or worry of the national and global competition of real and potential nature.

Second, in the last 17 years since 1989 ME in Bulgaria endured a remarkable and magnificent, though painful and contradictive evolution. This evolution led to the establishment and improvement of modern and stable marketing environment, which on the other hand created and continues to create favorable and non-marketeering conditions and premises for sustainable development of the Bulgarian business, economy and society. All or almost all elements of ME in the country nowadays are modern, stable and dynamic and carry out well their mission and function. The legal system as an element of ME in the country is an exception. It still operates with some old legal norms, methods and approaches and has a great need of complete modernization and adaptation. It is not coincidence that 90% of many internal and external physical and juridical entities are not satisfied with its work and have well-founded criticism and remarks.

Third, the new and modern marketing environment in Bulgaria since 1st January 2007 is integrated with the international and European marketing environment. This integration insures even greater opportunities for a positive im-

pact and influence on the firms and their business in the country and abroad. In this way it, i.e. the marketing environment, becomes even bigger multiplier and accelerator of the sustainable economic, trade, financial, market, scientific-technical, social and cultural growth and progress in Bulgaria.

Fourth, considerably more radical and even more remarkable changes were made in the economic, political, competitive, market environment, as well as in the essence and direction of the contact audiences in the country in the last 17 years. It is one of the more substantial results and effects of the impressive evolution of the marketing environment in Bulgaria in the period since 10th November 1989.

Fifth, the radical changes in the economic environment as a component of the MACRO ME in the country are many. The most substantial are: new constitution, which insured and made eternal the universal and centuries old principle of inviolability of the private ownership, freedom of private business and initiative, the main democratic and human rights; new trade code; new export and import regime, foreign investments act, act on protection of competition; new tax and customs acts; all legal and sub-legal acts for adaptation of the economy to the European standards and criteria. The fact that on 5th June 2008 the World Bank specified this environment as the most successfully reformed environment in the world is praiseworthy.

Sixth, the considerably more important changes in the political environment as a main component of MACRO ME in the country were: many laws and sub-legal acts for modern reconstruction of the executive power and the political parties, as well as insuring the political rights and freedoms of the physical and juridical persons in the country. However, the most remarkable and cardinal change in the political environment has been and continues to be the liquidating and eliminating the real and potential centers, which were observed as a whole in the last years of the totalitarian society and in the first couple of years of the transition to democracy and market economy, and which have been a big threat and danger for the civil, class, social and ethnic peace and security in the country. As a result of this complete and successful liquidation and elimination, and thanks to many other measures and actions against the clear and secret remains of such centers, Bulgaria turned into a wonderful and model island of civil, class, social and ethnic peace, security and solidarity in the region and even in the world.

Seventh, the deep and radical changes in the competitive environment led Bulgaria out of the pernicious chains of the autarchy and reticence and put it on the wonderful rails and waves of the global and European competition. In this way in Bulgaria many global competitors with world famous products and brands and wide-scale investment and reinvestment projects, plans and initiatives started to come. On the other hand, many Bulgarian holdings and firms exported their products since in the country they began to endure the restructuring and cleaning impact of the global competition.

Eighth, in the country emerged and quickly evolved many new components

of the contacts audiences as physical and juridical persons, who due to different general and specific needs and motives show real and potential interest in the firms in the country. Media, organizations for social pressure, financial and credit institutions, mediators, suppliers, contact audiences and firms have special place and significance among these components.

The Bulgarian media became a powerful and wide-scale fourth power in the country, strengthening and renewing its long traditions and acquiring new powers in the conditions of democracy and market economy.

Many new Bulgarian organizations for social pressure emerged, and the old ones endured big evolution and modernization. These are for example the ecological organizations, organizations for protecting the consumers, organizations for protecting the women and children, sick and invalids, many charity companies and foundations.

The Bulgarian financial and credit institutions have renewed completely and multiplied.

The Bulgarian mediators had new essence, direction and mission and became many in number.

New business circles appeared, namely the suppliers.

The general public and community in the country acquired new scales, powers and dimensions.

Over a million of micro, small, medium-sized, large and very large private, foreign and joint ventured emerged and developed quickly. They became a powerful element of the contemporary Bulgarian marketing stage and began to produce and supply 1/3 of the GNP of the country.

Ninth, the most impressive revolution occurred on the market as a component of MICRO ME in the country. The market acquired and embraced its real and scientific meaning and freed itself of the lethal chains, which obstructed and paralyzed it during the totalitarian and command-administrative regime. Thus it became eternal and great combination of real and potential clients, who have different small and big needs to be satisfied, who have different small or big incomes, i.e. purchase power, and who have desires to purchase different products. A more analytical approach towards the market in Bulgaria leads to the following more concrete conclusions and generalizations about it:

➤ The market in Bulgaria in the studied period regenerated and grew up as a real market in the full meaning of the word and with both its interconnected components: consumer market and industrial market. Its index restored its unique and universal power, which has been liquidated by the communist regime, and which was and is the most successful indicators of the current and future state and development of the firms and the sustainable growth.

➤ The Bulgarian market has become an integral part of the European market of EU since 1st January 2007 and of the global market since 10th November 1989 in the world, without losing its national identity and specifics.

➤ New components of the market in the country emerged and developed quickly, for instance state, municipal and institutional markets. Its old compo-

nents, i.e. the production market and trade market, have renewed fundamentally.

➤ The Bulgarian market is not anymore a „soft” market, which accepts all products no matter whether they and their exploitation features, innovation characteristics and quality determinations are. It is now a „hard” market, which unlike its „soft” character in the communist time has its own general and specific needs, desires and preferences, requirements and standards, trends and claims.

➤ Its long-lasting natural intelligence has increased, which as a fact became a material premise for the forming of a high degree of education and culture of the young and middle elements since 1989. This phenomenal national feature of the Bulgarian market as a nation and community has even bigger contribution to the current and future process of adaptation and integration of Bulgaria to EU and the world.

➤ There is a certain improvement in the state of its poor and poorest segments, and some of them moved to the middle segments.

➤ The total number of the rich and richest segments increased.

➤ It became even more educated and cultural, strict and intelligent, initiative and entrepreneurial, diligent and peaceful, heuristic and creative. That is why it quickly realized the fact that at the end it is his highness and guardian angel of all firms and businesses. Realizing this fact, it started day by day more and more to reject the rudeness, negligence, gloominess, impoliteness and lack of culture of the bureaucratic and army thinking salesmen of the products.

➤ As a whole the Bulgarian market with its both components – consumer and industrial market – turned into an integral part of a mega market, which is strongly internationalized, globalized and regionalized, and which is called common European market with almost 500 million people from 27 countries plus few dozens of millions foreigners, and juridical persons, state and municipality organs and organizations, foundations, charity companies, institutions, organizations for social pressure, health and public structures, educational and scientific links and staff, religious and social organizations, firms, etc.

➤ The contribution of the Bulgarian national market in the sustainable economic development of the country is and will continue to be high. Moreover, as the most substantial component of the marketing environment in the country it is and will be a vital significant condition and premise for the sustainable economic development of Bulgaria. It creates the biggest market opportunities. Creating these opportunities, it serves to the sustainable growth. Also, it requires the sustainable growth to serve it by offering high value and perfect satisfaction always and without interruption.

The main conclusion is that the sustainable economic development in Bulgaria and in the world is unthinkable without the marketing environment and without the national and global market in particular. That is why there should be special efforts and cares by the political factors and firm owners and managers for the marketing environment and the market. The marketing environment as a whole and the market in particular in Bulgaria and in the world are guardian angels, keepers, continuers, multipliers and accelerators of the sustainable

growth when the firms perform periodical and profound monitoring of the marketing environment and the market and take into consideration their structure, dynamics and evolution. In the other case, the marketing environment and the market create threats and dangers, which interrupt and even disrupt the sustainable growth in the country and in the world. Of course, the market has more special role and significance here. Moreover, the market index, which is also a client index, shows and proves the health status and perspectives of the firms, respectively the sustainable growth in the country and in the world. If this index is high, stable, non-zigzagging and tends towards constant increase, then the firms and the sustainable growth have super health and high perspective and continuity. And on the contrary, if this index is low, unstable, zigzagging and tends towards zero, then the firms and the sustainable growth have worsened health and are threatened by diseases, paralyses, coma and death.

BULGARIAN NON-GOVERNMENT SECTOR IN THE CONTEXT OF SUSTAINABLE DEVELOPMENT

The full EU membership of Bulgaria changed the context and the focus of the civil responsibility. This caused a necessity for development of civil capacity for effective influence on the process of forming of EU-level policies through the prism of the Bulgarian social interest. Equally significant is the building of capacity for applying of the EU practices for local and regional development.

A main principle for sustainable development is the feedback, the communication in the system itself and between it and the environment. In the case of non-government sector on national level, important are the relations between citizens and state as long as the non-government sector is the mediator between them. On European level, of interest are relations with institutions like the European commission, the Council of Europe, and the EU networks and platforms for non-government organizations (NGOs).

What is the knowledge level of the NGO sector and of the Bulgarian citizens, for the institutions and the informal mechanisms for participation in the decision making process on European level? How prepared are we for the challenges of the European perspectives for sustainable development? What were the expectations connected to the role of the civil sector in the Euro-integration process, and what are the realities now – after one year of EU membership? Is there a capacity for using the resources of the civil society for pressuring for reforms in the area of sustainable development? Is it known whether the mechanisms for civil participation work – namely, the civil participation to influence on the forming of informed positions for policies on important question for Bulgaria and the EU?

The article below will try to answer some of those questions.

The European project of the Bulgarians – expectations VS Reality

Rifkin defines the European dream as a „beam of light in a troubled world” (Rifkin, 2005). This is the same for the Bulgarians, for which the EU membership is political event №1 for 2007 according to data from Alfa Research (Petrova, <http://www.aresearch.org/recent/1441.html>). This illustrates the fact, that during the last years the European project was the one that caused the most optimism in Bulgarians. However what happened after Bulgaria joined the EU?

The research from the first year of EU membership shows that as a real Europeans, the Bulgarians compensate the lack of trust in their own institutions

with trust in the European. Data from national representative research of the Institute of Sociology – part of BAS (Bulgarian Academy of Sciences), and the National Center for Research of Public opinion (NCRPO) show that during the autumn of 2007, 24 % of the Bulgarians fully trust to the European institutions, and only 10% trust fully in the Bulgarian institutions. And vice versa – 13% do not trust the EU institutions, and 34.5% – do not trust in the Bulgarian.

The results from the European Social Study (ESS)¹ are analogical – according to them the Bulgarians have the lowest trust in national institutions and politics, but they believe several times more in the EU parliament and the UN. „The trust in the state institutions and the judicial system in Bulgaria is alarmingly low”, commented the national coordinator of the Bulgarian project dr. Lilia Dimova from the Agency for Social Analyses (ASA). The trust of the Bulgarians in the politicians according to the scale 0 and 10, where 0 is no trust, and 10 – full trust is just 1,8, for the judicial system 2,4, for the parliament пункта 2,2. According to the research, the Bulgarians tend to be the most untrusting nation to people as a whole – the respondents gave only 3,3 points of trust to other people, while in Denmark the trust is 7 points (<http://www.dnes.bg/article.php?id=45160>).

Such results cause the Bulgarian society to be estimated as „a society of low trust” (Tilkidjiev, 2007: 55). The reasons that Tilkidjiev finds are not only in the lack of personal security and safety, but also in the unlawfulness of the social inequality, and in the lack of real civil society, as well as the low living standard.

The data of Eurobarometer is indicative – in 2007 it registered that the civil approval of the Bulgarian EU membership is lower than the average of the European Union. Every fourth person is hesitating, and every fifth says s/he cannot trust the EU. Nevertheless, more than half of the Bulgarians perceive EU membership as something positive – 55%, the negative feelings are 8%, and the neutral estimates have a small increase by 2% and reach 29% (Eurobarometer 67, spring 2007).

The number of Bulgarians that answer positively to the question „Do you feel Europeans?” is decreasing. According to the already cited research of NCRPO and the Institute of Sociology, part of BAS, from November 2007, it is observed a double decrease from 2004, when we dreamt of Europe. Now only 10.7% of the Bulgarians feel like Europeans while three years earlier they were 20.2%. In relation to that, the percentage of the Bulgarians convinced that the corruption begins to grow increased two times for three years.

In 2004, they were 9%, while in 2007 they are 22.6%.

It is clear that not only the apprehensions for the lack of identity erode the

¹ The research is made by national representative percentage of the population over 16 years of age and encompasses the period from the End of 2006 and beginning of 2007, 1400 people were inquired from 200 places in the country by direct individual interview according to their address. (<http://www.dnes.bg/article.php?id=45160>)

EU identity. Among the factors we can add lack of real mismatch to European standards in a number of significant spheres like income, social and health insurance, as well as the threats of embezzlement of EU funds and the lack of trust in our own capacity to benefit from the EU membership.

Part of the picture is the national representative research of „Alfa Research”, which finds out in December 2007 г., that a year of EU membership has not influenced at all the life of 57% of the Bulgarians – mainly in middle age. The youngest quarter of the nation expects change is for better, while 16% of the elderly think Bulgaria loses from the membership. The skeptics about the EU membership are disappointed from the abilities of the Bulgarian state to create conditions, which allow a maximum number of people to benefit from the membership. (Dimitrova, <http://evropa.dnevnik.bg/show/?storyid=410890>).

The upward trends show that for one year, the Bulgarians became more tempered euro-optimists, while the trust in the EU may happen to be even more unstable than the trust of the average EU citizen. On the other hand, it is obvious that the euro-integration process of the Bulgarian society creates serious prerequisites for minimizing of the role of the administrative state.

The explanation is that first, part of the state’s functions are transferred to the public organizations and the organs of the local authorities, which to a much larger extent reflect the economical, social, and other civil interests, contribute much more to the strengthening of democracy than the centralized state authority. Secondly, the EU membership states transfer its functions (thus they transfer part of the national sovereignty) to different over-state organizations – and predominantly to the EU governing organs. The international contracts become part of the national legal environment and have priority over it by imposing common European principles.

The issue which arises from the above tendency is: „How do we construct in these conditions the architecture of the common, multilateral government, based on the common principles, on the sharing of authority, as well as the reciprocity and the harmonization of interests? In other words – how can we accomplish sustainable development? Having in mind that cooperation is a main principle of sustainable development, we should search the answer in the cooperation between state and civil society – in the participation of all interested parties in the decision making process. The expectation is that this is in the capabilities of very strong civil sector, which is independent of the state and is equal partner in the public sphere, i.e. sustainable development of the civil sector. However, do the expectations meet reality?

NGO in Bulgaria – „sustainable non-development”, „insecure sustainability” or „sustainable development”?

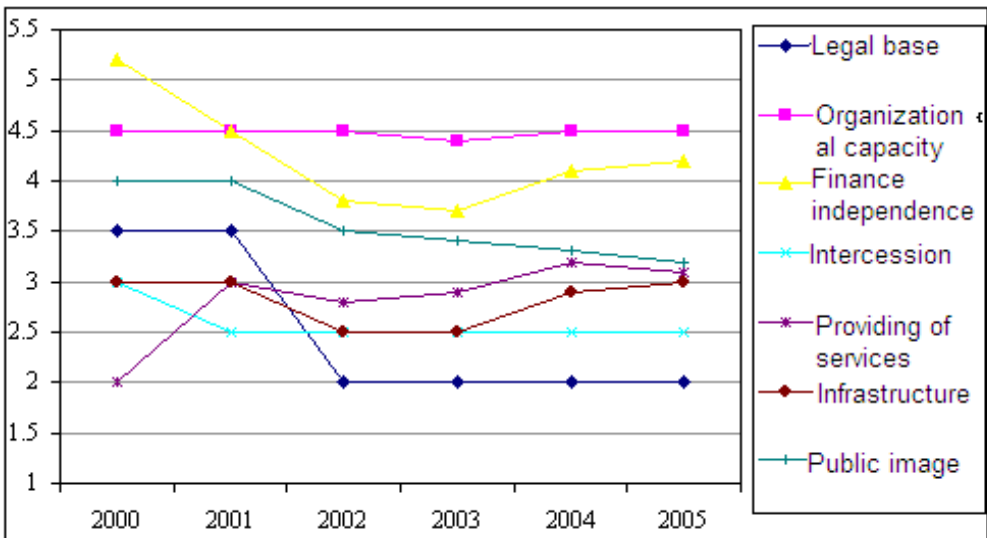
Regarding the realization of the concept for sustainable development on one country, region, or town, the influence of the NGOs cannot be neglected. Though they are relatively new actors, they are recognized for indivisible part of accomplishing sustainable development in the society. They provide educa-

tion and expertise; they participate in determining the society everyday habits by offering alternatives of the development; they provide social services to risk groups; they help for solving significant economical and ecological problems and lobby in local and state institutions, they cooperate for transparency of the government... However, is the NGO sector itself as sustainable as the expectations of its leaders and citizens?

In the end of 2007, there are already 27 thousand NGOs in Bulgaria, registered by NGO law, of which 83% are cooperatives, 17% – foundations². According expert estimates of the Bulgarian center for non-profit law, the active among them are only 2500. The third sector is versatile. There are NGO think tanks, which influence on the forming and execution of policies. There are NGOs, which are providers of services or redistributors of sources, while other' main activity is lobbying. They initiate most often legal, regulative and anti-corruption initiatives. NGOs social works and social funds were formed recently in response to the possibility that NGOs can perform trade activities. The last shows that not only in quantity, but also in quantity, the sector has covered all the range of possibilities for development. Is it sustainable, though?

A beam of light on the non/sustainability of the Bulgarian NGO sector is the Index for Sustainability of the NGOs, prepared regularly by the US Agency for International Development. It is made by a combination of seven factors, which are important for the sustainability of the organizations.

Figure 1. *Index of sustainability for the NGOs in Bulgaria*



Note: Mark 1 means fully developed non-government sector, while 7 – low level of development.

² Bulstat Register: <http://www.registryagency.bg/bg/Services/bulstat/>

During the last two years Bulgaria keeps steady level of the common index – 3.2. For 2005 and 2006 our country has the lowest level of sub-indicators: organizational (4.5) and financial independence/security (4.2). The best estimates are for legal base (2.0) and intercession (2.5) (Graphic 1). In 2006, the index again keeps its value of 3.2, while the intercession changes to 2.4, while the public image to 3.1.

As main obstacles for the sustainability of the non government sector are defined: the lack of organizational skills – part of the organizations have no strategic vision and plan for the future; the lack of clear structure and defining of the responsibility within the teams, the lack of permanent staff and continuous investing in human resources, as well as the unsustainable financial development of the sector (The 2005 Sustainability index).

Exceptionally interesting approach to the strategic frame for NGO sustainability is offered by the research „Bulgarian NGO sector in the context of development”, which discusses three dimensions of the NGO sustainability – efficacy, continuity and depending on oneself alone. Those three aspects correspond to the questions – „what do I have to do?” (sustainable development), „what should be done?” (through permanent activities – sustainable programmatic/project interventions), and „who should do it?” (organizations, which can depend on their own forces, sustainable institutions) (The Bulgarian NGO sector 2003:90). The researchers show two very important factors, which hinder sustainability – first, the unstructured and torn into pieces NGO sector, which is deprived of meaningful relations and inner communication, second – the lack of clear identity and positive image of the sector, which can help for attracting mass support from the society. In this way, the NGO sector can neither make permanent and productive dialogue with the government and attract dependable resources from it, nor it can depend on support from the society. The NGO authors find the key to future sustainability for NGO sector in improving its relations with the communities, in the increasing of the capacity and the quality of the sector and in its future economical activities (Bulgarian NGO sector 2003:10).

The main conclusion from the estimate of NGO sector sustainability is that within the current legal framework, the difficult access to financial resource, and the insufficiently developed organizational skills, the Bulgarian NGOs still can influence on the social life. An argument for this is the fact, that both, the state and the business overcome their initial full negativism towards NGOs and they start to use them as an intermediary for problem solving, and as a mediator of group public interests in common tasks. The question is – how the strong sides of the NGOs can be transformed in possibilities, and the weak sides of the sector not to be transformed into threats for its sustainability?

NGO – packet deals

The forgotten decentralization and political corruption turned out the NGO more in partners to the state, than to the citizens. Threat for the sustainability of

the sector is not only its strong dependency from the state and the local authorities, but also from the international donors. A survey by MBMD, requested from the Bulgarian Center for Non-Trade Law, shows that the financing of the NGOs in our country comes from several main sources. The international donors form about 40 % of the common size of the financing (it was about 80% in 2000), own trade activity gives about 17% of the financing, the state subsidies are about 8% plus 2% from municipalities, donations from private sector are 8%, from physical persons – 6%.

The proximity of the NGOs with the political system explains why the civil organizations in general, have low public trust and bad image. By imitating the political system (it is a public secret that there are foundations of the blue, red, orange, green, yellow, etc.), the sector cannot be a real corrective and cannot initiate a continuous constructive dialogue with the authorities by presenting civil ideas, instead it resembles the relation „state-citizens”. It is not accidental that, according to survey of „Balkan Assist” in 2005, only 3.4% of the people can point within their society a sensible civil organization, which has contributed for improving the lifestyle during the last year. (State of society, 2005: 66).

Having in mind the background of low public trust for the sector and its low concern about the NGO sector, the NGO confidence is rather high. While researching the motives for participating in structural funds, the authors of the National Report for Human Development „Are we ready for the EU?” (United Nations Development Programme – UNDP, 2006) mention the low intercession function of NGOs. The low level of motives, as the presenting of the interests (9%) and understanding of the needs of the target groups or the region (6%) show that NGOs are not enough motivated, to contribute for regional, local or community development. „This paradox, may be also classified as significant issue, and indicates large part of the NGOs today have abdicated from some of its main functions”, a comment by the authors of the National Report (National Report 2006:73).

It is not unexpected that some of the NGOs in Bulgaria have abdicated from their main functions. The consumer model has deeply rooted both – in their behavior and expectations, as well as in the behavior and expectation the Bulgarian citizens. This explains why the country is shaken by corrupt scandals, while the NGO sector keeps silent, although during the last years tens of anticorruption scandals were financed. There is considerable solidarity between politicians like hidden NGO leaders and of NGO leaders like hidden politicians. It illustrates the so-called «packet deals» – «I make you a compromise for this, and you – for something else». The conspiracy, related to those deals, leads to imitation of civil control on the authorities – there are impressive facts that only authority „approved” civil organizations take part to the monitoring.

One of the heroes of Ivan Radoev, recommends to „find a white kitty, to do your black work”. The Bulgarian third sector has voluntarily accepted the role of white kitty, which does the dirty work of the politicians. If this is not global precedent (NGOs are commonly determined as super force on global level), it is

at least a precedent in the EU. The EU NGOs not only traditionally participate in determining the daily life of the society, but also exercise civil control on state and local actors, ensure training and expertise, provide social services to risk groups, help for the solving of considerable economical and ecological problems, lobby between state and local institutions, cooperate for transparency in authorities. The conditions for this are provided by planning the principles that stimulate sustainability: the bottom-up approach, the integration in local economy, the multitude of interested parties, the innovative projects.

In our country, the deformations come from hidden financing of the politicians through NGOs, for which the donors can be blamed partially. Some of them created „related circles of NGOs” and financed the „civil activity” of members of the parliament, ministers, or mayors, and in the least to ex-politicians of different authority and color. In this way, the lack of transparency in the financing of the political parties caused definitions of the NGO sector like „governmental, parliamentary, and presidential”... The donors as well as the politics, have put aside several NGO-children, and in this way all the citizens became excessive, unless we have to legitimize some new NGO.

Culture of non-participation vs. Culture of participation

According to EU documents, the civil society is the „third component” in the governing of the union and mediator between the state, market, and the citizens. In the Lisbon contract for changing of the EU and in the contract for EU creation, signed on 13 December 2007, the following warranties are stated for state participation:

➤ Through appropriate means, the institutions deliver to the citizens and to the organizations the possibility to express and share publicly their opinions in all areas and activities of the EU.

➤ The institutions support transparent and regular dialogue with the representative organizations and the civil society.

➤ In order to ensure coordination and transparency of the EU activities, the commission makes wide-scale consultations with interested parties.

On this background, in Bulgaria we notice asymmetry between state and citizens, which explains not only why we trust more to the EU than to Bulgarian institutions, but also why the culture of non-participation is more socially desirable and acceptable than the culture of participation. One of the factors for non-participation is the corruption on the highest authority levels, which creates concerns from deformations and loss of personal values and moral norms in the whole society.

The characteristics for non-participation are the „lack of information”, „escapism”, „the inner migration”, „the brain drain”, „the apathy”. The culture for non-participation is formed as a result of the „rational negligence” (Olson, 2001), a phenomenon in which the typical citizens choose not to be interested by the state questions, because the costs for obtaining info for them are higher than the benefits. That is why, the inattentive behavior is one of the forms of passive

civil protest against isolation of access to information, access to EU funds, and to other important civil values.

Usually the lack of „participation culture” is compensated by the „non-participation culture. For example large part of the unemployed and the retired, i.e., of the non-participating, think that the euro-integration doesn't concern them. They probably do not feed illusions that in order not to cause disappointments.

On the other side is the „participation culture” which in our country is still in initial stage. A good example for its presence is the creation of networks/families of NGOs, which is a good indicator for sustainable capacity in the NGO sector, for higher degree of development of the partnership between NGOs with similar interests. It is totally voluntarily and it is a try for thematic consolidation of the NGO sector in order to participate more effectively in the decision making and for influencing on forming civil politics on central and local level. The networks have determined spheres of activities in the respective areas, and have built mechanisms for communication and decision making. Examples of networks/families in Bulgaria are: „Bulgarian Gender Coalition” „Media”; „Info center NGO against poverty”, which is the Bulgarian branch of EAPN – European Anti-Poverty network, „Social policies, „Saving of the Environment” and family „Human rights”. In 2005 appears „Civil coalition for sustainable usage of the EU funds” which unites more than 40 organizations among the idea for providing civil participation and influence of the NGO sector in the successful utilization of EU funds. The aim of the coalition is granting of the transparency and the state control on the sustainability of the planned projects, their environmental friendliness and protection of the interests and benefits of the local population. (<http://www.bluelink.info/eu-funds/contacts.shtml>).

A paradox fact is that in 2008, Bulgaria still has no own National strategy for sustainable development, though in the last year in the public sphere appeared a Project (Project for Strategy 2007). In an opinion of the Institute for Green Policy (IGP – member of the „Civil coalition for sustainable utilization of the EU funds”) from 29 May 2007 is commented the Project for Strategy of Sustainable Development (SSD) of Bulgaria. In the cited document, it is noted that, the environment NGOs are not invited for participation from the earliest stage, so they cannot effectively contribute, it is not planned for NGOs to participate in the monitoring and control for the implementation of the Strategy... (Opinion 2007: 1).

The example with the Project for National Strategy shows that the state is unstable in respecting the civil organizations as an equal partner in forming the public policy. The state cannot realize by itself alone the creation of conditions for sustainable and balanced development in the regions of Bulgaria, as well as creation prerequisites for intra and extra-regional differences, and the help for the employment and income of the population. The other name of sustainable development is partnership, but our county's started to „fabricate” strategies –

over 100 for now, – без without the participation of interested parties, including NGOs, which resembles the symmetry „state-citizens” (Gancheva 2004).

Lobbying, intercession – these are the new opportunities for the NGOs, if they want to participate in the decision making and common governance. The following conditions need to be satisfied in order to realize those possibilities – first, consolidation of the sector and forming of networks; decreasing of the NGO number and disappearance of those that exist only on paper or have a dossier of supermarket; larger transparency and strengthening of the NGO role by providing services, improvement of the relations with citizens and interested parties, and cooperation with the state and among the NGOs themselves. He strengthening of the partnership between national and European NGO and the financial sustainability are also important conditions for the successful empowerment of the civil sector.

The hopes of NGOs – hopes for (financial) sustainability

During 2007 the Bulgarian center for non-trade law started a campaign, supported by 150 of the most active state organizations, for the financial sustainability of the NGO sector. The first aim is to increase the percentage of state subsidy, which is distributed after competition. In the present, 89% of the sum, which is 8 million leva are redistributed among 20 organizations, chosen by the government, and only 11% are given through competing principle. The center for non-trade law insist on initiating a follow-up control whether the money are spend according to project target, since nowadays only the financial reports are checked, but nobody controls whether the declared values are followed. The second step for NGO financial stability will be lobbying for the so-called mechanism for 1% introduction. It allows each citizen to determine 1% of his/her yearly tax for financing of certain organization. This type of tax decentralization is successfully implemented in Hungary, Russia, Poland, Slovakia, Lithuania, and Slovenia.

The boldest idea of the Bulgarian center for non-trade law is to create a fund for civil initiatives, whose initial capital to be presented by the state, as a compensation of the nationalized 60 years ago private foundations, whose property is still owned by the state. The funds will be invested in financial instruments, while the incomes will be distributed as grants. This mechanism, known as endowment is popular in the USA (<http://www.bcnl.org/docs.php?t2=79&st2=80>).

The hopes are that the introduction of such mechanisms will decrease the dependence of NGOs from foreign donors, will stimulate their dependence on the citizens, will improve their financial stability. and will improve the public NGO image.

The European perspectives and the opportunities for the Bulgarian NGOs

The participation of the Bulgarian NGOs may be applied both – in the execution and in the forming of EU policies and laws. It can be exercised on EU level – with direct influence on the European institutions, and on national level

– by participating for the European questions that concern Bulgaria.

For example, On EU level the possibilities for influence of the NGO sector for realization and forming policies are: presenting of opinions on the states that are the following chairman-countries of the EU Council; participation in EU initiatives for gathering and consulting public opinion; presentation of positions and participation in the consulting process; lobbying in the EU parliament through the Bulgarian deputies; participation in multi-national unities of NGO organizations for presenting common positions in front of EU (Kaloyanov, 2008: 8-9). On national level, the possibilities for influence of the NGO sector for forming and realization of politics are: participation in the preparation and harmonization of national positions; participation in the discussion for applying of EU policies, initiated by national authorities; lobbying in the national parliament.

The possibilities for influence of the NGO sector in the preparation, acceptance and application of the EU legal framework also have two levels. On the EU level those possibilities are: presentation of positions for the preparation and execution of the Commission annual program; petitions to the EU parliament and notifications to the EU ombudsman; participation in national unities of the NGOs for presenting a common position in front of EU. On national level the possibilities for influence of the NGO sector are the preparation, acceptance and implementation of the EU legal framework are: participation in the process of making and harmonizing of national positions, presented by Bulgaria in front of the EU council and the other European institutions; participation in the Committees for monitoring the funds, granted by the EU; lobbying in the Bulgarian parliament, and others (Kaloyanov, 2008: 9-10).

In order to participate equally active the decision-making process in EU, both on EU and national level, the Bulgarian NGOs have to know the areas of competency of the EU, as well as the decision-making procedures. They also have to know the normative base, to have access to information for the policies and laws and to use the possibilities for common actions with multi-national NGOs or NGOs from foreign EU countries. However, currently there is no Bulgarian office in Brussels, or legitimate Bulgarian representatives in the European platforms and networks of NGOs. That is why the Bulgarian NGO sector does not participate in the decision making on higher level since there are no Bulgarian NGOs. Contrary to Bulgaria, a number of newly EU accepted states have an employee or office in Brussels, which gives possibilities to those countries to strengthen their NGO sector. Similar kind of mechanisms are still commonly unknown in Bulgaria and are scarcely practiced. However, „Open Society” foundation has undertaken such initiative – to send legitimate and competent representatives that will work in the European social platforms. This will help for the financial stability of the state sector, because the European commission finances NGOs, which are acknowledged as legitimate, as well as networks of NGOs. For example, meetings with the EU commission are organized every two years from the European social platforms since 1995. As an alterna-

tive, in which Bulgaria has its own representatives is the participation of citizens from different states for the forming of expert civil groups. An example for this is „Dialogue for civil society”, which organizes regular meetings related to trade issues. Another example is the tens of European civil networks, which exercise control on EU funds and finances. So, the future is in front of us.

Note

The article uses data from several empirical sociological surveys, financed by National Committee for Scientific Research. They are prepared by Program committee from the Institute of Sociology, (part of BAS) with leader Anna Manatarova, Ph.D. as part of the project „Euro-integration of Bulgaria”. The surveys are representative for the population over 18 year of age in Bulgaria. The gathering of local information has been done by National Center for Research of the Public Opinion.

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ECONOMIC ASPECTS OF THE NATIONAL CLIMATE CHANGE POLICY

The world history of economy proves that development is possible but not certain. The „economic miracles” that have been achieved up to now resulted by a unique combination of specific for a relative country favorable conditions, aggressive long-term economic, social, institutional and any other kind of policy, suitable geographic location and a casual coincidence of circumstances in a certain historical context.¹

As an illustration, the accession to the EU sets more favorable preconditions for an economic growth, than not becoming an EU member. EU membership, though, is not a sufficient condition for a quick economic convergence with more developed member states.

That is why a deeper research of the factors and the conditions of economic growth is necessary.

Recently the economic life/development/ and economic subjects are more and more being in a state of dependence on the UN regulations in the field of environmental protection particularly on the regulations related to conducting the Climate Change Policy.²

This issue is a question of present interest because the international policy in this field is actively extending by adopting new regulations for periods beyond 2020.

During the 13th Conference of the parties to the United Nations Framework Convention on Climate Change (KC 13) and the 3rd Session of the Conference of the parties, serving as a Meeting of the Parties to the Kyoto Protocol, that took place in December 2007 in Bali, Indonesia, an agreement for a biannual negotiations „road map” was achieved aiming at a global agreement concerning the post 2012 period in order to regulate financial and economic aspects of the international policy inclusively.

During the European council in March 2007 the leading role of the EU in

¹ Prof. Ivan Angelov , The Bulgarian Economy and the European Union – Strategy for Accelerated Economic Development by 2020, Sofia , November 2003, sec. 2.8

² Prof. R. Gechev, Macroeconomic Policy for Sustainable Development of Bulgaria, Sofia 2006, Sist. No: 19275

the tackling the climate change at international level was underlined.

The need of achieving a global strategic target of limitation of the increasing average temperature of the Planet with max 2°C was stressed. In this context EC adopted a target of 30% GHG emissions reduction by the end of 2020 in comparison taking into account that the other developed countries under their commitment for a similar emission reductions and the developing countries give their contribution according to their responsibilities and possibilities. Notwithstanding with the future multilateral agreement, though, European Council undertook a concrete commitment of 20% GHG emissions reduction in the Community 2020 and confirmed in a long term the commitment that the developed countries should reduce their emissions by 60% to 80% by 2050 comparing those of 1990. Accordingly the EC agreed to introduce certain legislative measures aiming at achieving the strategy target to limit the global climate change.

The mobilization of financial resources is a fundamental element in the decisive policy of the EC in order to achieve the goals of the parties. The resources that have to be invested in the fore coming years to update the morally old technologies and technology with low energy efficiency will lead to the necessity of financial and investment flows for innovative technologies. The efforts to reduce the Member States emissions are to be funded on the principal of solidarity between the member states and the needs of systemically economic growth considered the relative GDP per capita. The Member states with low GDP per capita and respectively with high expectation for GDP growth can increase their GHG emission in comparison with those of 2005. However the targets aim at limiting the GHG emissions of those Member States and they are expected to undertake measures in order to reduce their emissions. The member states with relatively high GDP per capita will reduce their GHG emissions in comparison with 2005. The GHG emission reduction should be realized in the period 2013-2020. The present proposal allows to each Member State to transfer a quantity equal to 2 % of its GHG emissions limit from the upcoming year. A Member State whose emissions are under the limit is allowed to transfer the surplus of its reduced emissions to the next year. When fulfilling their commitments the Member state should be able to use credits under the Clean Development Mechanism to reduce GHG, which have been issued for reduction realized in the period 2008-2012, such as credits under projects which generating reduced GHG emission units, being registered and implemented in the period 2008-2012. By the time when the future international agreement will be achieved the Member states are suggested to use annual credits up to 3% of the emissions of the Member State credits from projects implemented in third parties, equal to 3% of the emission of the Member State, coming from sources out of the 2005 scheme.³

³ Sht. Nozharov, Symposium „Economical policy for sustainable development”, Symposium „Participation of Bulgaria into the EU ETS”, University edition „Economy”, University of National and World Economy, 2007, p.87-91.

A position was stated regarding the impossibility of continuing the negotiations on implementation of Joint Implementation mechanism project realization for the post 2012 period considering the lack of international agreement to set the prescribed emissions units for developed countries. In the terms of an available international agreement requiring 30% GHG emissions reduction the ambitions are to be allocated between sources from the scheme range and sources out of the scheme where those not included in the scheme are to contribute with the same share of emissions reduction such as when achieving the targets of 20% reduction . The limit for using credits generated under projects in third parties will be also increased and the increase has to be equal to the half of the additional efforts needed when achieving an international agreement.

An obligation of carrying out by biannual review of the implementation of the present decision both at member states level and EC level regarding the implementation of the project mechanism had been formulated. The fulfillment of the member states commitment to reduce the emissions by sources, regulated by the draft decision, will be annually evaluated on the grounds of the reports made by the parties, pursuant to Decision 280/2004/EC under UNFCCC and the Kyoto Protocol on the implementation of the mechanism for monitoring GHG emissions.

An annex to the draft decision for Bulgaria, sets a commitment to reduce by 2020 the GHG by sources, which are out of the scheme, to a level equal to 20% over their value in 2005 or a value of 35 161 279 T.CO₂ equivalent. As an illustration, 20% growth of emissions out of the EETS scheme compared to 2005 for Bulgaria is in fact a limitation which is much higher than 20% compared with the based year under the Kyoto protocol which is the EC target of emission reduction, while the commitment of 20 % reduction compared to 2005 for Denmark it is a right for emission growth compared to the based year under the Kyoto Protocol.

This approach of assignment assessment has to be deeply investigated regarding to the impact on the common target as a concept, particularly to achieve a quantified GHG emission reduction at an EU level, taking into account the solidarity principle, using the solidarity principle between the Member states and the need of economic cohesion of the separate parties. It will be achieved by giving the countries with a lower GDP the opportunity to develop their industry while inevitably increasing their GHG emissions on the account of the most developed countries being able to invest in innovative technologies for reducing GHG emissions without significant reflections on their economic development. Flexibility in fulfilling the commitments by means of usage of credits generated in result of clean development project implementation rises the question how the needs of the countries to take part in those mechanisms had been taken into account and impose to our country the role of a buyer of carbon credits.

EC underlines the leading role and the expected exceptional contribution of a future active global carbon market. Significant importance is given to the

continuity of the good functioning of the flexible mechanisms under the Kyoto Protocol for achieving the expected emission reduction in an economically profit way to stimulates the development. The progress being achieved in the field of financial initiated to transfer and promote environmental friendly technologies promises future opportunities for the Kyoto flexible mechanisms.

It is necessary to pay a significant attention to the Clean Development mechanism under art 12 of the Kyoto protocol. The projects under this mechanism are being implemented by developed countries in developing countries. The units received under this mechanism are called certified reduced emission units. Implementing projects under CD mechanism leads to mobilizing and investment coming from the private sector, such as enhance cooperation in researches and development, promoting, introducing and transfer of technologies which is a fundamental element set in the priority framework of EC for the post 2012 period.

The climate change adaptation is being outlined as a priority in the future-reducing the GHG emissions cost deforestation – stimulating the participation in the CD mechanism- Reducing the risk of natural disasters and integrating the climate change issues in the policies for reducing poverty-encouraging the further just and effective contribution other countries including incentives defined by new flexible commitment in order to reduce GHG emission intensity as a result of economic development.

The non propagating of a national allocation plan for emission trade allowances illustrates the broken access of the relevant Member States industry to the EU market.

The parties which limit or reduce their missions over the negotiated for them levels will be able to sell their emission credit surplus to those countries being in a difficult position to fulfill their own levels or it would be more expensive.

That's why the management of the carbon intensity of economy obtains a key importance for the economic growth.

The implementation of the Kyoto protocol will allow the companies in Bulgaria and EU the advantage in the transition to the global economy with carbon limits for the carbon efficiency could be an important source of advantages in the future likes manpower and the capital investment. The low energy price will remain in the past. It is already a serious challenge for the business sector in Bulgaria. Bulgaria is not a country with significant natural reserves. In spite of that fact the shortage of proper energy recourse and raw materials did not stimulate the producers to develop alternative competitive advantages. The high energy consumption in the terms of considerable fill import at international prices is a main factor for none competitiveness of the national production and it is at the same time a barrier to our integration to the EU economy.

Reducing the carbon intensity of the Bulgarian economy will support the

implementation of those strategic priorities related to the increasing economic growth. Taking into account the relative share of energy consumption in the industry and service a significant contribution will be made also to improve the insurance of energy supply and fulfilling international commitment under UN and EC in the field of GHG emission monitoring.

The following results will be achieved:

- GDP growth
- Increasing of added value created by the Bulgarian industry, small and average companies
- Increasing production
- Export growth and improving balance payments of the country
- Attracting additional investment
- Reducing energy intensity of GDP and increasing insurances of energy supply
- Fulfillment of commitments under UNFCCC pursuant to Kyoto Protocol and more adequate participation in „Flexible mechanisms
- Decreasing expenses on environmental protection

In reverse the lack of carbon intensity management in terms of a carbon regulated global and European economy would lead to a serious limitation of economic growth and to non competitiveness and finally displacement of entire Bulgarian economy branches out of the market.

In this context the problem of carbon intensity management and its affect on economic growth is up to date both in theoretical and practical aspects.

The topic is following a specific and differentiated issue unsolved by theory and in practice. It is also defined taking into account the time aspects.

It reviews the affect of the carbon intensity economic grown particularly in Bulgaria. It does not aim to explain the issue in EU or global scale and it does not concern developed or developing economies as those in transition as a whole. It is strongly focused and correspond the abilities of the standard volume of the dicertation/140-170p basic text/, to summarize the achieved research results. It also gives the opportunity to study the problem with all its relations to other systems, horizontally and vertically.

At the present moment the carbon economy intensity management problem particularly the one in Bulgarian economy is a central topic of public interest. From one side due to its affect on the economic growth and economic result of the main economic subject, on the other hand due to its reflection on the expenses for conservation and restoration of the environment and common health (59p.-latest Capital, in latest edition, 7/16-22 -2008). This topic had not been deeply examined in the Bulgarian economic science literature. Recently it started to be mentioned in several works in connection with economic aspects of sustainable development but it concerns other and isolated aspects of the problem. There not many research PhD studies particularly as far as it concerns the so much limited parameters of the study regarding the economy in transition and most specifically for Bulgaria.

After some investigation in a global scale seventeen PhD studies were found but regarding other aspects of the problem or different kind of economic systems.

In this relation my study is focused to the presence of the exanimate problem and to its future development. There are few conditions limiting this study due to the enormous area that include.

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SOCIO-ECONOMIC ASPECTS OF DIVERSITY

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MANAGEMENT OF THE DIFFERENT: NEW CHALLENGES FOR PUBLIC AND CORPORATE POLICIES

Introduction

The subject of different persons is related to the social dimension of sustainable development, social inclusion, social security, social cohesion, social responsibility but also unused opportunities, economic inactivity, social isolation, poverty, segregation and legislative insecurity.

The changes that follow after globalization, oil shocks, huge competition and restructuring of economy, combined with demographic trends have aggravated more than ever the issue of employment.

Demographic trends in the past decades lead to growing share of older and large decrease of young population. In most countries there is visible aging of population. The number of higher education graduates is dropping, population mobility is growing. Enterprises, especially in Bulgaria, are facing new challenges, as they have low general and labour market competitiveness. More and more Bulgarian companies are facing the question where and how to the workforce they need. Choice depends on: labour cost; convergence between working conditions and applicants' abilities; more investments for personnel development, etc. Management should develop towards involvement and utilization of a different type of workforce, including different groups (older workers, pensioners, mothers of young children, persons with disability, persons with low education and low qualification, persons belonging to the most disadvantaged groups in the labour market, including and some ethnic minority groups, combined with the effort to attract, integrate and keep immigrants. Each of those opportunities requires a certain strategy and respective policies. It changes the company and personnel management, often require transition to smaller enterprises.

The diversification of workforce is growing. Until now, little attention was paid to that trend in personnel nature. It is becoming more and more usual in

countries and companies, to have managers from different ethnic minority groups, immigrants, women, etc. The drop of school graduates requires also introduction of more flexible work schedules allowing the involvement of women with small children, and more opportunities for part-time employment for pensioners and other groups. Those trends shape the movement of personnel require larger management flexibility and organizational culture.

The contemporary economic development concepts and policies for increase of employment, social security, persons', organizations' and communities' well-being depends on our ability to create conditions for utilizing the potential of each person and for its efficient merging with the potential of everyone else.

The UN concept on sustainable economic, social and environmental development gives key priority to the equal of each person to resources and productive employment, education and gender equality.

Diversity as subjected to inclusion in public and corporate policies

Meanwhile, human resources' management is based on the notion that people are different, have different physical and mental characteristics but also different motives that predetermine their productivity and attitude for inclusion. People are different in many visible and invisible features. Everyone is unique with their innate and acquired qualities and opportunities. Decision-makers have to find the proper approach and style of management for everyone in order to gain maximum results from their inclusion in the organization. In that case the implication is that diversity can be a contributing factor for development and growth. The new discipline in HRM – strategic management of human resources in organizations is related to finding out the talented, leaders but also the individual capacity of each person, optimizing those traits for company prosperity. Therefore, differences must be viewed as a source of new resources, wider advantages and opportunities. The merging of the individual advantages of each difference will bear more fruit than the exclusion based on deviation from what is assessed as common and generally accepted. There are underutilized opportunities, human capital and resource for economic development that remain unused or under-used for personal and public development.

Diversity is a treasure, especially when it combines advantages and blends everyone's best in the team, staff and community work. There are stereotypes, there are long-standing barriers, isolation, waste of human capital and limiting individual opportunities of persons of different gender, age, ethnic origin, race, health status, etc.

As different are defined those groups of people who differ from the large majority, from the dominating in number group. The only exception is division by gender. The rest are usually larger or smaller groups with common features (old, young; with different disabilities; immigrants; ethnic minority groups, etc). Frequently, some of those groups or parts from them face problems for their inclusion in legislation, local community, company, in the area of labour and social security systems.

Each society is able to use for its economy and development the advantages of diversity, specifics, potential and attitude of the different population groups: young and older, women and men, ethnic minority groups, races and nationalities, etc. The selection of approach and drafting of public and corporate policies is crucial, as it excels the other one – emphasizing on advantages and disadvantages, often based on stereotypes and implications, leading to discrimination, segregation, rejection, opposition and high social and economic cost.

In Europe there are two main opinions on differences: the first one is the „advantage-led” approach stating that racial and ethnic communities are wealth for the nation from economic and culture perspective, while the other one focuses on the „cost” of those differences, defining those communities as „irregular unemployed”, associated with „infringement, illegitimacy, criminality and other criminal deeds”. Those notions apply for Bulgaria too, where the latter one prevails, splitting and opposing the legislation.

National and corporate policies should be founded mostly on promulgated and guaranteed civic, labour and social rights for each individual in the international conventions and charts, EU directives and national constitution, specific laws and regulations. Such are the international standards and regulations of UN, ILO, EC directives on equal treatment, the European Social Charter and other documents guaranteeing equal rights of citizens and employed persons adopted by EU Member States. National legislation, when founded on that basis, creates provisions for equal rights and nondiscrimination in legislation and labour.

There are also strategies, policies and programmes on international and national level guaranteeing actual equality of citizens and employed persons, featuring specific tools, means and resources. In that relation public institutions and institutions of civil society are established, their potential is developed and policies for achieving actual equality are promoted. Most of those policies act on national level, but lately they are reflected in corporate and company policies, too, particularly following the development of social plans, social audit and social responsibility practices.

Civil society structures and non-governmental organizations, independently and together with public authorities strive to raise the awareness of legislation, institutions and organizations on the importance of equality.

The main objective of public policies for social inclusion and social cohesion is to decrease exclusion and discrimination and to improve social integration, in the labour including. For Bulgaria, achieving social cohesion and overcoming the processes of disunion and opposition among population are a guarantee for the successful democratic development and EU integration.

Another aspect of public policies are the measures for increasing employment of disadvantaged groups in the labour market (long-term unemployed, discouraged, persons with disabilities, women, Roma, etc.), usually through improving their skills and business adaptability, flexible employment policy, and provision of suitable working conditions and employment. High employ-

ment rates require efforts for increased participation of more people in the labour market, e.g. strengthening the policy aimed at vocational equality between women and men, reconciliation of professional and private life, longer employment of older workers, combating long-term unemployment and integration of vulnerable groups from health, economic and social point of view. The matter is to select most appropriate ways for increased participation in the labour market, particularly the under-represented and disadvantaged groups. The creation of more and better workplaces is the key to social inclusion. It is necessary, however, to make labour market more accessible and inclusive and to promote diversity in employment as a factor for competitiveness and social integration.

The European Social Model: full employment, security and social cohesion

United Europe, e.g. the European community, can be defined as a social union. Unlike other similar unions in the world, one of the strongest advantages of that integrated community made of independent states is its social model, core and the adopted in March 2000 so-called Lisbon strategy, as well as the European strategy for employment and other EU strategic documents. The core values of the European Union and its social model are: dignity, freedom, equality and solidarity.

Social cohesion lies in the center of EU social and economic policy. The European Employment Strategy requires improved access to the labour market and employment for everyone, eliminating exclusion and discrimination in the labour markets.

In accordance with the strategic decisions made by the Council of Europe in Lisbon (2000) and following fora, European strategy for actions in favour of employment, security and sustainable economic development envisions the development of knowledge-based economy, high employment rate, maintenance and development of the European social model. One of the main priorities of EU Member States' social policy is the achievement of higher employment rate through better inclusion of different groups of the population. Only then, social policy can be factor for economic development and lead to higher incomes of the employed and of those who receive incomes from the social funds.

Each person's characteristics in regard of age, gender, ethnic origin, physical and mental health, etc. give enough grounds for exclusion from the labour market, defined as external, according to more and more selective, limiting criteria – in spite of the limited workforce supply. In spite of the limited labour supply, large groups of the population remain outside employment or with limited access to the labour market: young persons – without work experience and/or vocational training; and older persons (especially with the unfolding processes of growing requirement for work history and retirement age); women – young, in the age to give birth and look after small children, but also elderly persons with disabilities or diminished employability; with low education and no vocational qualification, especially among members of certain ethnic minor-

ity groups (mostly Roma community). Current processes of exclusion and discrimination in the area of labour are even more aggravated for some representatives of the abovementioned groups. In fact, they remain outside labour market for a long time (in the large group of long-term unemployed) and many of them leave the labour market „discouraged”, pouring into the large group of economically inactive population of Bulgaria which remains outside labour market, devoid of regular incomes and social security. That bears the processes of exclusion, social disintegration, poverty, insecurity and often criminal deeds. Thus, the whole society and its progressive development are put at stake, together with large groups of the population. The cost of economic and social development becomes high, social security contributions and taxes for workers and employers keep growing, the share of social payments from the budget is growing too, poverty and illiteracy keep reproducing for generations. Insecurity grows for everyone and for legislation; democratic development and civil society are in dander.

Any society, even the wealthiest, cannot afford to keep large groups of its employable population to stray from labour. The cost would be too expensive, and future would be insecure. The overcoming and limiting of those processes lie in the center of the social cohesion concept (social approach, integration, unification). A policy aimed to achieve social cohesion and diminish the existing significant stratification of the population and the developing processes of permanent exclusion from the labour market and legislation of large groups of the population is needed.

The increasing deregulation of labour market and the trend of deliberalization of labour legislation limit the opportunities of many persons who can and want to work, in order to provide incomes and security for themselves and for their families.

Employment is one of the main requirements for social security and integration. Long-term employment, social security, and decent pay for the work done are some of the crucial factors for diminished social exclusion, solidarity and integration in society. Therefore, one of the key strategies for economic development must include the creation of more and better workplaces that increase productivity, persons' incomes and motivation for work.

The Strategy for increased employment allowing the objectives of Lisbon strategy and EU Employment Strategy to be achieved in the next years (by 2010, the employment rate of economically active population must be 70%, 60% for women and 50% for older workers), in Bulgaria that can be realized mostly by the means of: labour inclusion of the „discouraged” who are outside the labour market and of the employed in gray economy; return of unemployed to long-term employment; better access to labour for all groups of the employable population. Main pathway for that is the economic development, economic structures and technologies creating more and better workplaces. Another important precondition is increased flexibility of employment, labour supply and even more of labour demand. Both preconditions for the implementation of that

strategy rely on the economic policy for accelerated and sustainable economic growth guaranteeing productive employment.

Intergenerational solidarity or overcoming the opposition of younger in the labour market

Solidarity between generations is related with the efforts and policies aimed to overcome the opposition between younger and older persons in the labour market, and with young people inclusion in the area of employment: new skills and knowledge, better adaptability to changes. Inclusion is also a precondition for a more favourable development of demographic processes. Challenges for inclusion stem from the lack of professional experience and habits; high risk for company investments in training; creating a family and raising of children, etc., as well as staying longer in the labour market of people in older age groups (over 60-65). Another challenge is the decreasing productivity with older age, slower adaptively to change, non-inclusion in training, health problems, etc.

The opposition of generations is perceived also as a form of management and achieving company financial goals, although in contrast to public and corporate policies for solidarity in legislation and for social responsibility of business.

Insufficient economic dynamics and the resulting competition and labour market situation infringe social solidarity and balance between generations, introducing competition and opposition between them in the labour market. The result is waste of human potential, skills, knowledge and experience, as well as discrimination and mutual accusations between generations.

In Bulgaria, youth unemployment for the whole period of transition has remained highest compared to the rest age groups. In the 1990's when the reform of social security system began, imposing higher retirement age and longer labour social security history (as a requirement to get the entitlement of a pension) and high unemployment rate or shrinking labour demand, actually, have led to high unemployment rates for the persons over 40 and 50. The return in employment and keeping the achieved level (status, career, social security, incomes, and social prestige) was very difficult for them. The unemployment rate for those age groups was high and long-lasting, with fewer options to find job. The common motives of employers are: high cost of labour (mostly due to additional payments for long labour history and large social security contributions), outdated education and qualification, working habits that are incompatible to present rhythm of work; health condition involving frequent absence from work or low productivity.

As of young people, employers' unwillingness to hire them was due to: lack of practical skills; instable employment; requirements for higher pay and career growth incompatible with employers' assessments; lack of working habits, etc. Job insecurity, few options for young persons with high education to work, to take under-qualified jobs with low pay and no security (verbal contracts or short-term temporary „civic” contracts, etc) has urged them to prefer

emigration or employment in the grey sector. The insecurity and limited access to paid employment had strong effects on the demographic development of Bulgaria (marriage, birthrate and emigration rates) but also on the labour market at a later stage.

The approach of opposing generations in some companies is based on common stereotypes: older workers are less productive and unwilling to be trained and qualified, while younger workers are under-skilled, have no practice experience, etc. The disturbed solidarity between generations is due to the policy of hiring younger or older workers with view of decreasing the burden of social security contributions. Therefore, it is considered that decreased social security now will lead to higher one in the future. Breeding fear for one's pension leads to broken solidarity between generations. The public debate of uncertain pensions in future brings up unwillingness to pay social security contributions today (why should one pay them when he or she is not entitled to get compensations and pensions are under question). The insecure, not guaranteed pensions in future bring up unwillingness to pay social security contributions and break the fragile balance.

Pension reform, together with its advantages, had the disadvantage of insecure employment and unemployment for older workers. It was based on the objective for longer and healthier life, for retained productivity and possible access to employment for most of the older workers. It was imposed by the tendencies of fast population aging, on one hand, and the later inclusion of younger generations in labour due to increased stay in the education system and larger youth unemployment, on the other. Often, most employers and many-workers do not approve the idea of older retirement age and longer social security history. Workers fear the situation of job-searching if they loose their present employment, they fear insecurity and impoverishment. Employers explain their unwillingness to hire and retain older workers with the expensive social security contributions and dropping level of productivity and qualification. That is the grounds for the opposition young – elderly.

Labour attributes and working conditions also play role for premature aging and dropping productivity of employed, emphasizing on their „innate” weaknesses or the proverbial disadvantages of older age. The increase of health conditions and illnesses among older persons is more often, of course, than among younger employees. On the other hand, the fear firm competition and dismissals leads to even higher stress levels and stress-related illnesses.

Once they lose their job, generations over 45 face serious problems to return to employment and even lesser to continue their career. Those who manage to find job, usually agree to fixed-term contracts, short-term employment and lower incomes, therefore lower pensions. We must also take into account employers' unwillingness to invest in human resources, if they are employed persons over the age of 40 and even more those over 55 years. Those workers' diplomas, vocational training and qualification date back from decades; therefore they are outdated and unable to meet the requirements of modern. Thus,

the discrimination on the grounds of vocational qualification arises.

Therefore, national public policies should try to reach a balance between employment and social security, providing for more security and decent life for elderly people. In fact, that means larger flexibility of both systems, more choice opportunities for the population. Specific measures for that policy implementation can be different, including on national and company levels. They may include measures for: decreasing social security contributions for older workers who face exclusion from the employment and difficulties for further inclusion; introducing shorter working week in stead of lay-offs, when higher employment rates in enterprises occurs (e.g. introducing 4-day working week); promoting qualification and additional qualification and training of older employees, their inclusion in lifelong learning; development of training, older workers mentoring new younger employees or promoting them to train apprentices (unemployed) in the enterprises; stimuli for enterprises to hire older unemployed persons; providing opportunities (at least in some economic activities and sectors) for vocational rehabilitation of older employees, when their opportunities (physical and/or mental) to remain in the respective workplaces decrease; introducing sanctions for employers who have dismissed or refused to hire an employee because of their age (directly or indirectly stated); creating opportunity for earlier retirement (if the employee has sufficient social security history and/or opportunity to receive pension corresponding to their social security history.

Youth unemployment is another major source of insecurity, poverty and high emigration in the past two decades. The relatively high youth unemployment, the few and low-quality workplaces urge young people to emigrate, change their demographic behavior, attitude to professional fulfillment, influence their choice of career and job sphere. The high unemployment rate among young persons can be assessed also in the context of their value system, changing morale in legislation, decreasing motivation to work and trust that decent job can bring successful personal fulfillment and higher living standard. Low pay and existing „barriers” for hiring and exploiting child and youth labour lead to re-orientation of many young people to the more „profitable” activities in the so-called „illegal” or informal economy. The consequences of high long-term unemployment rate of young persons is related to large emigration and dropping marriage rate and birthrate and growing crime rates, prostitution, drug addiction, etc. Those processes bring social insecurity for the whole society, having negative impact on population reproduction and workforce. Employers prefer applicants with vocational experience and skills, making the labour market inaccessible for most unemployed young persons, for graduates and especially for dropouts of the education system.

Policy aimed at overcoming the high youth unemployment rate in Bulgaria should be also accompanied with overcoming of: disparity between educational and vocational training levels and job-search and industry requirements; in schools, there is a lack of a system for vocational consulting and information for labour market requirements, vocational paths and needed qualities; lack of

entrepreneurial training, initiative and active attitude in the labour market; insufficient awareness of providers and suppliers of labour for the regulations and stimuli for hiring of unemployed young persons; insufficient measures of the active labour market policy in favour of youth employment (traineeships, students' workplaces, parallel general training and vocational practice, incentives for entrepreneurship and hiring, promoting the supply of part-time employment, etc.). Diminishing of youth unemployment requires more active policy, accounting the state and trends in its development and the low efficiency of past measures.

The policy for integration and support of older and younger generations in the labour market must be aimed at their integration and support for participation in the economy, limiting the loss of acquired skills and knowledge, that they can be transferred to younger generations; overcoming the high youth unemployment rate through overcoming the disparity between the education and vocational training and the requirements of production; prolonging the work history of older employees requires education, healthcare and improved working conditions

Integration in employment of persons with disability: more accessible labour market and workplaces

Persons with disability are probably the most under-utilized potential in the context of population ageing and living standards in the country. Very often disability results from labour participation, working conditions and security, and safety of jobs. Together with health problems and capacity to do only a certain type of work, another premise for exclusion and discrimination is the education and vocational training. For some groups with disabilities, training is very difficult due to objective and subjective reasons. They include the type of disabilities and capacity the respective disadvantaged group to be integrated in the education system. That is, major reasons for illness and disabilities lie often in labour – working conditions and labour environment, while for inclusion in the employment and keeping the job – education and vocational training.

Aside of disabilities, other aggravating factors are lower educational status and vocational training, gender, age, ethnic group and the rest discrimination factors that multiply the negative effects and make almost impossible the inclusion in the labour market.

Employers use various arguments to justify the practice of not-hiring persons with disabilities. That group of „different persons” is intentionally or unintentionally protected and cared after, provided for by the rest employed and very often by the families of those persons with disabilities and others, who propagate stereotypes on their exclusion from. The usual arguments are: disabled persons have limitations in their daily, leave alone working activities; disabled persons cannot overcome their limitations therefore they cannot be „competitive”. For that reason they are, generally and a priori, considered to be inferior workers and are rarely given chance to prove their real abilities. In fact,

each worker has some specific limitations and no employable person is able to do any kind of job. That is the attitude and concept that should be promulgated by legislation and especially among employers, in order to raise their awareness on the idea of equal opportunities and non-discrimination in every area of socio-economic life, labour including.

Important factor for higher employment rate and inclusion of persons with disability is the adapting of jobs to workers with different types of disabilities. Most workplaces and working conditions are not adapted for persons with disabilities, determining the large indirect discrimination when applying for given job. Therefore, employers should be obliged to improve working environment and tools, making them accessible for persons with disability. In that sense, there is a more general but important requirement – access to transport, buildings and social services. Another crucial factor is inclusion in training and vocational training, integration in the education system in view of their specific problems.

The improved access to jobs and social services is an important factor for employment of those groups, as well as the policy for better legislation, drafting of numerous National Action Plans, providing incentives for hiring and training aimed to improve their situation and integration in the employment, raised awareness but also provision of conditions for observing the legislation in that area and for implementation of the respective programmes and measures. Representatives of the different groups of persons with disability (types of disabilities, occupational groups, etc) should take part in the provided forms of training.

Inclusion, integration and social cohesion are closely related to the policy and awareness raising activities aimed to improve the understanding, legislation solidarity to the problems of persons with specific difficulties and problems for inclusion. Therefore, not empathy but understanding and provision of chances for decent inclusion in labour market are needed. The improved monitoring and appropriate policy depend on viable statistics, including data by gender and by types of disability.

The huge challenge for social cohesion policy: reintegration of Roma in the labour market

Economic situation, poverty and high unemployment rate lead to very grave consequences for the legislation on the basis of the opposition between Roma community and other ethnic groups in the country, especially for the dominating one – Bulgarians. The low motivation of Roma to work is their limited access to legal job, long-term employment and social security. Reintegration of the most part of Roma community is interpreted as: mass and long-term unemployment; temporal employment, including employment for several months in subsidized programmes of the government or international institutions; work in unregulated activities and sectors, concentrating in risk sectors; low education and growing illiteracy among young population because of non-attendance and dropping out from the education system; spatial concentration in „ghetto” settle-

ments or neighborhood.

Roma have learnt to rely on the state, usually on social assistance services and not on labour offices (PES). Most Roma families who are entitled to some social payments, rely mostly on child benefits and sometimes to the miniscule pension of an elderly parent in the household. Experts from the social assistance offices and labour offices (PES) share the opinion that in the past years most Roma persons' attitude to work has changed: their motivation to work is miniscule, their expectations from the State are growing and the practice of criminal redistribution of incomes is strong (from theft, prostitution, not paying for services used – electricity, heating, transportation and communications, etc.). That, in its turn, strengthens negative feelings of the rest ethnic groups.

Roma community was badly affected from the economic restructuring and has higher rates of unemployment, poverty and social exclusion. Discrimination toward Roma community is expressed in the access to employment, education and social security. Education and vocational qualification are main factors for unemployment. During the transition, a trend of declared unemployment has emerged, accompanied with economic activity in the grey sector, providing social compensations but not a desired inclusion in employment. The refusal of Roma persons to be included in the programmes of Ministry of Labour and Social Policy for subsidized employment is a clear evidence for that. Many beneficiaries of the employment programmes decline offered jobs because of the low pay (almost equal to social payments for unemployment), the short-term nature of job and no perspective to keep that job or for find another one after the completion of the subsidized employment. In those programmes, there are a few training, qualification or other vocational courses for Roma. Very often, people explain their refusal with the words that it won't help them to find long-term employment because of the existing discrimination toward them. Many Roma are outside the official registers of unemployed.

The education and employment of Roma are key issues in regard with social security and social cohesion. A change in social policy and employment policy is needed: launching of national programmes (including with international funding) for mass training and vocational training of children and adults in educational institutions; improving the enrollment and keeping of children in the education system through appropriate stimuli and incentives; change in the social policy and particularly in social assistance, motivating for active job-search and inclusion in education or formal economy; change in the incomes policy encouraging persons to work in order to have better and decent life instead of social payments. The subsidies under inadequate and ineffective programmes for employment should be replaced by programmes for long-term training and vocational training, issuing a license for a vocation and/or qualification; development of a system for vocational orientation, motivation and consulting of unemployed Roma and others who want to return or enter formal economy; elaboration of youth programmes for traineeship at enterprises for acquisition of occupational skills and working habits; stimulating employers to hire Roma

population by different forms of flexible employment (part-time jobs, home-work, apprenticeship, contracts for one-time errand, contracts with test period, etc.), that will make paid labour more accessible and provided more security; programmes for overcoming of the existing stereotypes for Roma community, workplaces and occupations, the most appropriate jobs for them (low qualified and low paid, traditional crafts); deeper understanding of Roma community problems and opportunities through various media programmes and publications, seminars, discussions, etc; dissemination of best practices and examples of successful community members in different vocations and areas, highlighting the importance of education and labour, etc.

The iintegration of Roma in the labour market is related to a change in their education and vocational training, but also in employers' and other employed persons' prejudices. Putting Roma in the lowest social categories allows us to conclude that there is a mixing of ethnic and social prejudice.

Increasing employment and security for women and men: equal opportunities and reconciliation of professional and family life policy

Opportunities to increase employment, security and social cohesion can be found also in the division of population by gender and the increasing economic activity and employment of women, acquiring gender equality in pay and social security and partnership in the household and care for children and elderly.

Female employment rate, women's participation in decision-making and professional career is lower compared to those of men, while differences in the education and vocational training are insignificant or inexistent. According to data of the last census (1.3.2001), 10% of women and 9,2% of men have higher education.

Numerous surveys show evidence for different treatment of women and men in hiring for a job, vocational career, occupying higher positions in the work hierarchy, labour pay.

Men and women demonstrate differences in their representation by economic sectors and activities. Generally, men prevail in those sectors with high pay levels, hard and/or harmful working conditions. That explains, in some extent, the pay gap differences by gender. There is also the so-called „sector segregation” by gender in the sectors that are not described as having hard and harmful working conditions: finances, management, etc. Even stronger is the positional segregation. As a rule, women prevail in the low levels, while men occupy top positions in the hierarchy.

Most unfair is the situation of total working hours. In the area of paid labour women and men work mostly full-time, while unpaid labour is women's domain. Very often, it is the „second working day for women” (shopping, domestic work, small farm, care for children, elderly and ill persons in the household), making women unattractive potential employees (especially young women and mothers), vocational qualification trainees and job candidates.

The lack of leisure time for women affects their space for growth and voca-

tional qualification. On that reason, they are often excluded from vocational qualification and that limits their chances for career and work mobility even more.

Very often, the imposed differentiation or job segregation is reflected in the wider income gaps of the two genders after retirement. In other words, women are doomed to insecurity not only in the labour market, but elsewhere too. That requires gender assessment of all policies and legislative norms.

Legislation can decrease but cannot provide for gender equality in the labour market. The three main factors in that regard are: observing laws and regulations insuring equal chance and protection against discrimination; effective employment policies and measures for reconciliation of professional and private life and raising public awareness – especially of legislation and employers – on the importance of equal opportunities and equal rights for the two genders.

On company level, policies and programmes are needed favouring the hiring and employment of the less represented gender. Such a practice was introduced in public and local administration, for example in competitions (or job contests) at equal other circumstances for the given job position, persons of the less represented gender to be hired. The elaboration and introduction of such programmes can be promoted in real economy enterprises, too.

Some of the most important factors for increasing female employment are the provision of different forms of employment, improved flexibility of working hours, labour contracts, status and especially the organization of working hours and labour.

Policy for promotion of employers and unemployed women is needed. Options can be a policy establishing a National fund aimed to stimulate employers to open crèches and kindergartens for the needs of the female personnel, programmes for access of women to developing, new vocations and crafts, applying under European programmes and Structure Funds, programmes for regional development and for better inclusion of women in paid labour.

Many manifestations of gender discrimination result from maternity. The period of maternity and the most important family responsibilities are in fact the most vulnerable stage in labour biography of women. Discrimination is also evident in the selection process and selection criteria. In that context, larger participation of women in employment and their improved social security depends on a more balanced representation of genders in the democratic and civil institutions.

Immigration: the new challenge for legislation and organizations

The transition to a new labour market: from a demand-oriented market to a supply-oriented market is a dilemma for the development of labour markets and companies in Bulgaria. The lack of qualified workforce is getting more and more visible. Low unemployment rate and high share of long-term unemployed with low education and no vocational training and qualification raises the debate on immigrants' inflow. Low labour cost and lack of adequate legislation

have been an obstacle for immigration in the recent years and the remaining of foreigners in Bulgaria.

Economic growth, demographic limitations, on-going emigration and increased mobility toward European markets face the national economy with a lack of good, vocationally qualified human resources.

The National strategy on migration and integration elaborated and adopted this year does not provide an acceptable vision on immigration policy. It does not provide measures for integration of the slowly growing number of immigrants in the country. The suggested „selective attraction of immigrants” is ungrounded and unacceptable, while Bulgarian population is not prepared to accept different groups of immigrants, especially if they are of different skin colour or religion and culture.

The desired immigration (consisting of Bulgarian expatriates) or from the neighboring countries is not a guaranteed and lasting source of workforce that is needed for the Bulgarian economy. Mobility toward Bulgaria from the other EU Member States is not a viable option at this stage. The only real source of immigration is the employable population of third countries: not only for the needed workforce but also for development of competitive markets, goods, human factor and its cost.

Aside of a Strategy for integration of immigrants, we need to learn accepting diversity and accepting a „different” person as equal, entitled to the same rights, resources and institutions as the native population.

The management of human resources in Bulgaria – as a concept and practice requires a new field to be develop – management of the different while observing the equal rights for access to labour, labour pay, security, etc., and limiting possible conflicts and discrimination. The best approach is to try to benefit from diversity.

Respect for diversity is already part of the communication policy of each respected company in Western countries’ developed economics, but for East European countries, Bulgaria including, it is a novelty. Therefore, awareness and sensitiveness of Bulgarian population need to be raised, especially that of the workers in companies that are planning to recruit foreign workforce.

Conclusion

The common ground between economic and social policy is the concept of sustainable economic growth in favour of employment, based on high productivity and workforce quality. For successful social and economic policy, the concept of social cohesion on the ground of higher employment rate and labour integration based on limited opposition in the area of labour and flexible labour market measures and policies has key importance.

The concept of social cohesion requires also overcoming of oppositions, disparities, discrimination of the different social groups in the legislation. Common examples of that opposing are: young – old; women – men; employable and persons with lesser employability; ethnic minorities; vocational and occu-

pational status, etc. Usually, that results from economic reasons, low economic development and low living standard, low educational level or policy of opposing.

The selection of best policies in that area and their effective implementation depend on higher awareness on the problems of diversity and on understanding that each person has equal rights to participate in the provision and utilization of economic resources and wellbeing.

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SOCIAL DIVERSITY AND MICROFINANCING AS INSTRUMENT OF THE FIGHT AGAINST POVERTY

The social diversity under the transition to market economy in Bulgaria raises difficult questions to the social policies about the balancing of the social support measures in such a way that to make possible to provide for adequate degree of security of the social support together with defining and implementation of sustainable forms of social inclusion and re-integration in the labour market. The creation of incentives for the nascent private sector through the support for entrepreneurship, the small and medium sized enterprises and the family businesses creates possibilities to exert positive impact on the processes of social diversity by the creation of greater sustainability of the self-initiative of the private sector and of the self-employed. This contributes to the raising of employment and incomes thus leading to the improvement of the social welfare as a whole.

In the understanding of social diversity there is a great need of revealing the differentiation among different forms of poverty and design of appropriate policies for the fight against it. An important step forward in the study of poverty in Bulgaria during the last decade has been made by analysis done by Bulgarian authors creating the grounds to define new forms of poverty and to search for approaches and measures for circumscribing of unfavourable tendencies towards worsening its consequences.¹ The revealing of new trends in the social policies as regards the new forms of poverty is important for the choice of measures for the fight of poverty.

The present paper aims to reveal some basic aspects of practical implementation of microfinancing with the purpose to diminish the poverty of socially weak groups of the population.

First, the difference between microcrediting and microfinancing has the purpose of describing the role of *microfinancing* as an instrument of social policies of new type. In world wide scope the microfinancing is given a special attention not only as a measure for the support of employment and incomes but as an instrument to set as a priority the fight against poverty.

¹ Bulgaria: the Challenges of Poverty, (on the basis of the Multipurpose Household Survey in Bulgaria carried out during 2003 by the NSI and the Ministry of Labour and Social Policy with the assistance of the World Bank), a study by Tsanov, V., B. Bogdanov, K. Stoyanova, M. Kotseva, I. Beleva, D. Mircheva, A. Tzvetkov, National Institute of Statistics, 2006;

Second, attention is paid to the contemporary concept of the life cycle in the course of choice of strategy against poverty and the relevant change in the set of measures for the fight of new forms of poverty.

Third, the problems of the three institutional levels of microfinancing with social targeting against poverty and some aspects of impact assessment of the implementation of microfinancing in Bulgaria.

Specific features of microfinancing as an instrument of social policies and implementation in Bulgaria

In the process of financing the economic development of the transition countries like Bulgaria since the beginning of the 90s the microfinancing has been given a role to play for the nascent private sector as contributing investments for public and private goods as well as in the small and medium sized enterprises. An important aspect for the development of microfinancing is its specification as different from the microcrediting. The experience of a number of countries shows that the advantages of microcrediting for the poverty alleviation are not unconditional – the reality of microcrediting may prove to bring unfavourable worsening of the debt servicing burden of the poor in times of economic slowdown and crisis.² It is true that microcrediting may have advantages for poverty alleviation, as the Nobel Prize Laureate Mohammed Yunus has proved, but under the conditions of rapidly rising indebtedness to financial intermediaries during the present decade the microcrediting (as providing easier access to credit) has created higher risks of debt „traps” for the socially weak groups. Microcrediting can be a solution but there is empirical evidence that it may not be considered as panacea for poverty alleviation.³ Under the conditions of credit expansion in Bulgaria since the beginning of the present decade until 2008 the increased volumes of microcrediting has also lead to the growth of the indebtedness of the households and it the start of the financial crisis it is to observe that the drawing of new credits by the households is considerably reduced as a result of the worsening of their creditability. (See Table 1).

The application of the microfinancing as an instrument for sustainable social changes in poverty alleviation has become a dynamic area of practical solutions as well as of improvement of the targets for making progress in the economic development of countries with newly emerging markets or developing countries with higher level of poverty.⁴ As much as the small and medium sized business is based on entrepreneurial initiative, the self-employment and the development of family businesses, the public and private schemes for microfinancing have become important instruments for stimulating its investments

² Dean Karlan& Jonathan Morduch, Access to Finance, Chapter 2 in: Handbook of Development Economics, Volume 5, Dani Rodrikand Mark Rosenzweig, eds., June 2009

³ <http://poverty-org>, The Financial Access Initiative and Innovations for Poverty Action, Consortium of researchers at New York University, Harvard University and Yale University

⁴ Robinson, Marguerite, The Microfinance Revolution: Sustainable Finance for the Poor, Washington, DC, IBRD/The World Bank, 2001

Table 1

	2007		Growth on annual basis, BGN			
	Bill. in Euros	(% of the total)	2007	2008	2009	2010
Mortgage loans	2,979	39.8%	64.7%	37.3%	20.4%	17.8%
Consumer loans	3,157	42.1%	47.5%	33.7%	17.3%	13.1%
Mmonetary financial institutions	2,971	39.7%	46.3%	29.1%	15.0%	11.1%
Other financial institutions	186	2.5%	70.0%	70.0%	30.0%	21.0%
Overdraft	673	9.0%	60.2%	52.9%	22.6%	17.1%
Other loans	527	7.0%	24.0%	22.7%	16.7%	13.2%
Loans on credit cards*	9	0.1%	6.3%	10.0%	10.0%	15.0%
Financial leasing	146	1.9%	23.4%	44.0%	16.0%	12.0%
Total	7,492	-	52.3%	35.3	18.5%	15.0%

Source: Bulgarian National Bank; Unicredit Bank

* Includes only the balances of nonbanking financial companies.

and growth with the purpose of providing employment, increasing incomes and further development of small businesses. In such a role the microfinancing in its forms of grant schemes and financial support through national and international programmes and funds has contributed considerably to decrease the social burden of the transition as related to higher unemployment rates and social exclusion.

However, evaluating the trends that have prevailed during the last 15 years in the process of stimulating the small and medium sized businesses, it is to be stated that during the economic transition in Bulgaria considerably higher importance for the firms' finances have played the bank *microcredits* at the banking products' market in stead of the *microfinancing* grant schemes and financial support. Microcrediting has developed on commercial basis through the banks and the competition among them contributes considerably for the diversification of the credit products of the banks.

Up to 2003 the experience gained in microfinancing with the purpose of poverty alleviation, is not good enough in spite of the fact that there are many project financed forms of microfinancing on the side of the foreign official and nongovernmental organizations. Since 2003 the microfinancing has become officially undertaken and targeted social policy in Bulgaria. At the same time, the access to microcredits has become more restricted for a number of newly created small and medium sized enterprises as well as small businesses as crafts due to the low level of availability of their own capital or lack of adequate own assets to be regarded as collateral of the credits from banks. Limited access to credits have not only the above mentioned small and medium sized enterprises but also social groups and persons which do not have a constant source of incomes and do not pay social securities' payments. In practice these are the most vulnerable socially weak groups because of the risks of long term unemployment, lack of incomes and poverty. Under the conditions of the transition to

market economy in Bulgaria the existence and sustainability of poverty among some social layers raises the question for the societal attitudes to poverty and the social policies for poverty alleviation and social exclusion.

The clear distinction between microcrediting and microfinancing of small and medium sized enterprises, as well as of the alternative possibilities of access to credit of different social groups in practice takes new dimensions and forms in the globalised world. In greater number of countries the fight against poverty as a strategy relies upon the implementation of microfinancing in order to support the access to financial resources and to apply financing and subsidized credit for the support of most vulnerable social groups.

The problem of poverty alleviation as a challenge to new social policies

During the transition of Bulgaria to market economy the achievement of higher rates of economic growth has stabilized as a trend since the end of 2003 up to the end of 2007 as the rate of annual growth of GDP surpasses 6 per cent. Until now in spite of contributing to the standard of living, the economic growth has not been good enough to serve the needs of improving the solution of the social problems. The market economy has brought to social diversity but at the same time to the deepening of the gap between the poor and the rich. It is a fact that the higher prosperity of some social groups is in contrast to another part of the population that encounters great risks: risk of unequal conditions during childhood, risks of poverty of whole communities and social groups, risks of being at work until too old age to earn one's living, risks of isolation and limited self subsistence in old age, social exclusion in different forms. As stated in the OECD report on social policies of May 2008: "That the conventional social policies have not helped the people adequately is confirmed by one essential fact: since the beginning of the 70s up to the middle of the 90s of the XX century the incomes from labour and capital have been redistributed ever more unequally among the population of each country member of the OECD".⁵ In a similar way the gap between the poor and the rich in Bulgaria due to rising inequalities sets unfavourably stable trend.

On such grounds at present since the beginning of the present decade the evaluation of the risks of the vulnerability of the socially weak groups due to poverty acquires great importance for these groups. It is important to evaluate also the threats for the society as a whole from the rising stratification and poverty.

In making the choice of strategy for more efficient poverty alleviation and the respective change of set of means for the fight against new forms of poverty it may be important to consider the concept of the life cycle of poverty according to the age structure of the population. Under such approach it is important that the society which could be based on the solidarity and mutual support has to pay attention to the early intervention for the fight against poverty, for in-

⁵ OECD Report on social policies, May 2008, p.23

stance the children poverty in order to provide adequate and timely support. Such a support may help avoid higher costs of expenditures against poverty and its consequences at older age of the individuals involved – as for instance the fight against illiteracy crime, etc.

It is to be considered that with regard to children poverty much importance is to be given to the thesis of the necessity to make on time the public choice between the two alternatives for public expenses: the cost for the society of neglecting the status of children left unsecured in poverty or the public expenditures to undertake measures against poverty of the threatened children. The preferences to make on time financial support for prevention of social exclusion of children and for their education are to serve the purpose of avoiding long term risks and cost to the society from rising illiteracy and rising crime.

The poverty as a part of the contemporary society creates the need of new approaches for its alleviation with regard to the needs of other groups besides children, as for instance the young jobless people or the old women who cannot sustain a decent living as they may rely only on small pensions because of having had lower salaries as employed.

The upsurge of new forms of poverty increases the necessity of good evaluation and choice of adequate social measures for its alleviation.

First, the poverty is always to be recognized and there are many social differences due to poverty. It is part not only of the life of separate individuals or families but of whole communities and in this way it sets firmly its localization at definite regions, towns, quarters ,etc. Thus the poverty tends to reproduce itself in communities and in definite localizations.

Second, the fact that the people are poor is a sign that they have not been successful in joining the labour force or the society. In other words the poverty and inequality make evidence of inefficient society in which the human resources and possibilities are not properly utilized. In stead of that the society has to cope with heavy costs of the problems of the risk social groups that pose risks to public security.

Third, the children of poor parents have lower chances to have success in life: the increased inequality of incomes leads to increased inequality of the access to education, job training and social integration. In this aspect according to a study of OECD: „The failure to fight poverty which is the fate of millions of families and their children is to be criticized not only from social viewpoint but because it reduces the possibilities to sustain economic growth.”⁶

The deepening of incomes' inequality and of the differences in the distribution of incomes of the households is related to different causes, including the problems of the job availability and level of incomes, the changes in the rapid development needs, change of technologies, the impact of globalization, the changes of demographic and family models and other factors. The acknowl-

⁶ „The Employment and Social Policy Response to the Jobs Crisis”, in: OECD employment outlook, OECD 2009, p.74

edgement of the social diversity allows for the possibilities to take into consideration not only the economic but socio-cultural and ethnic causes which are at the roots of poverty and its reproducing in different forms. For instance, in Bulgaria the empirical studies of the status of the Roma population not only analyse the causes and forms of poverty in their communities but they also pay attention to the deepening of inequalities to which the social policy has to target the social support and microfinancing measures for policy alleviation. The way in which the social policies have been carried out in the past offered only one approach for tackling with the deepening inequality in the distribution of incomes of different social groups: by the application of taxes on this part of the society that has had contributed and gained more from the economic growth (i.e. the members of society with higher incomes) in order to pay compensation to those who cannot find job because of illnesses, lack of qualification etc. All countries in the world continue to make use of tax collection and redistribution of incomes as a main way for poverty alleviation and other forms of social inequalities. This approach creates however problems – if the incomes keep rising after some time it becomes more difficult to redistribute more money by higher taxes as the voters in better economic status may refuse to accept the rising tax increases while the higher level of taxation may discourage investments and the motivation to earn higher incomes.⁷

Under the demographic situation in Bulgaria there are also other barriers setting limits to increasing the public expenses through higher taxes – the employed people bear high burden to run their families because of the necessity to support financially their parents with low pensions. For the greater part of social groups there is a necessity to support financially the family members in old age. This solidarity within the families in Bulgaria makes the family as a community stronger to encounter difficulties, gives a special feature of its sustainability against deepening poverty and adds up to the social diversity.

In stead of relying solely upon taxes and public transfers at present the developed countries are in search of other means for coping with social challenges. To this goal are devoted *the active social policies* as they are an attempt to change the conditions of life of individuals and communities and not solely to soften the inequalities resulting from these conditions. In contrast to the passive and compensatory approach of the past the stress is laid upon the investment in people and in stimulating them for active participation in the labour market with the purpose of maximizing their potential to become independent and self supporting members of the society. For instance life long learning and the rejection of the age discrimination in cases of employment are examples of approaches of active social policies.

Besides a stress may be laid upon the social policies based on the prospects of the life cycle, for instance it is necessary to evaluate how the conditions of life during one phase of life of an individual or a community may exercise

⁷ Musgrave P & P. Musgrave, Public Finance, Macmillan Publishers, 1999

influence upon the future conditions of life and thus to preview future problems. By making use of the life cycle analysis in connecting the problems of childhood through the mature and old age problems of the risk social groups in practice the new type of social policy needs the specific targeting of programmes for microfinancing. This targeting serves the need to make the choice of different areas and activities to be financed on the basis of more adequate evaluation of the life cycle needs of the socially weak groups with the aim of poverty alleviation and or its prevention. For instance through the means of microfinancing programmes improvement of public services for children may be undertaken or possibilities for professional training of young people be funded to encourage the employers to take young people at job.

The social policy has been often considered in the past as a burden for the society and as creating burocreatization which is harmful for the business and discouraging the employment and investments. At the contemporary stage by making use of the life cycle approach the problems of microfinancing may be treated on the basis of three key goals of social policy:

Providing for the children better possibilities for normal start in life

A number of social problems are rooted in childhood poverty. Childhood poverty alleviation is very important for the social policy: the children brought up families with inequality problems are worse performers while at school, have difficulties in getting a job and keeping it, more often they are jobless, ill or hit by diseases in old age which worsens inequalities and the misery of different generations as a whole. Generally the family instability and the inadequate family cares for children exert negative impact on the life chances because of inabilities of parents to bring up their children or because of bad qualification of staff involved with services for children.⁸ Reforms are much needed in the employment and tax laws in order to provide support for the parents caring for children, to improve the social benefits for children and to support the mothers in the treatment of their rights to combine work and family obligations, etc. The achievements of such reforms in Bulgaria involves besides the above mentioned measures also special attention to provide public housing for the Roma population at municipal level, to undertake measures to keep their children attending school etc. The sharpness of these problems imposes very high social and economic costs for the society.

For the purpose of active social policy against poverty the following measures have increased their importance:

- Investments in children – including programmes for intervention in early childhood, especially such that involve family support;
- Increasing the possibilities for employment of mothers – together with reforming the tax and social benefits systems in such a way that to encourage getting a job thus being the second family member employed besides the father;

⁸ Better Regulation Task Force, OECD, 2000

- Improving the complementarities of family and labour relations through co-ordination of a number of areas as children's benefits, paid leave for bringing up small children and better attitude to family support at the workplace and by employers;
- Encouraging favourable attitudes to raising the average rate of birth by family policies which support bringing up of children and give the possibility of young parents to keep actively involved in their job promotion.

Providing support of individuals for overcoming barriers to jobs with better qualifications

The job creation for unemployed and support of socially disadvantaged persons to get skills in order to become employed are the most appropriate ways to contribute to economic and social development. The vicious circle when becoming jobless leads to the losses of self confidence and qualification, isolation and social exclusion. Active policy measures may be undertaken in order to overcome this. In many OECD countries success of active social policy is indicative and stimulating as it shows how to improve employment possibilities. The progress achieved in reintegrating the jobless to the labour force may be enlarged to involve other groups as handicapped, socially disadvantaged people etc. Interventions may be directed to improve their reintegration to the labour market.

The results of such policies of transition from social benefits to bringing back to work are positive measures and they have to be supported by additional policies for social measures at work. Such active policies are useful if the beneficiaries of social supports not only are given a job but manage to keep the job and thus overcome poverty „traps“.

Protection of the well being of the old people by stimulating their inclusion in economic and social life

The pension system of the expenditure-covering type is important for the well being of the old people but its increasing cost due to the growing number of the old aged people creates difficulties for its financial sustainability as well as for maintaining social benefits of other social groups as younger generations. The poverty of people in old age is a very serious social problem in Bulgaria because of the aging of the population. In order to have a functioning well pension system there is a need of more realistically constructed relation between the social benefits, on one hand, and the average life duration and the income of the actively employed part of the population, on the other hand. The hopes of the younger generations to shorten the working time do not correspond to the need of the older generations because of the needed contributions to the pension system. The need to make older people to stay longer at work does not mean an overall resort to prolonging the years needed to get a pension: the status of illness and handicapped people at old age are serious reasons besides old age to get retirement. In addition to this a greater number of old people need

access to qualified and long term medical care. The priorities in this field may include:

- Rationalizing the expenditures for social pensions of old people funded from the state budget – for instance considering proper differentiation of pensions for the employed with average incomes and higher than the average incomes;
- Encouraging longer work involvement while reducing possibilities for early retirement, correcting the conditions for early retirement, etc.⁹
- Improving the quality and the access to long term social care for old aged people as social assistants for the old aged people and better monitoring of the quality of these services, etc.

The active social policies have the potential to decrease the negative effects of the social systems as having being run only by redistribution of state budget revenues and expenditures. The active social policies take into consideration the life cycle in order to fight poverty according to age differences and have the purpose in transition periods for the socially weak individuals to prepare for better adaptation to labour market in order to avoid poverty. The need to change the practical approaches and means of the fight against poverty is an outcome of the difficult relations between social problems and socio-economic realities. It is to be acknowledged that the financial resources spent on active social measures do not have a secure return. The failures to get results from social measures because of the impact of bad communities may tend to discourage further continuation of some measures, for instance against childhood poverty. At the presence of such risks the social support is confronted by a number of challenges to economise the expenditures of public institutions and to search for public-private partnerships. The governance of active social policies for some social communities with the aim of poverty alleviation demands to interact with all interest groups from the public and private sector.

Specifics of the implementation of microfinancing as an instrument for poverty alleviation

The microfinancing is applied in Bulgaria at three institutional levels (the Republican state institutions; the banking institutions and the official funds and programmes of developed countries and global and regional financial institutions; non-banking financial and credit institutions). The specific features of microfinancing as an instrument of social policies is to be traced most clearly in two of the institutional levels – at the level of state budget institutions and at the level of official funds and programmes of foreign countries, the EU funds and the programmes of the United Nations Organisation and the World bank.

⁹ There is acknowledged need of avoiding the very high long-term costs of expanding „inactive” programmes such as early retirement benefits and to promote better prerequisites for stimulating private businesses and raising incomes. / See OECD employment outlook, OECD 2009/

At the level of State institutions

The main aims of the social policies involve the reduction of unemployment, poverty alleviation, improvement of the quality of life of the Bulgarian citizens, creation of social capital and social integration. In order to achieve these strategic priorities there is a need of adequate effective and efficient socio-economic instruments.

Among the instruments of social policies applied for the purpose of social support for jobs' creation an important role is played by the State Fund "Rehabilitation and social integration" and the State Fund „Labour conditions" at the Ministry of labour and social policy of Bulgaria.

The State Fund "Rehabilitation and social integration" supports employment of jobless handicapped by employers to whom the Fund transfers the resources due for the employed for the wage payments, additional payments, and the due payments for social security, health security etc. The Fund may be made use of by employers who create new jobs for handicapped for not less than 30 months. For the creation of access to jobs created – up to 1500 BGN, for adjustment of job place – up to 1000 BGN; for equipment of a working place for a handicapped person – up to 3000 BGN. The Fund „Labour conditions" at the Ministry of Labour and social policy is created to support the contribution at different sectors' branches' and regional Councils for the labour conditions, organizations of workers and employees and organizations of employers. The Fund provides up to 20 per cent of the total value of a social investment undertaken if a given beneficiary has paid regularly the social securities due for the last 6 months, the risk factors of labour conditions have been declared and there has been a contract concluded with medical service for medical care provision at work place.

The social-investment funds have become important and effective instruments of social and economic policy. Such a fund was created in Bulgaria by the Law for the Social-Investment Fund as of 3 of April 2001 as a secondary budget spender of budget credits of the Ministry of Labour and Social policy. The activities of the Social Investment Fund according the respective Law are carried out on the basis of different programmes and projects financed by Bulgarian and foreign sources from different donor institutions. From the beginning of February 2003 the Social Investment Fund has started the implementation of a joint project on „Social Investments and Encouragement of Employment" between the International Bank for Reconstruction and Development (IBRD) and the Ministry of Labour and Social Policy at the total value of • 67, 8 bill., which are to be invested in socially important projects within 5 year–period. The financing is undertaken by a state-guaranteed loan lent to Bulgaria by the IBRD. Besides the Ministry of Labour and Social Policy as well as the beneficiaries of the Fund are to provide own sources of co-financing at the value of • 17 bill.

The main purposes of the Fund and of the projects implemented for the enforcement of the existing system for social protection and solving problems of unemployment and the poverty alleviation include:

Implementation of microprojects for the development of the communities and accomplishment of microprojects for infrastructure and for active measures at the labour market

By the means of the financial grants from the Social-Investment Fund for the microprojects in favour of the *development of communities* the purpose is to create possibilities and prerequisites for sustainable employment, generating incomes, improved access to services and infrastructure, as well as building up capacities among communities for defining priorities and governance of investments and activities of local importance. The microprojects are targeted first of all at the necessities of socially vulnerable and isolated groups of the population, that have lost their place at the labour market as a result of the restructuring of the economy, that have been harmed by the process of impoverishment and experience difficulties in their access to social services.

The grants for financing the microprojects for development of small communities are inseparable part of the strategy of the Fund to create sustainable employment and to provide for sustainable employment and contribute for poverty alleviation and social inclusion. These microprojects have improved the access to economic and social infrastructure, to create reproducing models of flexible market mechanisms for re-integrating of socially vulnerable groups by stimulating of the activities of the small communities and the support of local initiatives. The purposes of accomplishment of the microprojects are wide in scope:

- Creating capacities of small communities to learn to formulate and effectively govern socially important development projects;
- Creation of models of organizational culture, which may allow the small communities to be partners of the local and central Government authorities in the implementation of development projects;
- Creation of partners' relations with the local economic, political and non-governmental organizations, including the presented at national level organizations of workers and employees and of employers, and their divisions at regional level;
- Encouragement of employment at local level through the means of improving the professional qualification of the labour force and its competitiveness at the labour market;
- Stimulating the entrepreneurial activity among groups with inequalities at the labour market;
- The development of effective and active measures at the labour market aimed at the reduction of the level of unemployment;
- Reintegration of the groups in disadvantaged status through improved access to employment and social services, stimulating the entrepreneurship and raising the qualification.

The microprojects make possible to undertake investments for public goods and services as:

- Investments in technical and social infrastructure;

- Investments in production activities;
- Financing of services as soft measures at the labour market /training, building up organisational and governing structure, diversification of the provision of social services/ ;
- Investments in projects which include elements of the above mentioned targets.

For the financing of microcredits a set of uniform requirements are applied as for instance:

1. The total value of the project is to be from 6 000 Euros up to 60 000 euros.

2. The Social and Investment Fund finances 89 per cent of the value of the project and the co-financing on the side of the candidate has to be not less than 20 per cent of the value of the project;

3. The agreement for financing may not be signed in the case when the value of the project amounts much higher than 20 per cent of the value declared.

The Social Investment Fund finances microprojects in two broad areas: **1)** Initiatives for development of the public infrastructure and **2)** Active services at the labour market.

In the first area projects are considered with the goal to raise the quality of life in the eligible for funding options for investments in infrastructure projects. The short term employment helps the social integration of unemployed and supports them in the efforts to avoid long-term unemployment. The initiatives give the possibilities to disadvantaged socially people to get temporary jobs and income. As a result of achieving the goals the formation of positive social capital is encouraged in communities and municipalities with limited potential for economic growth and undeveloped infrastructure. The projects may be tailored according the needs of the beneficiaries and the stages of their accomplishment are adjusted to the goals set under the condition of keeping the targets of the priority of the communities' initiatives. For each microproject a minimal share of co-financing is necessary on the side of the candidates within the limit of 20 per cent of the total value of the microproject.

In the second area involving „Active services at the labour market” the projects are targeted at increasing the capacities of the human capital and reduction of unemployment among the socially disadvantaged groups in the changing economic environment and labour market. The grants are provided with the purpose of: creating of sufficient and reliable information for the labour market with the purpose to raise the effectiveness of the governance, the provision of training services for professional qualification and requalification, creation of business centres and incubators for stimulating entrepreneurship. The projects in this area are undertaken by the Agency for employment and its regional divisions in Bulgaria.

The microprojects which are considered for funding by the Social Investment Fund are submitted by the municipalities or communities which take interest in solving a definite problem of the local infrastructure, the provision of

access to social services in compliance with the project "Social Investments and encouragement of the employment". The applicants for microcredits are municipalities or communities that may be presented by juridical bodies with ideal purpose acting as intermediaries. The resources of the Social Investment Fund are allocated to the selected microprojects upon evaluation of the candidates. Each microproject is competing with microprojects of the same type. The application of the microprojects depends not only on its quality and parameters but also on the features of the communities and the environment where it is to be implemented.

On the basis of the applications received for project funding by the Social Investment Fund quotes are defined for the different types of microcredits and the Annual Investment Programme of the Fund is approved. The microprojects receive social, institutional and technical-economical evaluations and they are ranked according to the rules of the Programme "Social investments and encouragement of employment" at the Ministry of Labour and Social Policy. The microprojects evaluated and ranked are presented at the Governing Board of the Socio-Investment Fund to be selected and approved for funding within the limits of the annual budget of the Fund. Following the specific targets of the Fund investments there are limitations set to the potential candidates to apply for funding as regards some areas of investments. In the case of infrastructure microfinancing projects the following are targets not eligible for funding: first class, second class and third class roads, transformers, cables for high voltage, big recycling cleaning stations, specialized equipment, specialized medical and high-tech equipment.

At the second institutional level it is necessary to consider all programmes and initiatives for poverty alleviation which are carried out under project funding by official national institutions and international organizations and official programmes, including the EU funds and programmes in the pre-accession period and after Bulgaria has joined the EU since 2007. The analysis of the impact of these programmes and projects for microfinancing may give examples of successful implementation and sustainable achievements in social policy improvement. There are also some results which show lower return and a number of risks and threats because of lack of sustainability of the outcomes. From the viewpoint of the positive and strong results of the microfinancing from these sources of funding it is a fact that they have contributed to change considerably the social environment and to compensate for the lack of adequate public and private investments for the overcoming of serious social problems as well as for improving the social reintegration of the poor. The most important feature of these programmes and project funding has been their business orientation. Through the activities funded in Bulgaria the creation of economically viable enterprises for small and medium sized business have been created and non governmental organizations have received support in order to take a special "niche" in the development of social measures for poverty alleviation and better social integration. The main risk and challenge of the implementation of this

type of projects through microfinancing poverty alleviation concerns the problem of sustainability of the results achieved and the long term impact of investments made. The real change in the behavioral characteristics, the social status and social environment of the targeted socially weak groups not always could have been completed but just given a good start up.

When analyzing the impact of the funds and programmes as grant schemes and investments for reintegration of the Roma population it becomes clear that the efficiency of the funds spent is extremely unsatisfactory if the sustainability of the results is taken into consideration. On the basis of this analysis a number of questions are to be raised as regards the inadequate choice of beneficiaries and target groups, irregularities in involvement of private investors, lack of proper choice of social measures, etc. The mistakes and failures in the design of the projects or the choice of the profile of the beneficiaries are also an important aspect of „learning by doing” and this is an important aspect of the impact assessment of these projects.

At the third institutional level the microfinancing is organized and provided by non banking institutions including consumer cooperatives, mutual savings institutions and credit unions. The progress of the activities of mutual savings and credit unions has been supported by project funding provided also by international official and private donors in favour of business promotion, job creation, etc.

Conclusion

The current global financial crisis has more serious implications for low-income social groups and the state of poverty in Bulgaria than previously thought. The reasons for this are in the complexity of combination of the fall of demand at the domestic and foreign markets and the fall of incomes with the rising unemployment. The considerable fall of the GDP growth of Bulgaria in 2009 nearly by 6 per cent worsens greatly the government budget revenues and thus the government expenditures’ policies encounter difficulties in maintaining the balance between the social safety nets and the active measures for the business support and social inclusion policies. At the same time, it is also clear that the availability of microfinancing sources has been greatly reduced. Moreover, the channels of transmission of the global crisis have more rapid and unexpectedly strong effects on the Bulgarian economy since the end of 2008 onwards by the reduction of export demand and the fall of foreign financial inflows in the form of portfolio and direct foreign investments as well as private transfers from abroad. In the face of declining availability of microfinancing schemes and sources for social inclusion finance, it is self-evident that policy makers need to focus much more attention on domestic resource mobilisation to prevent the rising unemployment and to support safety nets as antipoverty measures. The need to enlarge the lending capacity and resource availability for microfinancing will remain a challenge for the public and private institutions in the expected post crisis economic revival.

MIGRATION AND IMMIGRATION IN BULGARIA

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MODERN FAMILY MODELS AND CAREER DEVELOPMENT

1. Introduction

This paper is based on a representative research survey „Family models, attitudes and factors determining the decision of the young people to give birth and raise children” carried out by the Agency for Socioeconomic Analyses (ASA Ltd.) within the joint project of Ministry of Labour and Social Policy and the UN Population Fund: BUL1P201 „Support for development a policy in the area of demographic processes” in partnership with Center for Comparative Studies.

There were carried out in total 1828 face to face interviews with people aged 15-35 at the territory of the whole country. The sample is boosted with 300 people with Roma ethnic affiliation. The considerably large samples have provided an opportunity for reliable sections of big sub-aggregates by the basic demographic features and other variables. The maximum admissible deviation is under 2%. The study is carried out on the territory of the whole country in the period April – May 2007.

Unlike NSI, which is exploring fertility over an age range between 15 and 49 years, the sample of this survey has included respondents aged 15-35. This is determined by the surveys’ goals. The report does not aim to verify or reproduce the national statistical data, but to contribute to the in-depth understanding of demographic processes by focusing on the population within the age group of highest reproductive and economic potential.

2. Parental relationships

This section of the paper discusses the social-psychological factors of the fertility – family environment, forms of partnership, equality in the couple, as well as the relationships between generations. The attention is focused mainly on the types of alliance between parents – marriage, factual cohabitation (in the same home without marriage) or parenting without any permanent partnership.

2.1. Cohabitation or marriage – demographic profile

There is a serious growth of the number of cohabitations.¹ According to official data based on the whole population in 2001, their number is only about 4.5% compared with 10.4% from data of this study of the population in the age group 15-35. If we consider only the two main forms of partnership – factual cohabitation and marriage, then the ratio is 1:4, i.e. **25% of the established couples live in cohabitation and 75% – in marriage**. If we discuss only the couples with duration of cohabitation more than a year, the share of the cohabitation decreases from 25% to 22.2%. On the other hand, 30.8% of the married couples have lived previously in factual cohabitation. This means that totally about 1/3 of all established couples in Bulgaria have lived sometimes or live now in cohabitation.

Indirect indicator of the growth of the factual cohabitations is the number of illegitimate children (born out of wedlock). As mentioned in the demographic review, since 1990 the number of the illegitimate children increases more than **4 times**, reaching 50.8% in 2006. In other words, **half of the children in Bulgaria are born out of wedlock**. Bulgaria is among the countries with highest percent of this indicator. Most children are born out of wedlock in the Scandinavian and Baltic countries (Sweden – 55.3%, Iceland – 65.2%) but on the Balkans and in Eastern Europe, Bulgaria is a leader by childbirths out of wedlock (Serbia – 20.4%, Romania – 25.5%).

What demographic factors influence the choice of factual cohabitation or civic marriage?

First, it is the age. Cohabitation is typical for the younger people aged 21-30 (15-16%), while the marriage is most distributed among the highest of the studied age groups – 31-35 (62%).

Table 1. *Type of cohabitation (%)*

Answers	Age				Total
	15 – 20	21 – 25	26 – 30	31 – 35	
Married (in civic marriage)	1.4	17.4	43.4	62.0	31.3
Widow/widower from civic marriage			0.2	1.0	0.4
Divorced with official divorce		1.0	2.7	5.9	2.4
Separated from civic marriage without official divorce		0.5		1.2	0.4
In cohabitation (with intimate partner without marriage)	3.4	15.3	15.8	9.7	10.4
Separated from cohabitation	0.2	0.8	1.5	0.2	0.6

* multiple answer

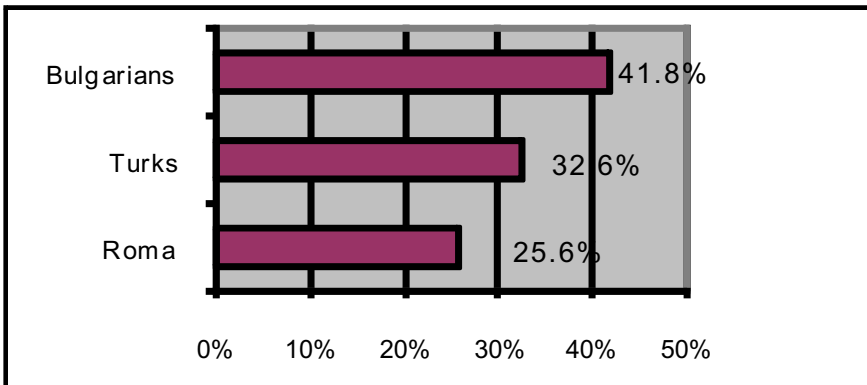
¹ The comparisons are indicative nationally on the basis of 15 – 35 years.

Second, it is the incomes. The working hypothesis of the influence of the incomes on the choice of family model was that the cohabitation as more modern form of partnership is spread among the high-income groups. The data do not support explicitly such conclusion. On the contrary, they show that cohabitation is spread among groups with lower income. According to general data, marriage is typical for the people with high self-evaluation of the financial welfare (42.3% with high self-evaluation compared with 25.7% with low self-evaluation), while cohabitation is most often the case for the people with low financial self-evaluation (14.6% with low self-evaluation compared with 6.3% with high self-evaluation).

Money of course are important for the relationship, especially in young age, when the couple is financial insecure. Asked why they do not wish to commit neither into a marriage nor in cohabitation, one of the most often answers was „financial reasons” (3.6%), on second place after the age (4.9%). Like the lack of money, the lack of home forces the young people to choose cohabitation instead of marriage. 86.1% of the people living in own homes are married couples compared with 63.9% people living in the parents’ homes and 50% – in rented homes. For the cohabitations the dynamics is different – the renting homes prevail (44.1%) compared with 31.5% in the parents’ homes and only 12.5% – in own homes. According to these data, couples living in factual cohabitation rarely invest in common home. This is probably due mainly to the young age of the people living in factual cohabitation. People at the age of 25-30 do not have yet accumulated savings and their relationship is not stable enough to make a decision to invest in common home.

Otherwise, 38.2% of the young couples aged under 35 live in own homes and 9.3% – renting. It is interesting that most often young couples live in own homes in Sofia (53.7%) and most rarely in the villages (28.4%). In similar way, Bulgarians (41.8%) more often live in own homes than Turks (32.6%) and Roma (25.6%).

Figure 1. *Where do you live with your partner (spouse)? – In own home, Ethnic affiliation*



Box 1. *Dependency by the parental environment*

The assumptions were that the high commitment to the parents, the late leaving of the home, the financial dependency on the family, restrain the timely forming of couples, and therefore – childbirth. Data only partly confirm these hypotheses.

Direct factor for dependency on the parental environment is the late leaving of home. As a whole the average age of leaving home of 21.7 is considerably low compared with countries like Italy and Spain. On the other hand, data show regular increase of the age of separating from the parents in connection with education – people aged 30-35 with higher education have left home at the average age of 23.4 compared with 20.0 for the people at this age without education. Higher educated people, living in bigger settlements, are in bigger financial dependency on their parents. For instance, 24% of the young people in Sofia are completely dependent on the parents compared with 20% in the villages and respectively 21.4% for Bulgarians compared with 14.2% for Roma. The late leaving of the home in connection with acquiring higher education degree as a whole leads to postponing of childbirths, as well as to negative influence on the intentions and desire to have children.

The carried out correlation analyses² show that the number of desired and born children decreases with increase of the age, at which the person has started to live separately. This means that the early leaving of the parents' home can influence positively on the birth-rate. Financial dependency on the parents, like the early leaving of the home, also suggests smaller number of desired and born children³ – people who are financially „completely dependent” on their parents desire and have less born children.

These interconnections though require profound longitude studies, which would trace the education practices and the employment among young people after leaving the parents' home.

Third and fourth, the form of partnership depends on the type of settlement and ethnic affiliation. In Sofia, we find significantly less factual cohabitations (6.2%) than in the district towns (11.2%) and especially in villages (12%).

By ethnic groups, the model of factual cohabitation is characteristic mostly of the Roma – 21.4% of the Roma live in cohabitation compared with 8.9% of the Bulgarians and 9.8% of the Turks. Data of the carried out focus groups show that it is due mostly to the opportunity to receive benefits for single parents (mothers). The distribution of the cohabitation among Roma confirms also by the distribution of the type of partnership by education. Most factual cohabitations are observed among the people without education – 35% (who are mostly Roma) compared with only 10.1% among the people with higher education. We have to count here also the „age” factor. Since the higher education degrees are

² Pearson correlation coefficient – 0.156 for number of desired children and – 0.234 for number of born children.

³ In this interconnection, the Pearson correlation coefficient has lower significance.

acquired in the higher age groups, and the factual cohabitation is characteristic for younger people, then it is logical to assume that the factual cohabitation is spread among the lower educated people, including Bulgarians and Roma.

Box 2. Ethnic structure of the couples⁴

The ethnic structure of the couples as a whole is homogeneous. For instance, 98.5% of the Bulgarians are partners with Bulgarians, 94.8% of the Roma – with Roma and 92.4% of the Turks – with Turks.⁵ Additional analyses by types of couples (marriage and cohabitation) did not outline substantial differences – often Bulgarian couples in „marriage” are 98.6% and in cohabitation – 97.7%.

As these numbers show, Bulgarian couples are most pent by ethnical factor, and the Turks – most open. Considerably most often they commit with Bulgarians (3.8%) or Roma (2.9%). It is curious that the data for the presence of inter-ethnic couples, coming from the interviews with Bulgarians, are less than the data from the other ethnic groups. For instance, according to the Bulgarians, there are 0.2% Bulgarian-Roma couples, and according to the Roma, they are 4.2%. Similar are the data for the Turkish ethnic group (which by the way sometimes crosses the Roma group). This means that part of the people change their ethnic self-determination after they establish a couple with a representative of other ethnic group. These data repeat observation from other studies on the interrelations between children from different ethnic groups, according to whom the Bulgarian children most rarely play with children from other ethnic groups.⁶ *Fifth*, the civic marriage is typical for the people working in state or municipal organization (55.5%), while factual cohabitation is typical for employed in private firms (11.2%), own business (12.6%) and unemployed (18.2% – Roma).

Table 2. *What type of family or partner relationship do you have at the moment? (%)*

	Hired by private firm	Hired by state/municipal firm/organization	Own business	Pupils, students	Unemployed
Married (with civic marriage)	39.4	55.5	53.7	1.1	29.4
In cohabitation (with intimate partner without marriage)	11.2	9.2	12.6	1.6	18.2

⁴ Answer to the question „What ethnic group does your partner (spouse) belong to?” by ethnic affiliation.

⁵ Percentages are by columns, which eliminates the size of the different aggregates by ethnicity.

⁶ Ivanov, A., D. Kopeva, D. Mihailov. Agrarian Reform, Regional Development and Business Opportunities in Regions with Ethnically Mixed Population. Institute for Market Economy/ASA Ltd., Financed by The Friedrich Naumann Stiftung, 1998-1999.

As a whole the social-demographic factors, which most clearly influence the choice of factual cohabitation instead of marriage, are age and ethnic affiliation. Financial uncertainty and lack of own home are also important factors for the choice of cohabitation instead of marriage. The factual cohabitation is typical for the Roma, unemployed and people with low incomes, as well as of the people with high social status like employed with own business, people with highest incomes and employed in private firms. These observations form a bipolar demographic profile of cohabitation. On one hand, it is motivated by the economic uncertainty (and opportunities for social benefits) of the weakest social strata (Roma and unemployed). On the other hand, the pressure of the professional development in the private sector, the ambition for very high incomes, restrain the young people from lasting commitment in civic marriage.

The connecting factor between marriage and cohabitation is the age. With aging, income increase, education graduating, the young people tend to commit to more stable relationships, like marriage. We will see later that 30% of the married couples have lived in factual cohabitation before that, and the similarities in the attitudes to marriage and cohabitation are more than the differences.

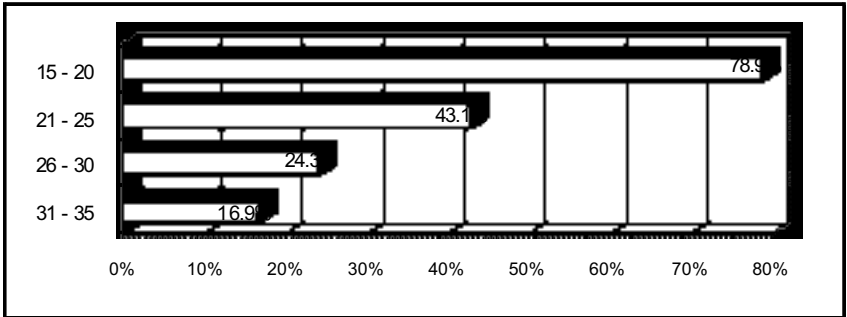
2.2. Cohabitation or marriage – neither

The news from this study is not the increased number of „cohabitations” but **1)** the large number of young people who live without an intimate partner, and **2)** if they have intimate partner, they do not live in the same home.

First, significant share of the young people simply do not have an intimate partner, with whom to have regular sexual life (41.5%). It is understandable for the youngest people aged 15-20, among which the lack of intimate partner increases to 78.9%. However, impressive is the share of such people aged 21-25 (43.1%). Actually, the regular sexual life (without which it is hard to imagine any fertility) starts after age 25. Even then, though, around 1/4 of the young people continue to have no intimate partnership. The lack of intimate partner increases from 39.1% in the district towns to 46% in Sofia. Living without an intimate partner is understandably more often seen among pupils and students (78.9% – for age reasons) and unemployed (40.6% – for economic reasons). ***However, there is a serious difference between people working in private (28.5%) and state organizations (20.8%).*** By ethnic affiliation, living without intimate partner is specific mostly for the Bulgarians (42.1%) and Turks (43.1%) compared the Roma (27.1%).

Financial reasons are not determining for the lack of intimate partner. The poverty is beside the purely personal factors like (low) age (14.3%), unsuitable partner (10.7%) or other priorities (4.2%). Financial reason for the lack of intimate partner is especially specific excuse for the young citizens of Sofia (4.6%) compared with the people from villages (1.7%), even though the living standard there as a whole is lower.

Figure 2. *What family or partner relationship do you have at the moment?*
 – *I do not have intimate partner, without cohabitation and without civic marriage, Age*

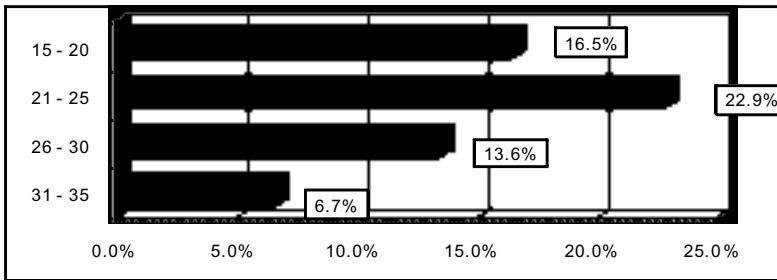


Box 3. *What is the reason for you to have no intimate partner?*
 – *Open question (%)*

	<i>Answer</i>
Age I am young	14.3
I have not met the right person I do not trust anybody I changed two and now I am looking for new (girlfriend) Girls do not like intelligent boys I do not have a choice in the village	10.7
I have other more important priorities I prefer first to finish my education I work 18 hours/day It is good like this I do not need it at the moment I do not have time, I have other goals in life I will travel abroad to my parents The education is more important Our traditions forbid us intimate relationship before marriage I prefer to work and to decide my life by myself I leave to work at the Black Sea and we separated	4.2
Financial reason I do not live separately I do not have incomes I do not have money for girlfriend I do not have incomes and do not look for a woman I have to take care of my children and I cannot have love I am financially dependent and I study, I cannot bifurcate	3.5
Disappointment from previous relationship Separation	2.5

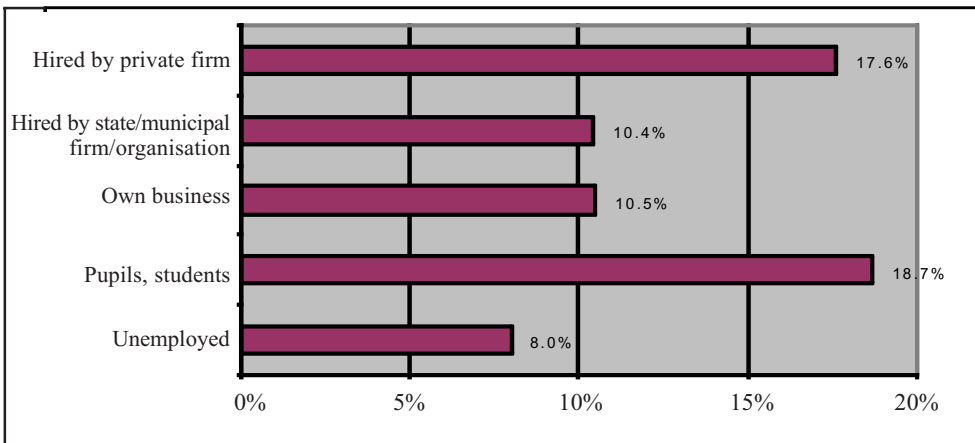
The second important observation after the lack of intimate partnership is the high share of „non-committed relationships”. Here it means intimate relationship, supposing regular sexual relations without partners, neither living in common home nor in civic marriage, i.e. without having an established cohabitation. In such relationships are 14.5% of the young people at the age of 15-35.

Figure 3. *What family or partner relationship do you have at the moment? – I have intimate partner without being in cohabitation or civic marriage, Age*



These data are a sign of rejection of whatever commitment. About 17.5% of the young people in Sofia and big towns have such type of intimate life compared with only 13.2% in the small towns and 10.5% in the villages. As figure 3 shows, this type of „partnership” is specific mostly for the age group 21-25, when the sexual life has already started but there is no readiness for entering a stable cohabitation (in a common home). The distribution of data by education is ambiguous since the leading factor is age, and the education increases with increasing the age.

Figure 4. *What family or partner relationship do you have at the moment? – I have intimate partner without being in cohabitation or civic marriage, To which of the following groups do you belong?*



Data raise the hypothesis that this type of cohabitation is specific for the people with medium and high social status – young people with considerably good education (17.5% with graduated education), living in big towns (17.5% in Sofia), Bulgarians (16% of the Bulgarians live with intimate partner without cohabitation or marriage compared with 6.9% of the Turks and 11.9% of Roma), medium financial self-evaluation (15.8% average, compared with 13.8% low and 12.1% high self-evaluation of the financial welfare). These are mainly pupils and students (18.7%) as well as hired by private firm (17.6% compared with 10.4% of the hired by state/municipal firm/organization).

As a whole, these data impose the concept of new model of relationships, based on minimal commitment and maximum individual freedom. Large percentage of the people (41.5%) does not have intimate relationships, and those who have (14.5%) prefer to live separately. If the people living in Sofia and big towns, the young people working in private firms, students are the bearers of the new and modern, but the factual cohabitation is not modern anymore. The „new” couple searches for individual freedom and non-committed relationship, it does not wish to enter neither factual cohabitation, nor marriage.

This is the main reason in Sofia to find less factual cohabitations than in the villages. The bearers of the already old stereotype that „marriage is an anachronism” are more often among the young people from the villages (7.6%) and small towns (5.3%) than among the citizens of Sofia (1.8%).

These data and interpretations illuminate more clearly both tendencies in the development of the factual cohabitation – one probably older – of its recognizing as a union, equivalent in value to marriage, and the new direction of „returning” of the cohabitation to its initial function of short-term partnership, identical to intimate friendship.

In short, young people, especially in the big towns, working in private firms, students, begin to consider the cohabitation the next limitation of the personal freedom. Either they have no intimate partners, or if they have, they live without any commitment with them.

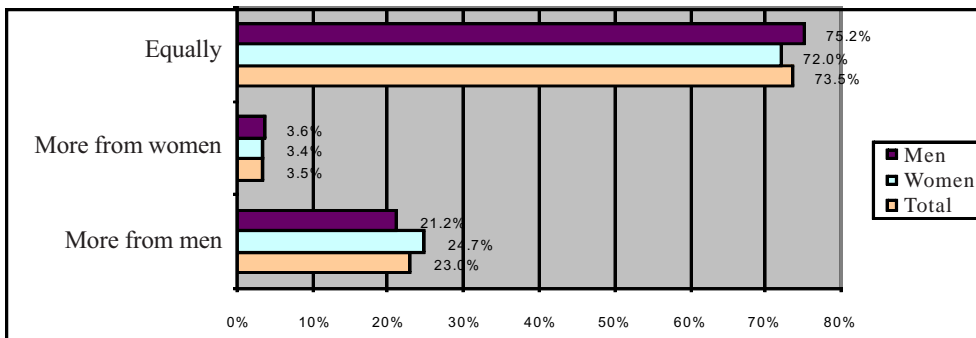
Does this fear of commitment, this rejection of whatever established partnership in the forms of marriage or cohabitation, come from the man or woman?

23% think that the fear of commitment comes from men, compared with 3.5% – from women. As figure 5 shows, women, as well as men, admit this. Stated reasons are mostly two – reluctance (or fear) for taking responsibility (33.8%) and financial insecurity (44%). This self-evaluation is fair and realistic. The free answers to the question „Why young people do not wish to commit in family/cohabitation or children” describe the young man as unmotivated, insecure or with low need of achievements. The hint of one of the interviewed people is especially correct. He answered that „Young people have many new opportunities, they want to experience everything and only then to take responsibility”. This quote speaks of changed environment, which opens a wide repertoire of social roles to men and women. Today there are many opportunities to spend one’s life, besides in a family – education, travels, consumption.

Box 4. Why do you prefer not to commit with a partner in cohabitation or civic marriage? – Open question (%)

	Answer
Age I am still young My girlfriend is still young	4.9
Financial reason I am student There is no place to live I am insured There is no work I depend on my parents We are both unemployed.	3.6
I want us to know each other better first	1.7
Other It is not sure what will happen one day – we will go different ways It is easier I do not have need for this I am scared I am not ready yet It is our customs Our relationship is not perspective one I want to live little more I am divorced with two children I do not wish to depend on anybody My girlfriend is still young (meaning her father does not allow her)	2.4
I have other priorities/values I want to continue to study and to find a good job – these are more important things He leaves for abroad and we decided like this I worry of commitment, since I will go to live in another town	1.0

Figure 5. Many young people do not wish to commit in family/cohabitation or children. Who does this problem come from more – women or men, Gender



On the other hand, the financial uncertainty is really important. We do not mean so much the amount of money but their certainty. Young generations are raised with this uncertainty, they accept it as inevitable reality and they imbed it in their value system. That is why they do not wish to commit to one firm or one partner (and one country).

3. Professional development

The state is interested in the number of children not only because of the social payments, but mostly because of the structure and quality of the workforce, i.e. because of their future professional realization. On the other hand, the professional life of the people can restrain or encourage their personal life, including having children.

3.1. Professional values

Concerning the demographic policies, interesting were mostly two professional values – certainty and reconciliation of work with professional development.

The orientation towards certainty (87.1%) is a leading professional value, while the readiness for work on flexible work hours (61.8%) and work at home (39.8%) are considerably less presented. Other highly presented values are: „To give recognition and reward for the efforts” (80.1%) and „There is exact explanation of my obligations” (79.9%).

1) Flexible work hours

The flexible work hours would give opportunities to women to not interrupt (completely) their professional development during maternity. We saw above that the orientation towards career suggests desire for smaller number of children. Now we want to see whether there is willingness to work with flexible hours, which will *allow combining professional development with raising children*.

It turned out that there is such willingness but it is weaker than the other professional values. The preferences for flexible work hours are placed behind in the value hierarchy after the „prestige” (66.4%), chances for professional advancement (79.5%), exact description of the obligations (79.9%) and far behind the leading values of the recognition (80.1%) and certainty (87.1%). Confirming the considerably low significance of the flexible work hours, at the bottom of this hierarchy we find similar professional value – to be able to do work „at home” (39.8% totally, 44.3% for women).

However, the values of the flexible work hours are substantially higher presented among women. 67.4% of women compared with 55.5% of men would choose work, which will give them opportunity to work with flexible hours. In similar way, 35% of men would choose to work at home compared with 44.3% of women. Other specific of the desired „woman’s” profession are that it should be prestigious, should suggest working in healthy environment (about 4 percentage points higher than men) and should have no big responsibilities (about

Table 3. *If you could choose your work, how important would be the following characteristics for your choice? * (%)*

YES	Gender		Total
	Male	Female	
To work in healthy environment	84.8	89.3	87.2
To have certainty for at least 2 years	87.0	87.1	87.1
To give recognition and reward for the efforts	79.2	80.9	80.1
To have exact description of my obligations	79.9	79.9	79.9
To give chances for advancement	78.7	80.1	79.5
To be prestigious	64.2	68.4	66.4
To have flexible work hours	55.5	67.4	61.8
To not have big responsibilities	41.9	46.8	44.4
To allow work from home	35.0	44.3	39.8

5 percentage points higher than men). The other values have no substantial differences.

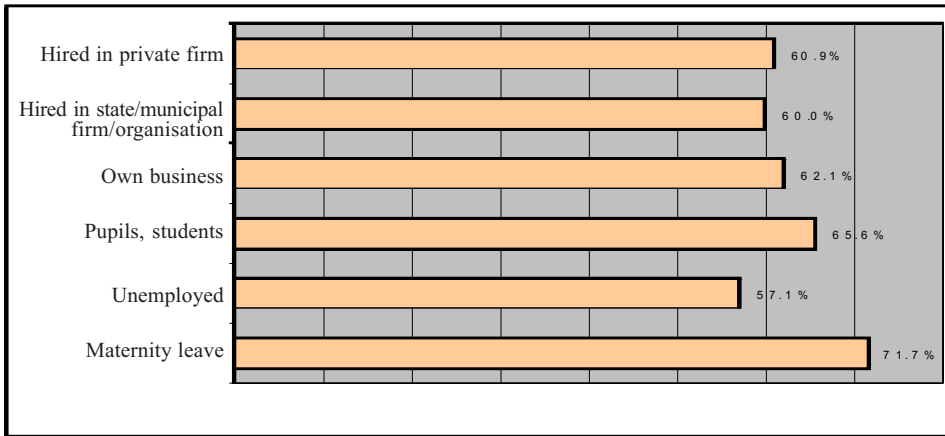
Are there other demographic characteristics of the preferences of flexible work hour besides gender? The expectations for flexible work hours increase with the size of the settlement (70.5% for Sofia compared with 54.8% for the villages) and increase substantially for Bulgarians (65%) compared with Roma (52.8%). We find considerably small differences by professional status, where only the high preferences for flexible work hours of the people in maternity leave outline.

There are no substantial differences by education (65.4% – secondary compared with 67% – higher). Regarding declared incomes the preferences for flexible work hours increase from 55.4% for people with incomes up to 100 BGN (per person) to 62.2% for people with incomes more than 200 BGN.

The professional value connected with the spare time if *work at home*. The professional expectations for work at home are considerably low. Totally, 39.8% consider this an important specific of the desired work. The demographic profile of these expectations is similar to the preferences for flexible work hours, confirming the considerably high social status of these people. They are mostly women (44.3% compared with 35%) and people from bigger settlements (51.1% in Sofia compared with 35.6 in the villages). Added to these specifics here are the people with good financial self-evaluation (43.9% – I live better than the others, compared with 37.2% – worse than the others do). Similar are the distri-

* „Payment” is not included in the questionnaire. It is considered not a value, which significantly differentiates the professional differences – „money”, are important equally for all professions and all social groups. That is why when „payment” is included in the questionnaire; it ranks first, bringing „noise” in the differences between the other factors.

Figure 6. Preferences for „Flexible work hours”, Professional status



butions by income, like preferences for work at home increase from 36.3% for people with income up to 100 BGN per person to 41.2% for those with income more than 200 BGN. Bulgarians here are again more presented (41.9%) compared with Roma (36.8%) and especially Turks (27.9%). Regarding the birth-rate, important is that the values of flexible working hours and work at home are connectedly positively with the norms of having children and number of children.

The number of desired and born children increases with the preferences for work at home. The connections with the attitudes for flexible work hours are similar – 60% for people without children and 62.5% for those who do not desire to have children, compared respectively with 85.7% for people with four children and 71.4% for those for those who desire to have four children.

The multi-dimensional statistical analyses enlighten additionally the overall value profile of the preferences for flexible work hours and work at home. ***When these values are analyzed in overall comparative plan (through factor analysis), they get a meaning, which is different and somewhat contradictory to the values of career development.***

As table 4 shows, the first component of the professional values is dominated by the ambitions for professional advancement. It includes the values for career advancement, prestige the work brings, certainty. Conditionally this dimension was called „Professional ambitions”. The second dimension, called „Professional freedom”, has completely different meaning. We assumed the flexible work hours to be connected with the values „to be able to work at home”. These two values however are in the same meaning group, together with expectations „the work to not have big responsibilities”. Therefore, these three values (unlike the other, grouped in the first dimension), carry the meaning connotations of a low professional ambition, professional peace.

Table 4. *Factor analysis of the answers to the question „If you could choose your work, how important would be the following characteristics for your choice?”*

	COMPONENTS	
	Professional ambition	Professional freedom
To give chances for advancement	.807*	
To have exact description of my obligations	.782	
To give recognition and reward for the efforts	.774	
To be prestigious	.736	
To have certainty for at least 2 years	.680	
To work in healthy environment	.515	.350
To have flexible work hours		.796
To allow work from home		.787
To not have big responsibilities		.773

Main components method with following „Varimax” rotation

* Factor weights with values from 0 to 1. The answers with highest factor weights describe to greater extent the meaning of the component (dimension). The answers in one dimension have common value meaning.

The demographic profile of the preferences of professional freedom have different demographic profile than the values of the flexible work hours and work at home, individually. As in the two-dimensional analyses of these values, here again outline the people living in Sofia, women, especially those who are in maternity leave. However, in parallel, unlike the two-dimensional analyses, in the demographic profile of the total dimension „professional freedom” are outlined young people (0.071 for people aged under 20 compared with -0.061 for age group over 35), people with low education (0.047 for people with secondary education compared with -0.0634 with higher education), people with low incomes (0.034 with incomes up to 100 BGN compared with -0.0634 with incomes more than 300 BGN), people with low financial self-evaluation (0.60 for people with low self-evaluation compared with -0.40 for people who think they live better than the others). This contradiction comes from the entered value „work should not have big responsibilities” in common meaning construct together with the values of „flexible work hours” and „work at home”. In other words, the factor analysis outlines meaning relations of these two values of the low professional ambition. These are values, which set the professional freedom before the ambition for career advancement.

The complete two-dimensional and multi-dimensional analyses of the flexible work hours draw out two main conclusions:

- 1) Policies for encouraging the combination of professional advancement

and parenting through the flexible work hours and work at home have certain reason among people with considerably high social status – those living in big towns, people with considerably high incomes, women, especially those in maternity leave, people who desire and have more children.

2) Values of career advancement, prestige and especially work certainty are significantly higher. The expectations for work at home, for example, occupy the last place in the studied hierarchy of the professional values (39.8%). At the same time, the multi-dimensional analyses reveal that the preferences of flexible work hours and work at home are included in common meaning construct, which unites the values of low professional ambition. Data alarm that people with high expectations for career advancement most probably will not use the opportunities of the measures for encouraging the flexible work hours and work at home. However, we have to study practices (which do not exist yet) and not only attitudes and values, to draw explicit conclusions.

2) Certainty

„Certainty” is leading in the professional values for men, as well as for women (87.1%). Together with the expectations of healthy environment (87.2%), the choice of work, which „gives certainty for at least 2 years” occupies first place in the professional hierarchy (87.1% for men as well as women). The bearers of the leading value of the „certainty” are mostly people from big towns (90.1% in Sofia compared with 84.6% in villages) and people with higher education (78.9% without education compared with 88.5% with higher education), as well as people with average financial welfare (89.4% – I live like the others, compared with 82.4% – I live worse than the others). The vulnerability of the middle class from the uncertainty confirms also by the distribution of incomes – 91.3% of the people with average incomes of 201-250 BGN (per member of household) defines the „certainty” in the profession as important, compared with 86.5% of the people with incomes more than 350 BGN and 82.5% with incomes up to 100 BGN. The distributions of private/public employment sector do not draw out substantial conclusions – certainty is almost equally important in both sectors (89.6% private sector compared with 88%v – public sector), dropping to 81.1% among people with own business.

As a whole, the people with average and above the average social status – high education, living in big towns, people with average financial welfare, outline in the demographic profile of the „seeking” certainty. These are the people who face new opportunities and new „uncertainty”. These are representatives of that difficult to emerge and not established middle class, who still stay insecurely between the recent penury and the possible prosperity. This demographic profile of (un)certainty reminds of the people who do not desire to have more than one child, of whom we discussed above. They feel still „uncertain” of this.

If we find with what other professional values „Certainty” is connected, it will be easier to understand its dominating role. In theory „Uncertainty avoidance” should be connected with expectations for „explicit description of the

work obligations” (79.9% according to our study) and to not correlate with the expectations for flexible work hours. It is a completely opposite value structure, which suggests aspiration for independency and low anxiety concerning the future.

Box 5. Uncertainty avoidance

In the theory, the „certainty” is a leading cultural value, which significantly differentiates the inter-cultural differences. People with cultures of outlined „Uncertainty avoidance” (according to Hofstede’s terminology) seek certainty for their future, avoid drastic changes, unclear professional obligations; it is difficult for them to take risks and they strive to maintain the status quo in their professional activities. Professionally such people prefer the career of an expert instead of career of management leader.

Our previous studies show that „Uncertainty avoidance” is a leading value for Bulgarian managers, as well as for the students.⁷ The orientation towards certainty correlates with the values of the power dependency. Bulgarian managers have highest preferences of „Work certainty” compared with their colleagues in Czech Republic, Poland, UK, France and Germany.⁸ According to Hofstede, the high values of „Uncertainty avoidance” are connected with higher need of achievement.

The carried out multi-dimensional analyses generally confirm the dominating role of the certainty in the hierarchy of the professional values. As mentioned above (table 4), the factor analysis⁹ revealed two main dimensions – the first dominated by the „professional ambitions”, and the second combining the preferences of flexible work hours, work at home and „little responsibilities at work” („values of the free profession”).

Certainty is in the first value construct of the professional ambition. It is a group of professional values, which the factor analysis brought out as meaningfully interconnected. In this value group, the „certainty” is listed next to the expectations for work with exact description of the obligations, the values of the prestige, chances for advancement, receiving a reward for the efforts. In other words, the search for certainty is under the common denominator of the career development. Bearers of this value system are mostly people with higher education, people from big towns and people with higher incomes. The values of the women here are higher than the ones for the men, but the difference is not statistically significant.

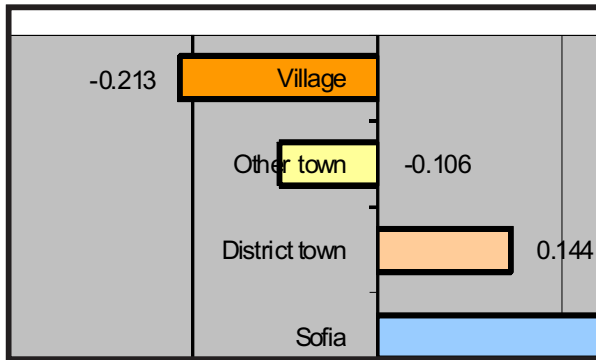
After we already know the negative connections of „Certainty” and „Career” with the number of desired and born children, it is logical to find them here as well – the expressed professional ambition suggests smaller number of desired and born children.

⁷ Mihailov, D. Cultural Values Factors, Doctorate dissertation, 1993.

⁸ The values and Practices of European Managers, Copernicus project report, 1995, University of Oxford (ASA – Bulgarian partner).

⁹ See the complete distributions on Q54 in the annexes.

Figure 7. *Professional ambition, Settlement*

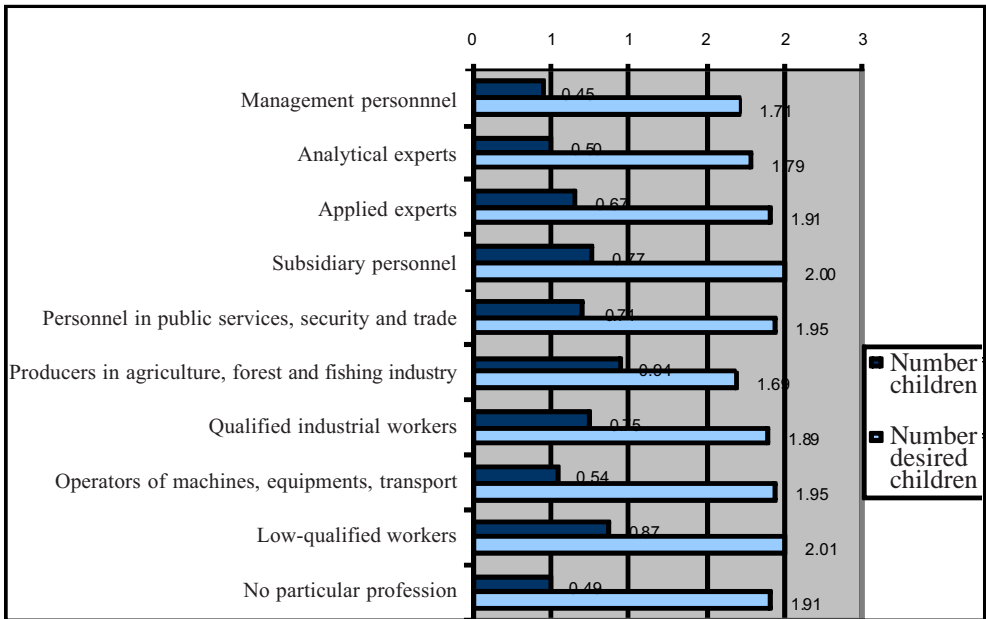


The high career ambition is connected with orientation towards high certainty, prestige and exactly determined obligations. These attitudes are value contradictory to the work at home and flexible work hours. As we saw above, they are in another value dimension. Studies of the real practices, but not only at value and attitude level, are necessary. People for now do not see how they can make a bright career at home or with flexible work hours.

3.2. Professional positions

Professional positions give another starting point towards the family models. As figure 8 shows, the average number of children is the smallest among the management positions (0.45 children) and highest among producers in the agriculture (0.94 children). Here we report an interaction of the number of children with the ethnic factor, since the majority of the people working in agriculture are Turks who have more children. As a whole, the data confirm the negative correlation between the professional development and birth-rate. The more young people have advanced in the professional hierarchy, the less number of born and desired children there is.

The ethnic distribution by professional positions by itself is quite indicative for the social contrasts in Bulgaria. None of the interviewed young Roma works in the agriculture, compared with 3.5% of the Turks and 1.8% of the Bulgarians. Bulgarians much more often work as management personnel and experts, compared with Roma and Turks. For example, 18.7% of the Bulgarians are applied experts, compared with 4.7% of the Turks and 2.2% of the Roma. On the other hand, 30.4% of the young Roma have no particular occupation compared with 10.5% of the Turks and 6.1% of the Bulgarians. These professional contrasts are visible also in regional plan. The management positions, analytical and applied experts, „linearly” decrease with the size of the settlement, while the shares of the operators of machines and low-qualified workers grow in the small towns and villages. Differences by incomes are also understandable – 71% of the management personnel have more than 200 BGN per member of the

Figure 8. *Average number of children, Professional position*

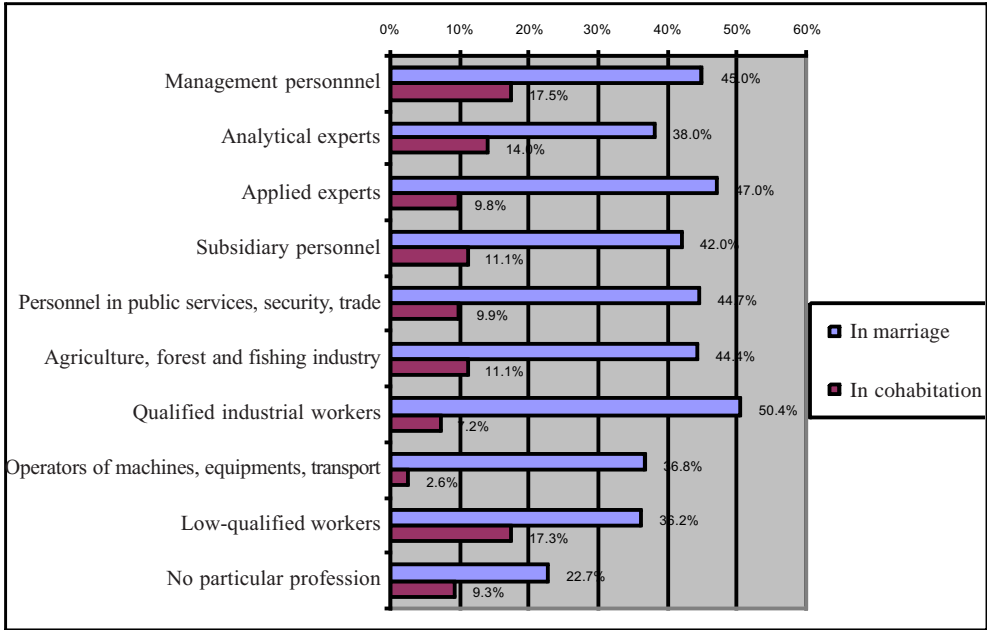
household. Analytical experts (67.5% – more than 200 BGN) and applied experts (51.1% – more than 200 BGN) are well paid. In comparison, 37.9% of the operators of machines receive more than 200 BGN per person, and among the unqualified workers these people are 22.4%. By branches, the participating in the study young people declare highest incomes when they are employed in business services, including renting (92.3% – more than 200 BGN per person) and financial mediation (75%), and lowest in activities connected with agriculture (20.4% – more than 200 BGN per person) and industry (25-35%). About 32% are employed in education and healthcare with incomes more than 200 BGN per person, and in the state governance and insurance system they are about 56%.

There are data suggesting that the employees on some higher professional positions more often choose the family model of factual cohabitation than marriage. For example, while 17.5% of the young people on management positions prefer to live in cohabitation, among the qualified production workers they are 7.2%, dropping to only 2.6% for operators of machines.

The cohabitations are common also among the analytical experts (14%). However there is high percentage of cohabitations among the low-qualified industrial workers (50.4%) but they are also distributed among people with higher professional realization, for example applied experts (47%).

As a whole, the data on economic activity of the employment and the professional positional reveal two main observations:

Figure 9. *Position, Forms of partnership*



1) *The active career oriented positions and professions like management personnel and experts have and desire fewer children. This confirms the data on the values and attitudes, according to which the people, oriented towards career development, desire and have fewer children.*

2) *These very career oriented professions and positions prefer the form of free cohabitation instead of marriage. On the other hand, the model of factual cohabitation is spread among the lowest qualified workers (Roma). These data confirm the observations in the beginning of this paper, according to which the cohabitation is specific of the Socioeconomic ends – people with highest and lowest incomes (Roma).*

IMPACT OF URBANIZATION ON DEMOGRAPHIC PROCESSES IN BULGARIA

The present study makes a review of urbanization processes in Bulgaria during the last 2-3 decades of 20th century and the beginning of 21st century, respectively. Bulgaria is not a big country with considerable processes of population concentration in large cities, but it reveals signs of intensive emigration and this particularly impacts on demographic development characteristics.

In a demographic point of view urbanization processes of Sofia are not studied enough to provide a clear standpoint. There even exist some terminology differences which obstacle to define these processes properly. West-European scientific researches define „metropolization” as a term referring to urbanization. However the Greek origin of this word is more than obvious and its Latin counterpart is defined as „urbanization”. Bulgarian studies of Hr. Ganev, P.Slaveykov and other Bulgarian researchers perceive another term adopted from Russian language „agglomeration” which in turn has been used in Soviet studies since the second half of 20th century. Processes of population concentration, irrespective of the way they are termed, exercise considerable influence on demographic processes and developments during new economic conditions which countries of Central and East Europe are attached to at the very end of 20th century. These processes are an inseparable part of regional development of countries of the region too. Zones of metropolization in Romania serve as an illustration of institutionalization and implementation of state policy in this field. By the end of 2007 four such regions are officially recognized and constituted excluding the capital of Romania – Bucarest, as well as Brashov, Konstanca, Oradea and Iash.

While Romania constitutes its zones according to significance of the settlement and municipality (for example metropolitan zone is of a great importance while the rest zones are at regional and potentially European level). USA for instance follows strict criteria upon constituting its zones. To define theory of metropolitan statistic area the following requirements need to be fulfilled:

- A town with over 50 000 inhabitants at least.
- Urbanized territory being identified by the U. S. Bureau of the Census with population of 100 000 inhabitants at least.
- The largest city is defined as a central one by encompassing at least 50% of the total population of the urbanized territory, which surrounds it.
- There could be included other municipalities providing that they meet

particular requirements related to center connectivity along with population density and a certain share of urban population as well.

➤ Furthermore, some of the states of New England the areas are defined with different levels of the criteria pointed being often lower than those of the other states.

Bulgaria partially considers processes of urbanization related to its capital in terms of its definition and classification. Mechanical transfer of standards from other countries is unlikely to be the most suitable one for comparison in regard to features of historical, geographic and cultural nature of population. In this respect that suggests uniform criteria and requirements could be difficult to apply and implement in different countries.

Current situation in Bulgaria could be described by means of the following features:

➤ ***7 cities populated with over 100 000 inhabitants.*** The majority of them (4) and more populated are situated in Southern Bulgaria. Sofia with 1,150 million inhabitants (2005) is in South-West region, the second largest city Plovdiv (342 000) is in South Central as well is Stara Zagora (141 000) and Burgas (189 000) is in South-East region. The North Central region includes Ruse (158 000) and Pleven (114 000). Varna is third largest city (312 000) situated in North-East region.

➤ Regarding ***the administrative-territorial structure*** of these cities there is a mechanism that outlines the processes of urbanization and institutionalization: 3 cities populated with more than 300 000 inhabitants which in turn are divided in internal districts – a special second level of municipal self-government in Sofia city, Plovdiv and Varna. These administrative units in Plovdiv and Varna are within the characteristics of the urbanized territory, i.e within the framework of the built-up area. The Capital municipality includes Sofia city and the suburbs with still 3 small towns more, around 40 villages and the biggest artificial lake in Bulgaria

The average geographic density is a main indicator which for the urbanization processes. It is calculated by the ratio between number of population and surface area. Thus density of population in Sofia district is 910 people per sq.km. (average 73 in Bulgaria), however, residential density (which is defined by the ratio between number of population and size of urbanized territory) is 4409 people per sq.km

District of Sofia, which comprises of Sofia municipality, accounts for nearly 6 % of urbanized territory (construction limitations of the residential zone) altogether with 15% of the population. Furthermore it is necessary to point out that a substantial part of urban settlements which at present account for 87% of the country, are populated below 30 000 people. This level is identified to be marginal for rural areas which in turn are being allocated special financial resources by the European Regional and Agriculture Development Fund.

The Capital District has the greatest concentration of population in the country even with a tend to increase firmly and gradually in time. Its concentration

of population is 4 times greater than the second most populated settlement in the country.

The current situation tends to define stable and increasing rate (Table 1).

Table 1. *Number of average population for the year*

Year	Sofia	Bulgaria	Share of the population in Sofia (in %)
1970	885 655	8 514 900	10.4
1980	1 056 945	8 876 600	11.9
1992	1 114 476	8 484 800	13.1
2000	1 142 152	8 149 500	14.0
2006	1 180 489	7 679 290	15.4

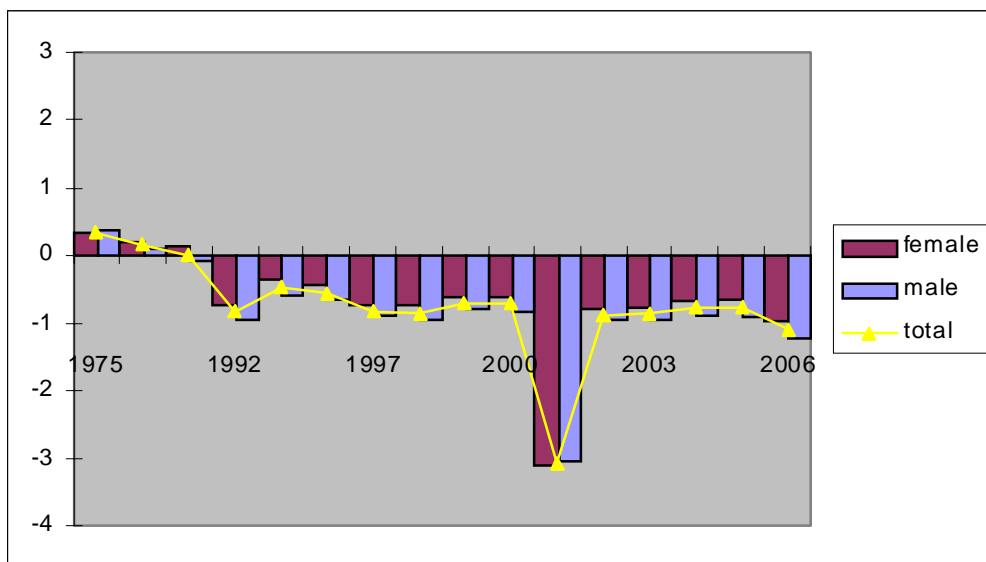
Source: Population, National statistic institute, Sofia, 1993, 2001, 2007

Population of the Capital city indicates that there is a continuous increasing though at slower rates than it was during in the middle of 20th century and more precisely during 50^s – 70^s when large industrial enterprises were concentrated whereas agriculture was pooled into big collective units, i.e. collectivized by the state.

For the last decades of 20th century population have been accounting for 1 million people.

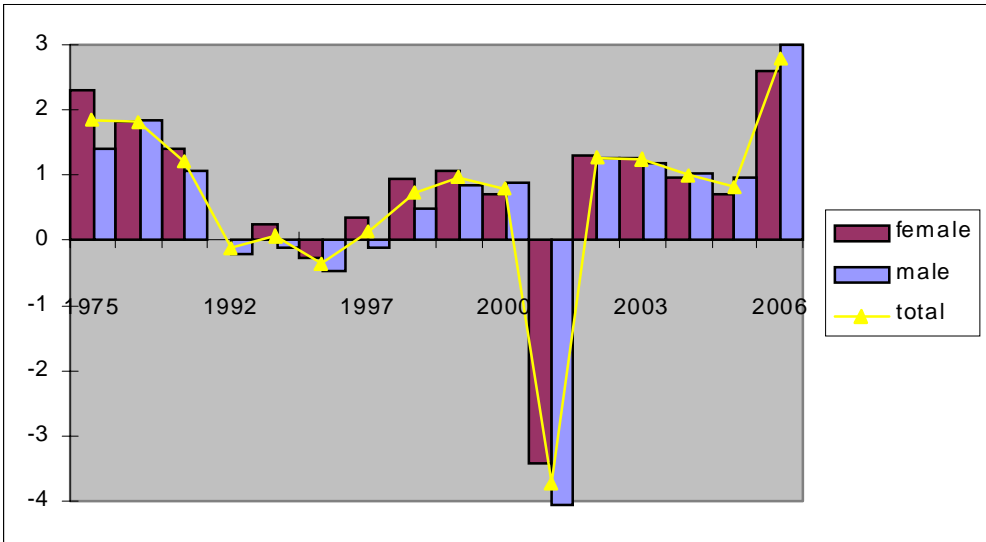
Population of Bulgaria tends to decrease at some 1% annually average. In this respect population decrease in the country is still more distinct – decrease of 1% annually as a result of internal and external migration (fig.1)

Figure 1. *Annual rate of population increase in the country in percentage (Chain index as of previous year/period)*



At the end of 20th century population have been increasing at nearly 1% annually average, while at the beginning of 21st century even over 1% (fig. 2). This has occurred at the background of the overall population decrease of the country.

Figure 2. *Annual rate of population increase in Sofia in percentage (Chain index as of previous year/period)*



In 2001 census as well as re-registration of new identity cards has imposed a drastic change and re-calculation of the number. If we don't take this into consideration, we can notice an increase throughout the whole period of transition to market economy. The Graphic outlines gender differentiation as well. If more women concentrated in the capital both due to lower death-rate and higher education before 2000, now situation reveals that for the last years increase of men in Sofia city is greater than that of women.

In this respect concentration of population in Sofia in relation to population of Bulgaria is already (for 2005) over 15% out of the overall population of the country having in mind that it was hardly 10% in 1970. As fig. 3 shows, the percentage of concentration changes nearly in equal rates both in relation to women and men.

On estimating the average annual rate of concentration increase of population in Sofia (fig. 4) there could be outlined the crisis of 1996 and the census performed in 2001 which in turn displays the mistakes accumulated of the present population statistics. The diagram reveals again the exceeding rates of men.

Figure 3. *Population concentration in Sofia (in % of total population)*

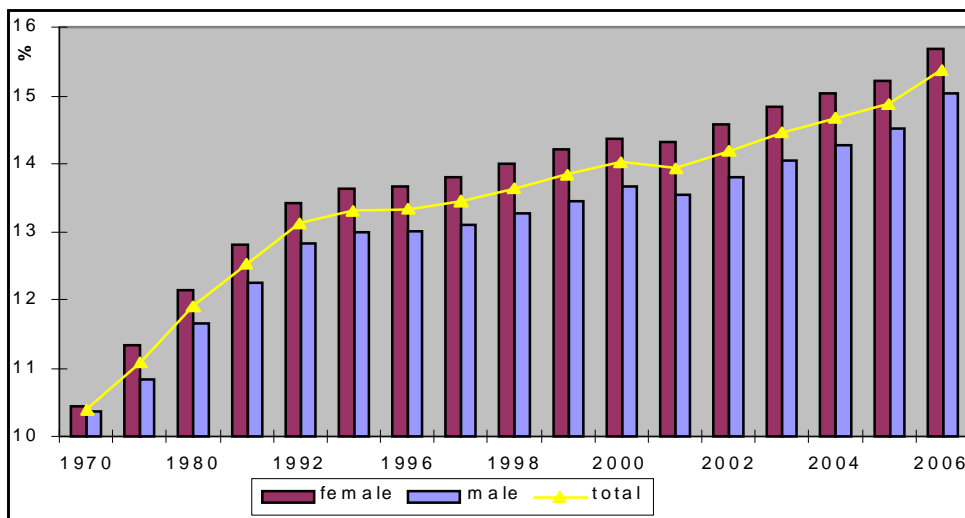
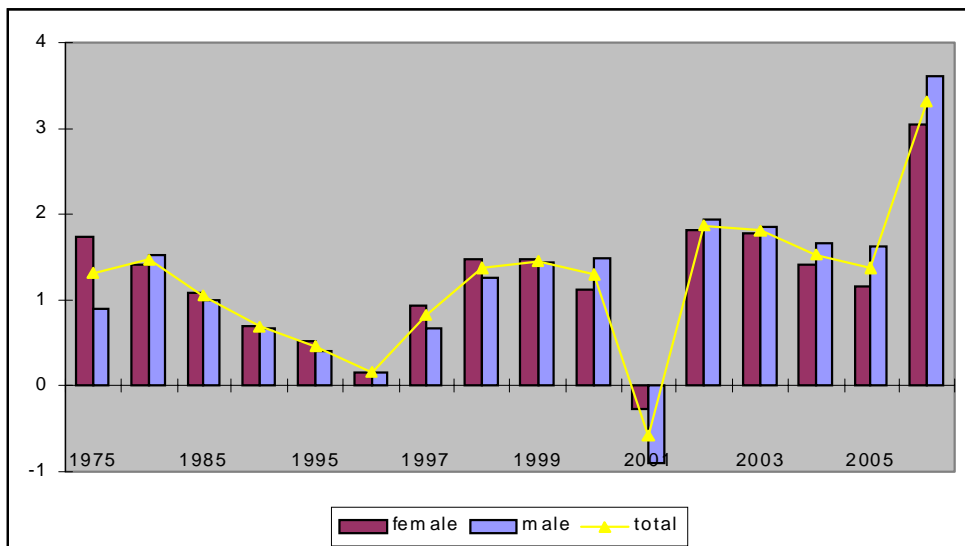


Figure 4. *Average annual rate of the population concentration in Sofia (in %)*



Migrations

District of Sofia presents the most considerable part of internal migration by providing 10% of emigration to the rest part of the country, but accepting 20 % of Bulgarian emigrants who changed their place of residence. In this respect it accepts for one third of urban emigrations. The main reasons to settle include constant and temporal job (respectively 19 % and 5 %, being 22 % and 6 % for men and 15 % and 4 % for women), education – 21 %, both for men and wom-

en. The other reasons are related to family and marriage which is also a major reason for a quarter of immigrants to settle in Sofia while in the country is a main reason for three quarters to settle there is the place itself.

The geographic map of Sofia settlers depicts the following picture (fig. 5)

- The closest districts provide for over 70% of migrants in the capital.
- The smallest parts of migrants provide Razgrad and Shumen – 27% and 33 %, respectively.

Figure 5. *Map of internal emigration flows by districts*



Demographic characteristics

Fertility

Generally the birth-rate in Sofia is lower than the average one in the country. This is due to the much lower specific fertility rate in women in younger ages in Sofia than in the country. Exceeding rate is characteristic for elder generation. Figure 6 marks the tendency for postpone of births at a later stage. This is characteristic not only for Sofia but also for the country as a whole for the last years.

The highest share of births of all in the country accounts for ages of women between 30 and 39 and the tendency even shows additional increase of this share (from 45% concerning this age interval in 1995 to 53% in 2005)

Death rate

The crude death rate in Sofia is lower than that in the country (table 2). This is due to both the favourable age structure and the better healthcare conditions-institutes of higher medical care with well-qualified staff are concentrated. The only exception made for 2005 is the age group between 40 and 49. Within this age group death-rate is higher in the capital than outside of it. An explanation for this phenomenon gives somehow the reasons for death-rate.

Figure 6. Age specific fertility rates

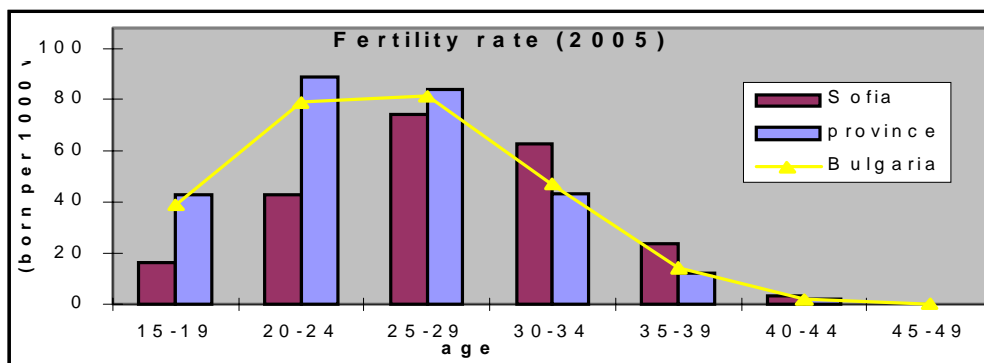


Table 2. Age specific death rates for 1995 and 2005 (in ‰)

Age groups	1995 г.			Age groups	2005 г.		
	Sofia	countryside	difference		Sofia	countryside	difference
Crude rate	11,92	13,97	-2,04	Crude rate	12,63	15,08	-2,45
0	13,07	15,31	-2,24	0	5,29	11,93	-6,64
1 - 4	0,63	0,93	-0,30	1 - 4	0,47	0,57	-0,10
5 - 9	0,32	0,42	-0,10	5 - 9	0,18	0,31	-0,13
10 - 14	0,22	0,35	-0,14	10 - 14	0,24	0,33	-0,09
15 - 19	0,55	0,72	-0,17	15 - 19	0,25	0,48	-0,23
20 - 29	0,86	1,08	-0,22	20 - 29	0,75	0,82	-0,07
30 - 39	1,82	1,91	-0,09	30 - 39	1,32	1,47	-0,15
40 - 49	4,77	4,83	-0,06				
50 - 59	10,17	11,10	-0,93	50 - 59	9,83	10,49	-0,66
60 - 69	23,35	24,47	-1,12	60 - 69	21,05	22,64	-1,59
70 +	76,64	86,73	-10,09	70 +	77,26	80,51	-3,25

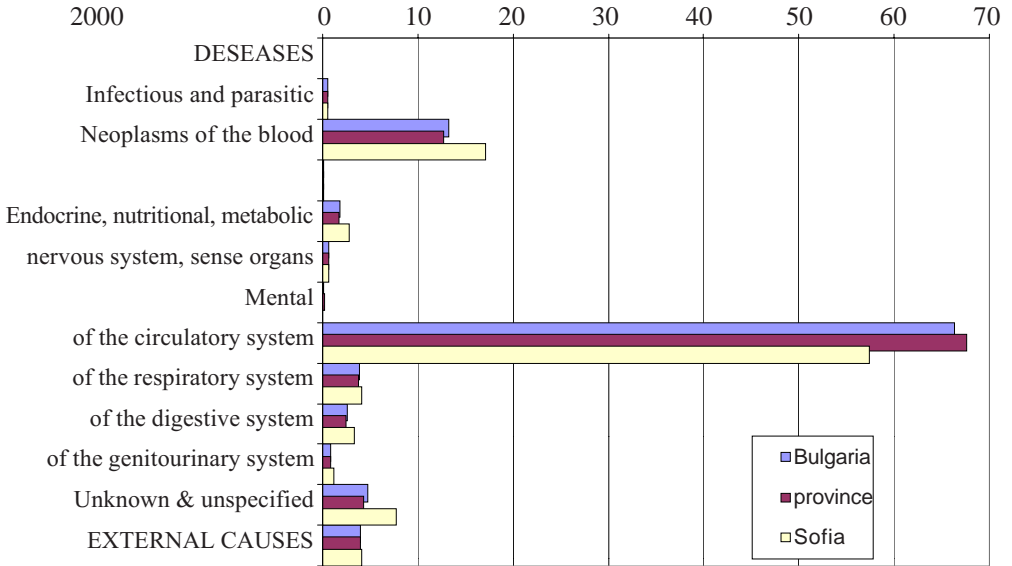
Source: Population, National statistic institute, Sofia, 1996, 2006

There could be outlined considerable reasons for deaths (fig. 7). Cancer diseases have higher share in Sofia characteristic of all ages than in the country where cardio-vascular diseases predominate for the elderly population.

No great differences related to peculiarities in terms of stress-burdened life style in the big city could be observed-for example surface traumas, respiratory diseases, etc.

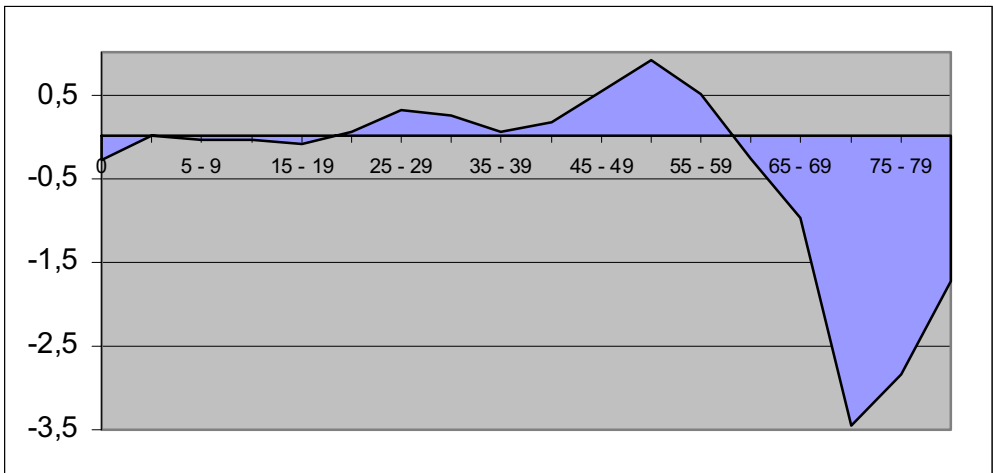
Possibility of death of people for individual age groups is illustrated through the differences of possibility of death of inhabitants in the capital and in the country, respectively. The negative difference reveals smaller possibility in favour of population living in the capital- it is within the lowest age, i.e. child death and the highest age while within the middle age group (between 40 and 59) it drastically increases as a result of urbanization impact in the big city and con-

Figure 7. *Deaths by causes (% of all) in 2000*



centration of stress factors exercising a powerful influence on the powerful individuals being not so energetic any more. A detailed review of differences of possibilities for 2005 provides us with information that a specific peculiarity is the possibility of death of people from highest ages. Their possibility is lower in Sofia even with 3.5 percentage points than that in the country.

Figure 8. *Difference between the death probabilities for the population in & outside Sofia*



Age distribution of the population

Outcomes of urbanization impact reveal upon age structure. The following peculiarities are characteristic for the age structure of Sofia and the country (fig. 9 and fig. 10):

➤ For 1995 the distribution is comparatively symmetric in relation to average age of population and Sofia population show 2 symmetric excesses in age groups 20-29 and 40-49.

➤ 10 years later the second excess fades particularly indicative for men at 50-59, and the first one tends to extend reaching up to 10% ratio in the group of 25-29 being stronger for men. Thus pyramids become asymmetric in terms of average age.

➤ For the gender ratio at ages in 2005 one can notice that there is an increase of number of women in comparison to men from age 50 and above. Thy pyramid of population living in the country is too bulged at middle and higher ages and an excess could be even observed for women of ages 60-64.

The average life expectancy increases estimated on the basis of the deaths by age. Although it is a slow process it tends to increase in all age groups whereby data about population living in the capital has more unfavourable life-span (table 3).

As a result of the lower possibility of death the average life expectancy for the ages between of 60 and 69 in the capital is greater. This exception is marked on the table 3.

On the highest age group with upper and down limit (60 – 69 y.o.) the average life expectancy is higher in Sofia than in the rest of the country. The mentioned above medical care conditions render its effect on this indicator either. The lower age specific death rate for this group must be taken into consideration, as well as the fact the elderly population in the capital have been lived and worked in better living conditions than those lived and worked in the smaller settlements.

Figure 9. Age structure in 1995

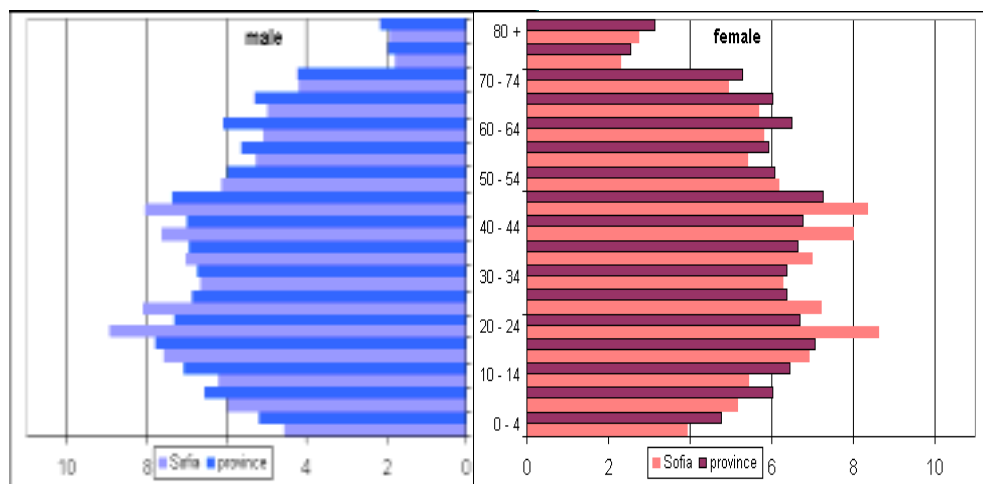
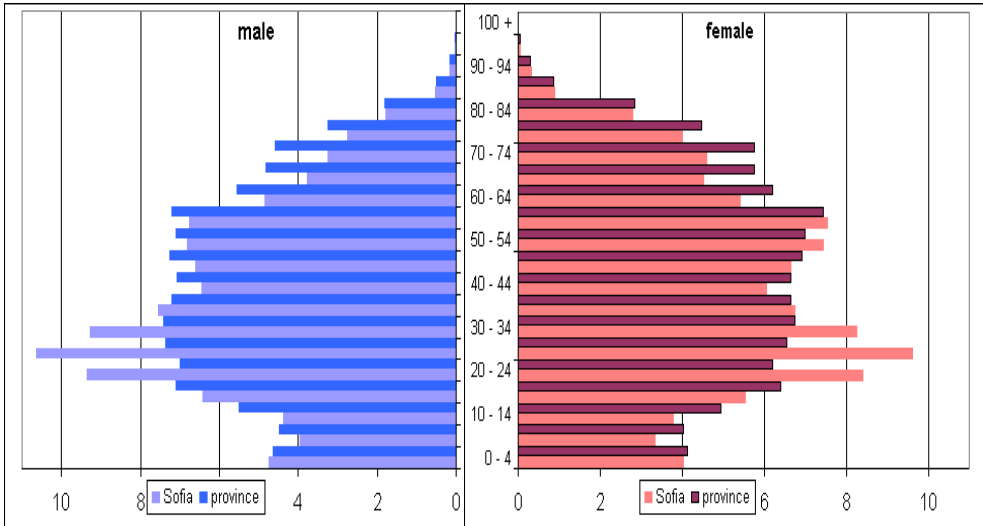


Figure 10. *Age structure in 2005*Table 3. *Average life expectancy for the specific age groups (in years)*

Age groups	1995		2000		2005	
	Sofia	countryside	Sofia	countryside	Sofia	countryside
0	70,9	71,4	72,1	72,3	72,6	72,8
1 - 4	69,0	69,6	70,0	70,4	70,4	70,9
5 - 9	64,6	65,2	65,6	66,0	65,9	66,4
10 - 14	59,7	60,4	60,6	61,1	60,9	61,5
15 - 19	54,8	55,5	55,7	56,2	56,0	56,5
20 - 29	47,5	48,2	48,4	48,8	48,6	49,2
30 - 39	37,9	38,6	39,0	39,2	39,1	39,5
40 - 49	28,7	29,3	29,6	29,7	29,7	29,9
50 - 59	20,4	20,6	20,9	20,9	20,9	21,0
60 - 69	12,3	12,4	12,8	12,7	13,1	12,9
70 +	5,0	5,0	5,0	5,0	5,0	5,0

Source: Population, National statistic institute, Sofia, 1996, 2001, 2006

FINAL CONCLUSIONS:

- stable and increasing trends of concentration in Sofia are registered – by the model of neighbour's countries capitals like Athens, Belgrade
- Increasing number of men in the capital Sofia recently
- Later and later postpone the childbirth in the higher mother's ages, high share of births from more aged mothers

- Death causes correspond to younger age structure in Sofia
- Emigrational reasons for moving to the capital are linked to work and education
 - The death probability favors the population in capital in youngest and oldest ages

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PROFILE AND ATTITUDES OF POTENTIAL EMIGRANTS FROM BULGARIA AFTER 2007: EMPIRICAL ASSESSMENTS

1. Introduction

In the last 20 years, Bulgaria has turned into a country generating migration. The population of the country has decreased with about 13% in 15 years of transition to a market economy (1989-2004) or with about one million and two hundred thousand people in absolute figures: 500 000 resulting from the negative natural growth and about 700 000 as a result of the migration.¹ According to unofficial data the Bulgarian Diaspora abroad amounts to about two and a half – three million people (taking into account both old and new permanent migration), while those living in the country are estimated to be seven and a half million people. According to the National Statistical Institute (NSI), about 22 thousand people have emigrated annually from the country between the years of the last two population censuses (1992-2001).²

Methodology of research³

Two studies were conducted within the frames of project No BUL1P201 of the MLSP (Ministry of Labour and Social Policy) and UN Population Fund. One has been devoted to the family models and the factors determining young people's decision to give birth and raise children. The second one concerns the internal and external migration as a factor for realization of the young people's and families. Both studies have an objective to help understand the demographic processes in Bulgaria, as well as the formation of policies, which comply with the real practices and attitudes of young people.

Methods of the sample

Both national surveys have been accomplished based on one common sample of 3 604 respondents, including four partially intersecting segments (Table 1). A total of 1828 persons aged between 15 and 35 have been interviewed on the

¹ Mansoor, A. and B. Quillin (2007) Migration and Remittances: Eastern Europe and the Former Soviet Union, Washington DC: The World Bank.

² Kalchev, Y. Census of Population, Housing Sector and Rural Entities (farms) in 2001, vol. 6 Sample studies, book 3 Territorial Mobility of Population, NSI, 2002.

³ The design of the methodology, sampling procedure etc. was done by the team of Agency of Socio-economic Analysis (ASA) and Center for Comparative Studies (CCS), coordinated by Dr Docho Mihailov. The field work was executed by ASA in April-May 2007.

„Family Models” questionnaire, and a total of 2 725 persons – on the „Migration” questionnaire. The section of these two samples is 1249 persons who have been interviewed with both questionnaires. In addition, both studies have been reinforced with a sample of 300 Roma who have been used only with the calculations on ethnical identity affiliations.

Table 1. *Aggregates*

	Task	Sample fulfilled
Family models (15 – 35)	620	579
Family models + Migration (15 – 60)	1230	1249
Migration (15 – 60)	1474	1476
Target Roma (15 – 60)	300	300
Total	3624	3604

The samples are made by NSI, assigned by ASA.

The implemented approach with two intersecting samples enabled the effective administration of the questionnaire. Under the representative samples (without the reinforced Roma aggregate), a total of 3 604 individuals have been surveyed, while thanks to the crossing samples a total of 4 553 cases have been processed. This approach allowed analyzing the connected questions from both sub-questionnaires. The considerably large samples have provided an opportunity for reliable sections of big sub-aggregates by the basic demographic features and other variables. The maximum admissible deviation is under 2%.

Besides the traditional statistical instruments (one-dimensional and two-dimensional dispersions, correlation and analyses of mean values), multi-dimensional statistics have been used as well (regression analyses for the migration data). These analyses make possible to turn down the variety of data into unified meaningful dimensions.

The questionnaires have been implemented by the face-to-face method at the homes of responding persons in the period April – May 2007. The Migration questionnaire includes 77 questions with 219 variables.

The studies of the migration in the so-called home (sending) countries work with data of empirical studies of:

- migration potential (potential emigration of the country);
- return emigrants.

The goal is to find answer to the question: when and in what conditions the cross-border mobility turns from survival factor into social realization factor?

This paper deals with the potential and profile of different type of potential emigrants (section 2); destinations, preferred employment and expected earnings are discussed in section 3; and finally in the concluding section 4 we present constraining and motivating factors of a decision to go abroad.

2. Migration Potential and Social-Demographic Profile

2.1. Migration Potential of Bulgaria

Data from the representative questionnaire can be interpreted towards stabilizing the Bulgarian emigration model. The main questions, on which basis the *migration potential* of the country can be evaluated, are two.

Question 82: What is the possibility to travel abroad as tourist, to work or to study for (a relevant) certain period of time?

Question 84: When do you plan to realize your intentions?

These two questions present information on the desire/reluctance to travel abroad, on the purpose and duration of the planned stay, as well as on when it can happen. The first question defines the potential emigrants by type: 1) *settlers*; 2) *long-term* (i.e. for more than a year) and 3) *short-term* (for less than a year) *Labour emigrants*.

The second question specifies the time horizon of the realization of the intentions, i.e. the „monitoring” of the purely hypothetical and already a matter of prestige in large communities migration intentions. Data for the migration potential are similar to previous studies, for instance the study of NSI⁴ in 2001; as well as the study of the Center for Comparative Studies⁵ in 2003. In the representative questionnaire inquiry during the population census in 2001 the potential emigrants (settlers plus Labour emigrants) are 14.8% of the population aged between 15 and 60. Now they are 12.1% (table 2).

To the fundamental question – *Does the potential emigration from Bulgaria decrease?* (in this case based on the *hypothetical* intentions of the Bulgarian population for realization abroad) – the answer could be rather in support of the stabilizing and to some extent redirecting the Bulgarian migration model and the intentions for cross-border mobility. The share decreases (in the frames of the statistical error). The numbers though show that over quarter of a million people in active age (after correction based on „time horizon” for realization of the intentions – *Question 84*) have intentions for cross-border mobility after 2001-2002.

The evaluation of the migration potential is more realistic when counting the period for realizing the intentions. Data show that people, who would seek realization abroad in the current year, are 1/4 (25-30%) of the people stating intentions to emigrate. It is considered that not more than 10% of the people stated migration intentions in the current year will realize them in practice. The regularity is traced from the first empirical studies of NSI on this matter in the early 1990s, when observations of the border checkpoints are carried out in intervals of few years.⁶

⁴ <http://zaedno.de/article1079.html>

⁵ Mintchev, V., V. Boshnakov, I. Kalchev, V. Goev. External Migration from Bulgaria at the Beginning of the 21st Century: Estimates of Potential Emigrants' Attitudes and Profile. – Economic Thought, No 7, 2004.

⁶ Jekova, V. External and Internal Migration of the Population in Bulgaria. – Economic Studies, No 2, 2006, p. 193.

Table 2. *Share of Potential Emigrants from the Active Population, Corrected by the Time Horizon for Realization of the Intentions*

When do you think your intentions can be realized? (for abroad)	Short-term Labour migrants	Long-term Labour migrants	Settlers	Total
2001				
In the current year (%)	1.2	1.9	2.2	5.3
In the next 2-3 years (%)	2.2	3.4	4.3	9.9
In the far future (%)	1.2	1.3	1.7	4.2
Totally uncorrected (%)	4.6	6.6	8.2	19.4
Emigration potential – number of people				
This year	57 014	90 272	104 525	251 810
In the next 2-3 years	104 525	161 539	204 299	470 363
In the far future	57 014	61 765	80 769	199 548
Totally uncorrected	218 552	313 575	389 593	921 721
2003				
In the current year (%)	1.7	2.0	2.6	6.3
In the next 2-3 years (%)	2.3	3.9	3.7	9.9
In the far future (%)	0.8	1.9	1.2	3.9
Totally uncorrected (%)	4.8	7.8	7.5	20.1
Emigration potential – number of people				
This year	80 161	94 307	122 599	297 067
In the next 2-3 years	108 453	183 899	174 468	466 820
In the far future	37 723	89 592	56 584	183 899
Totally uncorrected	226 337	367 797	353 651	947 785
2007				
In the next 2-3 months (%)	0.8	0.9	0.4	2.1
In the current year (%)	1.7	2.1	0.8	4.6
In the next 2-3 years (%)	2.3	2.3	1.8	6.4
In the far future (%)	3.2	1.7	2.1	7.1
Totally uncorrected (%)	8.1	7.0	5.1	20.2
Emigration potential – number of people				
In the next 2-3 months	38 581	43 403	19 290	101 274
Till the end of the years	81 984	101 274	38 581	221 839
In the current year (till the end of the year – total)	120 565	144 678	57 871	323 114
In the next 2-3 years	110 920	110 920	86 807	308 646
In the far future	154 323	81 984	101 274	342 404
Totally uncorrected	390 630	337 582	245 952	974 164

Visible changes occur though in the years. In 2001 24.7% are the so-called settlers in the current year – data now, six years later, are analog. The data for the long-term and short-term Labour emigrants are different. The long-term Labour emigrants (who would realize their intentions in the current year) are about 26% in 2001, and already 42.4% in 2007. The intentions for short-term mobility in the current year increase – the short-term emigrants, who would

realize their intentions in near future, increase from 24.3% in 2001 to over 30% in 2007.⁷

All this shows redirecting of the Bulgarian migration model – the migration potential remains, as well as the considerably high intentions for settling; but the time horizon shortens, i.e. the realization of intentions in the near future, in the temporary (labor) emigration.

What is the migration potential by work positions? What is the situation few months after Bulgaria entering the European Union?

The high migration intentions among people with no particular occupation are obvious.

On the other hand, though, the country may lose more *Operators of machines, equipments and transport means*, as well as *Qualified industrial workers*. They have high intentions for working abroad for a period of more than a year. There is „somewhat likely / average possibility” and „very likely / big possibility” for 17.1% of the first and 12.4% of the second group. As a whole, the intentions of the people who have stated readiness for short-term mobility are analog.

The intentions in category *Applied experts* are also high, especially concerning short-term engagements abroad. There is an impression that among people with more prestigious positions – for example *Management personnel* – the intentions for short-term mobility do not differ substantially from the mentioned above.

The intentions for settling are considerably lower, but are nothing to sneer at – 7.4% for *Operators ...* and 6% for *Applied experts*.

This means that people with higher qualification, better opportunities for development on the Labour market, should also be subject of some active national policies – programs for mobility, career development, etc.

The distribution of the shares by positions of those, who do not seek realization abroad, is also noticeable. The conclusion that these are mainly people with positions of *Management personnel*, *Analytical experts* and *Producers in agriculture and forest economy* is outlined – and in the three types of potential emigrants. In this context, we cannot pass the almost rhetorical question „**The short-term emigration is an alternative of what?**” – desire to move, short-term emigration or just the cross-border Labour mobility increases in the modern global world, the so-called repeating (circular) migration model emerges.⁸

2.2 Social-Demographic Profiles of the Types of Potential Emigrants

The matter of the types of emigrants – settlers, long-term and short-term Labour emigrants, as well as the more conservatively inclined „non-migrants” –

⁷ For a first time in the current study the short-term labor emigrants include the so-called tourists, namely people who state that they travel as tourists or visiting, but intend to work during their stay.

⁸ Katseli, Luka T. Gaining from Migration Report: Main Conclusions. – In: Migration and Development – a Euro-Mediterranean Perspective, 26 and 27 April 2007, Rhodes.

Table 3. *Migration Potential by Work Positions*What is the possibility to work abroad *for a few months?*

	Not likely	Somewhat not likely	Somewh at likely	Very likely	Total
Management personnel	79.6	10.8	7.5	2.2	100.0
Analytical experts	82.1	8.3	7.1	2.4	100.0
Applied experts	72.8	14.1	9.1	4.0	100.0
Subsidiary personnel	77.2	11.4	8.9	2.5	100.0
Personnel for public services, security, trade	75.1	11.1	9.3	4.4	100.0
Producers in agriculture, forest industry and fishing, hunting	88.5	7.7		3.8	100.0
Qualified industrial workers	72.7	12.8	9.9	4.6	100.0
Operators of machines, equipments and transport means	68.9	16.4	8.2	6.6	100.0
Low-qualified workers	77.8	12.4	6.0	3.8	100.0
No particular occupation	67.0	12.4	7.2	13.4	100.0

What is the possibility to work abroad *for more than a year?*

	Not likely	Somewhat not likely	Somewh at likely	Very likely	Total
Management personnel	87.1	5.4	6.5	1.1	100.0
Analytical experts	90.5	4.8	3.6	1.2	100.0
Applied experts	80.6	8.7	7.7	3.0	100.0
Subsidiary personnel	84.2	7.0	6.3	2.5	100.0
Personnel for public services, security, trade	81.8	7.1	7.1	4.0	100.0
Producers in agriculture, forest industry and fishing, hunting	88.5	3.8	3.8	3.8	100.0
Qualified industrial workers	80.1	7.4	7.8	4.6	100.0
Operators of machines, equipments and transport means	75.6	7.3	7.3	9.8	100.0
Low-qualified workers	84.8	7.0	4.8	3.5	100.0
No particular occupation	71.1	11.3	7.2	10.3	100.0

What is the possibility *to settle in* another country?

	Not likely	Somewhat not likely	Somewh at likely	Very likely	Total
Management personnel	92.5	4.3	2.2	1.1	100.0
Analytical experts	91.7	4.8	2.4	1.2	100.0
Applied experts	86.6	7.4	4.7	1.3	100.0
Subsidiary personnel	89.2	5.7	2.5	2.5	100.0
Personnel for public services, security, trade	87.6	7.1	4.0	1.3	100.0
Producers in agriculture, forest industry and fishing, hunting	92.3	7.7	-	-	100.0
Qualified industrial workers	91.2	4.2	3.2	1.4	100.0
Operators of machines, equipments and transport means	85.4	7.3	3.3	4.1	100.0
Low-qualified workers	94.6	3.2	1.6	0.6	100.0
No particular occupation	86.6	5.2	5.2	3.1	100.0

can be by itself a separate topic. It can be compared with the analog profile, identified by the study of NSI in 2001.⁹ In this case, we suggest comparison by social-demographic characteristics of each type migrants/non-migrants. For this purpose, we use the indicators of NSI¹⁰ – intensity (i.e. frequency of the cases – for example share of citizens of Sofia, who would move) and range (i.e. the share of citizens of Sofia among the potential movers from the country).

Settlement

The intensity among the potential emigrant is lowest among the citizens of Sofia, and highest – among the population of the district towns in the country. For the long-term Labour emigrants the intensity among the citizens of the district towns, towns and villages is similar. In Sofia it remains lowest. In this sense the special place of the capital is obvious – with the high concentration of administration, business and opportunities for Labour realization.

Concerning the range of the potential emigrants by settlement – they are „recruited” mostly from the district towns and towns, and to a smaller extent from the Bulgarian villages, which corresponds to the intensity indicator. The share of the citizens of the capital is under 8%. Compared with previous studies the increasing intensity and respectively range of the citizens of the district towns outlines. Obviously the situation in the different regional centers is different, but as a whole the migration potential in most of them increases. Even so the circumstance that the people from other settlements find temporary realization exactly in Sofia, using its opportunities for arranging cross-border mobility, should not be underestimated. It is not coincidence that the share (range) of Sofia (as leading university center) is high among the people willing to continue their education in foreign universities.

Gender Dimensions

The intensity (frequency) among men potential emigrants is higher. This can be seen best in the long-term Labour emigrants. The situation is more balanced in the settlers and short-term emigrants. Corresponding, the range is more unbalanced in the long-term Labour emigrants, where over 60% of the potential emigration is recruited among men. The share of women undoubtedly dominates among the people willing to continue their education abroad – 69.2%.

Age

The intensity (frequency) is highest among the population aged up to 40. We should note that almost every 10th young person aged up to 20 evaluates himself/herself as a potential settler or potential long-term emigrant. Concerning the potential of the short-term emigration outlines the high frequency, with which the population in the groups aged 21-30 and 31-40 points out that would seek for realization abroad – whole 12.7% in the first case and 9.8% in the second. Concerning the range of the potential emigration – it is obvious that for

⁹ Kalchev, I. Census of the Population, Housing Fund and Agricultural Companies in 2001, Vol. 6 Excerpt Studies, book 3 Territorial Mobility of the Population, NSI, 2002.

¹⁰ Op. cit.

almost all emigrant types it will be recruited mainly among the population aged up to 40. The low share among the young people aged under 20 is an exception – in the sector of the short-term Labour emigration.

Education

The following categories are used:

1. Primary or lower
2. Secondary – general
3. Secondary-vocational
4. Higher education (the people with doctorate degree are referred here too)

Concerning the *potential long-term Labour emigration* data show that the intensity is highest among the people with primary or lower education. This can be considered a confirmation of the hypothesis that *the emigration among higher qualified people has serious consequences regarding the opportunities for realization, respectively – the migration intentions of the population with lower qualification*. The intensity among the people with secondary-vocational education is also high for the long-term emigrants. This can be seen much clearer for the potential short-term emigration, where every 10th person with secondary-vocational education would seek for opportunity of short-term (generally less than a year) realization abroad. In this sense the outlined deficit of professions, requiring such a education, in the country is by far not a coincidence.

Concerning the range (structure) of the potential emigrants, by the studied type of criterion, the even distribution of the people orienting towards emigration among the main qualification groups (categories) of population is worth mentioning. *Still, the considerably high share of people with primary or lower and secondary vocational education for the long-term emigration is notable; as well as of those with vocational education – for the short-term emigration*. A serious problem for the decision-makers is the fact that so far no measures are taken concerning the correspondence of the need of the business and the qualification of the workforce. Inform decisions in this area can be made only based on profound analysis of the changes in the qualification of the population due to the emigration – Bulgarian literature and research circles do not offer yet analyses of the matters of „adding” and respectively „losing” skills. Such evaluation can be made on the basis of an empirical study among the returned emigrants.

Children in the family

In this case, the factor *Marital status* is presented based on presence of children, respectively their number in the family. We assume that exactly the children in a family (with formal marriage or based on cohabitation) are the factor, which influences making the decision to emigrate.

Concerning the intensity depending on the presence/lack of children and concerning their number in the family, we can see that for the settlers it is highest among the people with 1 child; for the potential long-term, as well as short-term emigration – the presence of children cannot be synonymously considered a factor for remaining in the country. Undoubtedly, this is an issue requiring deeper analysis.

This regularity is observed also in the range (structure) of the potential emigration – the potential migrants are recruited among the people with 1 child in the family – almost 42% of the cases. The data for the long-term Labour emigration seem paradox – in this category potential emigrants are recruited to even extent among the people without children and with more than 1 child – about 37% of the respondent in both cases. For the short-term emigration though the share of the people without children dominates – 40.5%, with high share of people with 1 child (31.1%).

Ethnic affiliation

The intensity of the settling intentions is highest among the Bulgarians and Roma. For the inconclusive/temporary (labor) emigration they are strongest among the Bulgarian Turks – almost twice higher intensity compared with the Bulgarian ethnic group. For the long-term Labour mobility, the intensity among the Roma community is considerably higher compared with the Bulgarian ethnic group. In paradox, according to us (contrary on previous study – see NSI, 2003¹¹) the intensity among the Roma for short-term Labour mobility is only 2.2%. In conformity with this the range in the migrants is mainly on the account of the Bulgarian ethnic group – 86.5% of the people willing to leave the country (in the „non-migrants”, which structure is closest to the ethnic structure of the population, the Bulgarian ethnic group is 82.5%). The situation is considerably the same in the inconclusive/temporary (labor) emigration, but here the share of the Turkish ethnic group exceeds 15% (in the „non-migrants” it is only 8.3%).

Concerning the intentions for education abroad, it is completely expectable that they are highest (as intensity and range) among the Bulgarian ethnic group.

Economic (labor) status

The Labour status (employed – unemployed) influences more and more on the Bulgarian migration model – a fact not clearly identified in the study of NSI (2001) or in the study of the Center for Comparative Studies for CERGE-EI Foundation in 2003. Gradually people start to value their engagement and the opportunities for realization in the country – this was also registered in the carried out by the project (*No BULIP201*) focus-group in Sofia. Now we notice that the intensity (frequency of the cases) for migration, and especially for inconclusive long-term emigration, is higher among the unemployed people, compared with the employed ones. It is an indicator that something in the country starts to change. But concerning the inconclusive short-term Labour mobility the intensity among the employed is higher – even though with less than 1 percentage point – compared with the intensity of the unemployed people.

As a result the range of the unemployed in the settlers and long-term emigrants is higher than their share in the so-called non-migrants (who serve as reference group).

¹¹ Mintchev, V., V. Boshnakov, I. Kalchev, V. Goev. External Migration from Bulgaria at the Beginning of the 21st Century: Estimates of Potential Emigrants' Attitudes and Profile. – Economic Thought, No 7, 2004.

Table 4. *Social-Demographic Profile of Potential Settlers*

Profile of potential settlers	Intensity (% of the cases)	Range (structure)
Place of residence		
Sofia	2.6	7.8
District town	6.8	42.6
Other town	6.3	29.8
Village	3.7	19.9
Gender		
Men	5.4	49.6
Women	4.9	50.4
Age		
Up to 20	9.8	24.8
21–30	7.2	28.4
31–40	6.4	27.7
41–50	3.4	12.8
51–60	1.3	6.4
Education		
Primary or lower	5.2	24.1
Secondary-general	4.9	24.8
Secondary-vocational	5.2	27.7
Higher	5.5	23.4
Children in the Family		
No children	3.7	33.8
1 child	7.5	41.9
2 or more children	4.8	24.3
Ethnic Group		
Bulgarian	5.4	86.5
Turkish	3.1	5.7
Roma	5.4	7.1
Other	3.1	0.7
Economic Status		
Employed	4.9	58.6
Unemployed	5.8	17.9
Other	5.6	23.6

3. Destinations, preferred employment sector, expected position

This section discusses the main destinations, preferred employment sectors and positions among the potential emigrants from the country; still more in some of the older EU member countries the opportunities for liberalization of the national Labour markets for Bulgaria and Romania are not adapted.¹²

¹² Markova, E. Expectations and Reality of Migration Flows Following Enlargement. Panel I during the conference on Migration and New Enlargement: Bulgaria and Romania, 18 May 2007, London.

Table 5. *Social-Demographic Profile of the Potential Long-Term Labour Emigrants*

Profile of potential long-term Labour emigrants	Intensity (% of the cases)	Range (structure)
Place of residence		
Sofia	4.0	8.7
District town	8.2	36.7
Other town	8.0	27.0
Village	7.2	27.6
Gender		
Men	9.9	64.8
Women	4.8	35.2
Age		
Up to 20	11.2	20.5
21–30	9.1	26.2
31–40	9.3	28.7
41–50	5.1	13.8
51–60	3.1	10.8
Education		
Primary or lower	8.2	27.7
Secondary-general	6.6	24.1
Secondary-vocational	7.3	27.7
Higher	6.6	20.5
Children in the Family		
No children	5.8	37.0
1 child	6.5	25.5
2 or more children	10.5	37.5
Ethnic Group		
Bulgarian	6.3	72.4
Turkish	13.2	17.3
Roma	9.7	9.2
Other	6.3	1.0
Economic Status		
Employed	6.7	57.5
Unemployed	10.1	22.8
Other	6.5	19.7

Destinations

Which *destinations* are preferred by the Bulgarian citizens?

Seven countries of the European Union (EU-15), together with USA, Turkey and Canada are among the first 10 preferred countries by the potential Bulgarian emigrants. 14% of the respondents would prefer Spain, 12.8% – Germany and 9.9% – UK.

Table 6. *Social-Demographic Profile of the Potential Short-Term Labour Emigrants*

Profile of potential short-term Labour emigrants	Intensity (% of the cases)	Range (structure)
Place of residence		
Sofia	6.5	12.6
District town	9.2	36.3
Other town	7.5	22.4
Village	8.5	28.7
Gender		
Men	8.9	51.6
Women	7.5	48.4
Age		
Up to 20	8.7	13.9
21–30	12.5	31.4
31–40	9.8	26.5
41–50	4.9	11.7
51–60	5.5	16.6
Education		
Primary or lower	6.9	20.2
Secondary-general	7.9	25.6
Secondary-vocational	10.2	34.1
Higher	7.5	20.2
Children in the Family		
No children	7.3	40.5
1 child	9.1	31.1
2 or more children	9.2	28.4
Ethnic Group		
Bulgarian	8.2	82.1
Turkish	13.6	15.7
Roma	2.2	1.8
Other	3.1	0.4
Economic Status		
Employed	8.5	63.7
Unemployed	8.1	15.7
Other	7.8	20.6

The high interest in some of the countries is due to the preferences of the tourists – Spain, Italy and Turkey. Nevertheless Spain attracts most long-term Labour emigrants. Regarding the opportunities for migration, i.e. permanent emigration (connected among the rest with the so-called *negative transfers* – yet not studied in the Bulgarian literature problem) preferences towards Spain, Germany and USA outline. Leading destination for the people willing to continue their education abroad is France – 19% of the declared preferences, followed by UK, USA, Italy and Czech Republic.

Table 7. *Social-Demographic Profile of Non-Migrants*

Profile of non-migrants	Intensity (% of the cases)	Range (structure)
Place of residence		
Sofia	77.7	17.8
District town	64.2	30.2
Other town	65.2	23.1
Village	72.5	28.9
Gender		
Men	66.5	45.5
Women	71.0	54.5
Age		
Up to 20	58.5	11.2
21–30	59.2	17.7
31–40	63.0	20.3
41–50	76.1	21.5
51–60	81.9	29.4
Education		
Primary or lower	73.9	25.8
Secondary-general	70.4	27.0
Secondary-vocational	67.2	26.7
Higher	63.4	20.5
Children in the Family		
No children	73.6	49.2
1 child	63.1	26.0
2 or more children	66.7	24.2
Ethnic Group		
Bulgarian	68.7	82.5
Turkish	60.3	8.3
Roma	79.0	7.9
Other	81.3	1.4
Economic Status		
Employed	67.8	61.2
Unemployed	70.3	16.5
Other	69.7	22.2

Employment sector

Concerning the *sectors*, where the potential emigrants think they would have realization, we can state the following.

The share of people who would emigrate without knowing what exactly they will work abroad continues to be alarmingly high – almost half of the respondents. If we evaluate the informativeness of the potential emigrants by gender and age (table 10), we will see that the share of the people willing to emigrate without a clear perspective concerning the employment sector, ex-

pected position, etc., separately for women and people aged under 35, is considerably higher than the potential emigrants – men. The conclusion is that the people are inclined to emigrate despite the risks and uncertainty. Among the first 5 sectors of preferred (possible) employment are: 1) Construction – 10.5% of the cases; 2) Services (serving the individual) – 8%; 3) Agriculture – 5.7%; 4) Hotels and restaurants – 4.6%; 5) Transport – 4.6% (table 9).

At the same time obvious is the visible difference between the genders regarding the employment sectors – in the construction and transport for instance prevail men potential emigrants, and in the sectors *Hotels and restaurants, Healthcare, Household activities* – women. If we compare the people aged under 35 with those over 35, we can conclude that the older people are engaged to a higher extent in agriculture or construction, unlike the younger people, who are oriented towards sectors like *Tourism* (Hotels and restaurants) or other service activities.

Quite expectedly, the share of women who would not work is higher than the share of men. On the other hand, the share of the older people who would not work is higher than the share of the young people aged under 35. This is probably due to a certain type of „family migration” – older relatives; parents are engaged with raising born abroad grandchildren, etc.

Expected position

Concerning the expected *position* the following 3 things draw the attention:

➤ The potential emigrants are not well informed about their possible realization.

➤ Positions, requiring low qualification (or „as it comes/as it happens”), prevail.

➤ The share of those who expect positions of high-qualified workers (7.8%) and applied experts (5.7%) is not at all neglected. It turns out that 14% of the potential emigrants are people with qualification and experience, which allow them to expect good professional realization abroad. We should not underestimate the will for emigration exactly among these circles.

Ways of travelling

Regarding the ways of realization of the potential intention for emigration, the following results are outlined:

1. free/individual travelling, contracting – 24.9% of the cases;
2. invitation from relatives, friends – 23.7%;
3. through mediator firm – 22.3%.

Obviously, these three opportunities are considered equally relevant.

On the other hand, every 10th person plans to use an individual contract. The share of the people who would rely on existing bilateral agreements between Bulgaria and the host countries is about 4%. It turns out that not more than 1/4 of the potential emigration can be regulated through the registration regime of the firms, by the Employment Agency, the agreements for mutual hiring of citizens, etc. In other words, consciously or not, in the years Bulgaria has oriented towards liberal migration policy.

Table 8. *Destinations of Potential Bulgarian Emigrants (%)*

Which country would you go, if you had the chance?	Migration type					Total
	Tourism, visit abroad	Education abroad	Short-term Labour migrants	Long-term Labour migrants	Settlers	
Spain	14.3		10.2	19.9	15.9	14.0
Germany	7.1	4.8	12.2	9.9	15.9	12.8
UK		14.3	11.2	10.5	9.5	9.9
USA	14.3	14.3	6.1	8.8	15.9	9.2
Greece	7.1	9.5	9.2	9.9	7.9	8.7
Italy	14.3	14.3	6.1	7.7	7.9	7.5
France	3.6	19.0	6.6	8.3	2.4	6.3
Turkey	10.7		8.7	1.1	1.6	3.9
Netherlands	3.6		3.1	2.2	2.4	2.9
Canada	3.6		2.0	1.1	4.8	2.6
Switzerland	7.1		1.0	1.7	1.6	2.1
Belgium	3.6		2.6	2.2	0.8	1.7
Cyprus			1.5	2.2		1.5
Austria			2.6	0.6	0.8	1.2
EU country	3.6		1.0	1.1	2.4	1.2
Australia			0.5		2.4	0.9
Russia			1.5	0.6		0.8
New Zealand	3.6		1.0	0.6	0.8	0.8
Czech Republic		4.8	1.0			0.5
Denmark				1.7		0.5
Egypt				0.6	0.8	0.5
Slovenia			0.5		0.8	0.3
Israel			1.0			0.3
Brazil			0.5	0.6		0.3
Ireland			0.5	0.6		0.3
Poland				0.6		0.3
Bahamas				0.6		0.2
Finland				0.6		0.2
Libya			0.5			0.2
Montenegro			0.5			0.2
Portugal						0.2
Africa						0.2
Iceland						0.2
Kosovo				0.6		0.2
Norway			0.5			0.2
Iran				0.6		0.2
Romania				0.6		0.2
Monaco					0.8	0.2
Sweden			0.5			0.2
Asia				0.6		0.2
Japan					0.8	0.2
I do not know	3.6	19.0	7.1	4.4	4.0	7.1
	100.0	100.0	100.0	100.0	100.0	100.0

Table 9. *Expected Realization of the Potential Bulgarian Emigrants – Employment Sector (%)*

What do you intent to work abroad (economic activities)?	Short-term Labour migrants	Long-term Labour migrants	Settlers	Total
Construction	8.2	13.5	9.8	10.5
Other activities in service of the public and individual	7.7	10.0	5.7	8.0
Agriculture, hunting and forest industry	6.0	7.1	3.3	5.7
Hotels and restaurants	4.4	5.9	3.3	4.6
Transport, storage and communications	2.2	4.1	4.9	3.6
Household activities	2.7	4.7	1.6	3.2
Trade, repair and technical service (automobiles, personal belongings, household goods, etc.)	0.5	3.5	4.1	2.5
I will study	1.6	2.4	4.1	2.5
I will not work	4.9	0.0	0.8	2.1
Processing industry	1.6	2.4	1.6	1.9
Production and distribution of electric and heat energy	1.6	0.6	4.1	1.9
Healthcare and social services	1.1	1.8	2.5	1.7
Extracting industry	0.0	1.8	0.8	0.8
Real estate operations, leasing activity and business services	0.0	1.2	0.8	0.6
Financial mediation	0.5	0.0	0.8	0.4
State governance and defense; obligatory public insurance	0.0	0.6	0.8	0.4
Fishing	0.5	0.0	0.0	0.2
Education	0.0	0.0	0.8	0.2
I do not know now, I will decide later	56.3	40.6	50.0	49.1
	100.0	100.0	100.0	100.0

Regarding the amounts of money needed for organizing the travel (*immediate price of the emigration*), they vary depending on the type of potential emigration. Over 1/2 of the potential migrants consider the amounts necessary for leaving/organizing a permanent stay abroad not less than 800 EUR (in 48.4% of the cases – over 1000 EUR). This amount decreases with reducing the planned stay abroad – in all cases in the long-term, as well as short-term potential Labour emigrants, expectations of 800 EUR have more than 1/4 of the respondents. It seems the immediate price of the travel has increased in the last few years (for comparison see the questionnaire study of Center for Comparative Studies from December 2005¹³).

¹³ Mintchev, V., V. Boshnakov. The Economics of Bulgarian Emigration – Empirical Assessment. – Economic Thought, No 7, 2006.

Table 10. *Expected Realization of the Potential Bulgarian Emigrants by Age and Gender – Employment Sector (%)*

What do you intent to work abroad (economic activities)?	Under 35	Over 35	Men	Women
Agriculture, hunting and forest industry	4.5	7.3	6.5	4.6
Fishing		0.4	0.3	
Extracting industry	0.5	0.8	1.2	
Processing industry	1.3	2.0	1.8	1.4
Production and distribution of electric and heat energy	1.3	2.0	2.6	0.4
Construction	8.3	11.8	17.1	0.7
Trade, repair and technical service	1.3	4.1	3.2	1.4
Hotels and restaurants	5.1	3.3	2.4	6.8
Transport, storage and communications	1.9	4.5	5.6	
Financial mediation	0.5			0.7
Real estate operations, leasing activity and business services	0.5	0.4	0.6	0.4
State governance and defense; obligatory public insurance	0.3	0.4		0.7
Education	0.5			0.7
Healthcare and social services	1.1	2.0	0.6	2.5
Other activities in service of the public and individual	7.5	6.1	6.2	7.8
Household activities	2.1	4.1	0.3	6.0
I will not work	3.2	8.9	4.4	6.8
I will study	5.9		1.8	5.7
I do not know now, I will decide later	54.0	41.9	45.6	53.4
	100.0	100.0	100.0	100.0

Note: Answered 621 (22.8%) of 2725 respondent.

Expected payment

Expected monthly payment abroad – here the expectations of the respondents seem more concrete compared with the Employment sector, Positions, etc. **Every 5th person expects income of about 1200 EUR.** Approximately so much are also the people who expect incomes of over 1600 EUR. Only the detailed analysis of the information, received from the people who have already been abroad, can help us evaluate how realistic are these expectations. In all cases, though these are incomes way above the average payment in Bulgaria.

4. Socioeconomic factors in making a decision to emigrate

Our study does not follow strictly the known in the literature *Push/Pull factors* classification. Our goal is to delimit the factors (reasons), which keep the Bulgarian population in the country, as well as to „see” the ones, which urge for emigration.

Table 11. *Expected Realization of the Potential Bulgarian Emigrants – Position (%)*

Positions	Short-term Labour migrants	Long-term Labour migrants	Migrants	Total
Low-qualified workers	13.2	26.5	14.0	18.2
Qualified industrial workers	7.7	7.1	9.1	7.8
Applied experts	5.5	5.3	6.6	5.7
Personnel for public services, security and trade	4.4	4.7	2.5	4.0
Operators of machines, equipments, transport	1.1	4.1	5.8	3.4
I will study	1.6	2.4	4.1	2.5
Supplementary personnel	1.6	4.1	0.8	2.3
Analytical experts	2.2	1.2	3.3	2.1
I will not work	4.9	0.0	0.8	2.1
Producers in agriculture, forest industry, fishing, hunting	1.1	0.6	0.8	0.8
Management personnel	0.0	1.2	0.8	0.6
I do not know now, I will decide later	56.6	42.9	51.2	50.3
	100.0	100.0	100.0	100.0

Table 12. *Ways of Organizing the Travel (I) (%)*

How do you plan to realize your travel abroad?	Short-term Labour migrants	Long-term Labour migrants	Settlers	Total
Private (independent) travel	26.8	25.6	21.1	24.9
Invitations from relatives, friends	23.7	21.1	27.6	23.7
Mediatory firm	23.2	27.8	13.0	22.3
Individual Labour contract	10.3	10.6	12.2	10.9
Applying/continuing education	4.6	4.4	11.4	6.2
Bilateral agreement for workforce exchange	4.1	3.3	3.3	3.6
Application for green card	1.0	2.2	3.3	2.0
Marriage/cohabitation	1.0	0.0	2.4	1.0
Other	5.2	5.0	5.7	5.2
	100.0	100.0	100.0	100.0

Constraining factors

Interesting here is the opportunity to compare people who would stay in the country with those who would orient to emigrate.

What keeps people in Bulgaria?

The gradation of these factors is as follows:

➤ *Attachment to the family.* Non-migrants seem to be more attached to the family, friends, etc. If this factor is considered important and very important by

Table 13. *Amounts of Money Needed to Realize the Intentions*

What amounts of money do you think is needed to realize your travel abroad?	Migration type					Total
	Tourism, Visit abroad	Educational abroad	Short-term Labour migrants	Long-term Labour migrants	Migrants	
Up to 200 EUR	20.8	–	8.7	6.6	3.2	6.9
More than 200 up to 400 EUR	8.3	4.8	12.8	11.5	6.3	10.4
More than 400 up to 600 EUR	16.7	–	15.4	11.0	4.8	10.9
More than 600 up to 800 EUR	–	9.5	9.2	8.8	8.7	8.6
More than 800 up to 1000 EUR	4.2	9.5	10.3	14.8	6.3	10.6
More than 1000 EUR	16.7	14.3	15.9	20.9	48.4	25.0
I cannot say	33.3	61.9	27.7	26.4	22.2	27.6
	100.0	100.0	100.0	100.0	100.0	100.0

Table 14. *Expected Payment When Abroad (%)*

What monthly income do you expect to have (receive) during your stay abroad?	Short-term Labour migrants	Long-term Labour migrants	Migrants	Total
Up to 400 EUR	0.5	0.6	0.8	0.6
More than 400 up to 800 EUR	14.9	13.3	4.0	11.6
More than 800 up to 1200 EUR	12.9	24.9	18.3	18.6
More than 1200 up to 1600 EUR	12.4	13.8	14.3	13.4
More than 1600 EUR	11.3	18.2	34.1	19.6
I cannot say	47.9	29.3	28.6	36.3
	100.0	100.0	100.0	100.0

74.5% of the potential settlers and 85.1% of the long-term emigrants, then by the more conservative non-migrants it is considered in more than 90% of the cases.

➤ *Positive expectations for improvement of the way of life.* Non-migrants are also more optimistic concerning the potential of the country – over 77% of them have optimistic attitudes for the perspectives for Bulgaria. The situation with the potential settlers, though over 65% of them are also optimistic, is more different. The long-term emigrants are optimistic in about 60% of the cases.

➤ *Availability of business/good employment.* It is noticeable that the potential settlers and long-term emigrants have higher requirements for *Availability of business/good employment*.

The different attitudes for the non-migrants and potential settlers are outlined particularly strong when it concerns fears that it is difficult to find „documented” (legal) employment abroad, as well as fears of the uncertainty of the realization abroad. For the non-migrants it is almost 20 percentage points more

serious problem than for the potential settlers and long-term emigrants.

The share of those who fear intolerant attitude towards foreigners in the so-called host country is unexpectedly high. Again these fears are significantly more serious among the non-migrants.

In conclusion we should draw the attention to at least two things:

➤ Obviously the attitudes of the non-migrants and potential emigrants are similar, especially concerning their attachment to family and friends or the expectations for the country. There are crossings when the potential risks of *making a decision for emigration* are evaluated. The fears in the so-called non-migrant are significantly more serious.

➤ Factors like higher taxes and insurances abroad (considered towards keeping the population in the country) or loss of social support and healthcare services, remain in the background. On one hand, it is due to the hypothetical character of the declared intentions; on the other hand, though, the respondents are not worried at all by the higher taxes and insurance burden in the attracting destinations – Spain, Germany, UK, etc., or by the loss of social services in the country. ***Probably the serious reserves and opportunities for coordinating measures with the host countries, which could make the tax and social area „more visible” for the conservative non-emigrants, as well as for the more mobile categories of the population, are exactly here.***

Motivating factors

The study tests number of variables (identified as *motivating the emigration attitudes factors*). Here we have information only for the potential emigrants. The non-migrants have not answered the respective questions.

➤ Among the evaluated factors, ***Higher payment is the most significant one***, i.e. short-term economic factor – according to almost 90% of the respondents, namely the higher payment in the host, target countries is „important” and „very important” factor, a reason for leaving the country.

➤ ***To live with high living standard*** follows – over 80% of the case.

➤ ***To support my family in Bulgaria*** comes third (74.8%).

The leading factors are of economic nature. The short-term economic motives seem to outweigh – „higher payment” over the long-term desire to live „with higher living standard”. ***The motive for supporting the family outlines, which corresponds to the identified above migration attitudes, despite the presence of one or more children in the household.***

When we look in more details to the factors motivating the permanent and temporary potential emigrants, the picture is heterogeneous.

For the settlers (so-called permanent emigration) *Higher payment* and *To live in the conditions of higher living standard* possess almost equal significance. The gradation above comes from the temporary emigration. The difference between the visions on this matter of the settlers and short-term emigrants is almost 10 percent points.

Supporting the family is a serious motive mostly for the long-term potential emigrants. Paradoxically, this motive is valid to a higher extent for the settlers

than for the short-term Labour emigration.

➤ Only after that come *Seeking better professional realization* (66.7%) and *Ensuring better education* (62.8%).

➤ Motives, as *I wish to acquire experience* (58.4%) and *I do not wish to live anymore in this country* (41%), become more significant.

In other words, the long-term social factors, depending on professional realization and ensuring better according to the respondent's education, outline.

We cannot underestimate factors like *Acquiring experience*, which, on one hand, are a reaction of the closeness of the regime from 19 ago; and on the other hand – reveal the increasing mobility after opening of Bulgaria to the global world economy. The evaluation of „*I do not wish to live in this country anymore*” shows a specific shade of dissatisfaction and bitterness.

Still, we have to mention that there are differences by type of emigration. Factors like *Professional realization* and *Education* are more significant for the settlers than for the ones preferring short-term Labour mobility, while their visions for *Acquiring experience* are similar.

The statement *I do not wish to live in this country anymore* is revealed more explicitly for the settlers than the short-term emigrants – there is almost 40 percentage point difference in the visions of the two categories potential emigrants.

In conclusion, there are a few factors, „pushing” the Bulgarian population abroad:

- economic (short-term economic logics and motivation prevailing);
- social – professional realization, education – which, together with the rest, shows how the Bulgarian economy and social area (in this case – the education area) can *compete for the population*;
- significant is the openness, the will to see and know the world, as – alas! – the lack of will to live in Bulgaria anymore;
- finally, the analyzed here factors influence quite differently on the types of potential emigrants. So despite the proclaimed lately visions¹⁴ that the dilemma permanent-temporary cross-border mobility is not current anymore, these factors suggest different management approaches and policies. Our opinion is that it is early to state that the Labour mobility is neither an alternative to the permanent emigration, nor that the short-term emigration does not keep the long-term one.

¹⁴ Katseli, Luka T. Gaining from Migration Report: Main Conclusions. – Migration and Development – a Euro-Mediterranean Perspective, 26 and 27 April 2007, Rhodes.

CASE STUDY ON BULGARIAN IMMIGRATION TO GERMANY

1. Introduction

During the period following the Second World War a number of demographic, economic and social problems occurred in the developed European countries, relating to their economic growth. This phenomenon has radically changed the make up of major European cities where a higher density of people of foreign origin is concentrated. The changes to the traditional way of life and society have had a strong effect on European peoples' national identity. At present, people of different ethnic origins and nationality live permanently in developed European countries. These dense groups of foreigners have influenced the system of values and often changed the cultural, social and political characteristics of the host country.

The main reason for the increase in emigration has been the same for centuries, namely; a better life for the individual and their family; fear of political, ethnic and religious persecution and forced expulsion from their country of origin.

The intense migration during the past years is due to the globalization of economic life. These significant changes in the socio-economic lifestyle lead to an increased necessity for policies which contribute to the development of mechanisms to integrate the different ethnic groups. The settling of people of different ethnicities in practice creates a complex set of factors and behaviors affecting the whole economic and social life of the country and the region. Each national group has different ethnic and social profiles, use different ways to achieve their personal and professional goals depending on their financial and general economic status. The development of these processes intensifies the cultural diversity which becomes a major distinctive feature of European countries' socio-economic development.

One of the countries that have attracted significant numbers of emigrants is the Federal Republic of Germany. The idiosyncrasy of Germany's post-war economic and social development boom, as well as some aspects of Germany's historical past, has attracted big groups of emigrants. Thus the German authorities face a double dilemma. On the one hand, due to Germany's economic growth, it needed to attract a work force, that is, a flow of immigrants. On the other hand, the growth of foreign citizen's agglomerations on its territory lead to alterations of their population's make up which creates a number of social and other related issues, involving the formulation of special state policy regarding migration.

Large emigrant flows into Germany changes the economic, political, cultural and social life completely and raises a number of challenges regarding the immigrants' behaviour. Some make an effort to adapt quickly to the foreign environment and to integrate in socio-economic life. Others, which include the majority of immigrants, choose not to change their national identity, especially those with different religious and cultural characteristics.

Furthermore, they tend to close themselves within their ethnic circles and display little desire to socialize with other ethnic groups or nationals. The Federal Republic of Germany is the only state in the EU which has been purposefully following a specific emigrant policy¹ since the first decade after the Second World War.

To aid economic growth and because of the lack of a work force, needed to meet production capacities in the German industry, 1955 saw the signing of contracts between FRG and some countries from South and South-East Europe (Italy, Spain, Portugal, Greece, former Yugoslavia, Turkey) to recruit the so called 'gastarbeiter' (guest workers).

Despite the presence of political will and normative-regulating attempts to prevent the permanent settling of foreigners in Germany, the process of hiring a foreign work force has continued for more than five decades resulting in around 15 million migrants settling in the country.²

This study is dedicated to the structure and characteristics of Bulgarian emigrants to the Federal Republic of Germany. *The main objective* of the study is to research historical, economic and other related factors contributing to the increase of Bulgarian immigrants to Germany, as well as their ability to integrate into German society. The classification of the Bulgarian migrant community allows better analysis of its characteristics and incorporation into Germany's socio-economic life.

The first part of the study consists of a short presentation of the development of the immigration process in Germany, as well as, some major issues and contradictions which have influenced changes in the German immigration policy. The historical and political relations between Bulgaria and Germany during different periods of both countries development determine the structure and characteristics of the Bulgarian immigrants.

The second part of the study researches the regional allocation and other specifications. The third part attempts to identify and position the Bulgarian immigration presence in Germany compared to its development policy and the general increase of the foreign population in Germany. An attempt has been made to clarify the Bulgarian citizens' communication abilities, adaptation and integration into German Society.

¹ In contrast to other West European countries, FRG has no preferential migration policy towards their former colonies' citizens. That is because after the Second World War Germany was not allowed to have colonies.

² Migration und Bevölkerung, 2006, Newsletter Ausgabe 5, July 2006

2. Migration trends and flows

2.1. Description of migration patterns of the specific population to Germany in terms of historical, social and political factors

2.1.1. Reasons determining the migration increase to Germany

Germany has a long history in the flow of migration. In the 19th Century up to the Second World War large groups of German nationals tried to make a living abroad (Russia, France amongst others)³. Since the beginning of the 1950s the economic development of FRG has been characterized by huge economic growth. The post-war German 'economic miracle' relied on a large work force to rebuild the infrastructure destroyed by the war, leading to a demand for unskilled and semi-skilled labor, mostly working in unskilled jobs. As a result, foreign labour was required to meet this demand. At this time, bilateral agreements were concluded with Italy (1955), Spain and Greece (1960), Turkey (1961), Morocco (1963), Portugal (1964), Tunisia (1965) and Yugoslavia (1968).

In the period 1955 to 1961 the number of foreigners living in Germany barely increased by more than 200, 000 people. Then, after 1961 FRG saw sustainable economic growth, coupled with the German Democratic Republic's (GDR) decision to close the borders with the West and erect the Berlin Wall. This led to the immediate suspension of workers coming from East Germany and subsequently intensified the need for an alternative foreign work force in the Federal Republic of Germany.

The introduction of a shorter working week also decreased the work force and augmented the need for labour. Through the 60's to the start of the 70's employment dropped by 2.3 million people. Consequently, in 1960 the foreign workers making up 1.3% of in the German labour force rose to 11.9% in 1973. During this period the general number of employed workers grew from 26.6 to 27.7 million, compared to 1961 to 1970 when the percentage of Germans in the country's work force fell from 47.6 % to 43.7 %.

The first wave of foreign workers consisted mainly of single men between the ages of 20 and 40 years old, but there were also a significant number of single women. By the end of the 60's, the majority of foreign workers were Italian, Spanish and Greek. Later, they were joined by workers from the former Yugoslavia. However, the Turkish gastarbeiters gradually become predominant. In 1968 the Turkish citizens constituted 10.7 % of the foreign population in Germany and the Yugoslavians 8.8 %. By 1973 the Turkish citizens living and working in Germany were already 23 % of foreigners with permanent residence in Germany. By comparison, the Yugoslavians were 17.7%. Many of these foreign workers were located in Nordrhein-Westfalen, Baden-Württemberg, Bayern and Hessen.

³ In the 19th century, Germans from the region of Hesse and Palatinate went to France where they played a key role in the expansion of the canals and railway networks. Other known migrations of Germans are their escape from poverty to Russia, South America, USA and Canada.

2.1.2. The rotation principle

From the beginning of the immigration process in Germany, the authorities' goal was to restrict the foreign workers' stay in the country. The German authorities' main policy was to adopt the rotation principle. After the stay expired – the date determined in advance – foreign workers would return to their home countries being replaced by others. The reality was different. From the beginning of the 60's more and more foreign workers remained permanently in Germany. This was agreeable to employers who would prefer to keep their qualified workers. In their turn, the workers felt more and more at home in Germany. The higher salaries in Germany compared to their home countries, the good prospects for increasing wages, the advantages of a good social policy and the incomparably better infrastructure were significant factors contributing not only to the foreign workers long term stay, but also to attracting their families to Germany.

2.1.3 Foreign workers in the former GDR

In the meantime, the German Democratic Republic recognized a shortage of labour with the growth of its economic power and tried to attract foreign workers too. For this purpose GDR signed recruitment agreements in the form of a qualification improvement with Hungary, Poland, Algeria, Cuba, Mozambique and Vietnam. Due to the agreements in 1981, 24, 000 foreign workers resided in GDR. In 1989 this increased to 94, 000, 60, 000 of whom came from Vietnam. The conditions and duration of their stay, their rights and their general number were determined individually based on the agreements conducted between their respective governments. The duration of the permit might vary between two and six years. By law, the agreements did not allow for the foreign workers to obtain permanent residence. Furthermore, the workers' families were also refused the right to join their relatives working in GDR. After their contracts' expired the foreign workers were obliged to leave GDR and return to their home countries.

2.1.4 The 1973 ban on recruiting foreign labour

The first signs of an economic recession at the beginning of the 70's as well as the subsequent increase of unemployment in FRG led to a change in the policies concerning foreign workers, as a necessity to protect the national labour market. First, unlimited access to the labour market was granted to the German citizens, EU citizens and after that to other countries whose citizens had been given the right to reside in Germany – former 'gastarbeiter' and their offspring. Other than them, the right to reside in Germany was granted to foreign citizens persecuted in their own countries and those given refugee status in Germany.

After the petrol crisis and the slowing of the economic growth in FRG at the beginning of the 70's, the federal government made the decision to stop hiring foreign workers in particular those coming from countries outside the

EU. In reality, this decision posed the important question as to what these workers would do about their future. The ban allowed them to remain in Germany permanently as they wouldn't be able to travel back and forth between their countries and Germany. They had to make a decision whether to return home or to remain in Germany for good.

In the 70s the percentage of foreigners in Germany remained relatively steady regardless of the change in policy concerning their foreign work force. During this period Germany had no shortage of labour as the birth rate had risen meaning an increase in the working population. Between 1973 and 1988 the number of foreign workers grew relatively slowly, from 4 to 4.8 million.

After the mid 80s the number of foreigners entering Germany grew significantly, exceeding those leaving the country. In only 11 years time (1986 – 1996) the number of foreigners living permanently in Germany had increased from 2.6 to 7.3 million. This increase was due mainly to the reconciliation of families and the birth of almost 1 million foreign children. The growth of the foreign population was also a result of the arrival of many refugees – a process that started in 1980 and intensified after 1985.

Today, compared to the 50's, 60's and the beginning of the 70's, migration and the settling of foreign workers in Germany are subject to serious restrictions. The contract and seasonal workers do not hold the right to remain permanently in Germany. In 2003 approximately 44, 000 people worked in Germany on temporary contacts in accordance with bilateral governmental agreements.

Another stage in the development of the migration flow was the repatriation of the ethnic Germans from Eastern Europe and the former USSR to Germany. The repatriation of the 'Eastern' Germans was for political reasons due to their persecution after the Second World War. With a special *law* everybody of German origin and their families who were not necessarily of German origin, were allowed to settle permanently in Germany. When issued a Document of Repatriation, they were entitled to German nationality. Since the mid 90s the number of ethnic Germans returning through this programme has decreased for the very fact that significant problems occurred with the integration of these people into German society. Many ethnic Germans' family members didn't speak the language which gave rise to a number of social, cultural and political obstacles.

The executive authorities in Germany gradually showed impatience and discontent for the fact that the ethnic German families from Eastern Europe and the former USSR had difficulties in integrating. Therefore, on the 1st January 2005 the Independent Commission on Migration required non-ethnic Germans (i.e. spouses of non-german ethnic origin and their children) to obtain a basic knowledge of German.

2.1.5 Immigration of highly skilled workers

After the year 2000 (until the Immigration Act came into effect in 2005), Germany decided to attract highly-qualified foreign experts and specialists in the field of Information Technology (IT). People with high university degree

and/or equivalent education were granted the right to permanent residence and a work permit in Germany's IT industry. By the end of 2004, nearly 18,000 work permits for highly-qualified jobs had been issued (better known as 'green cards'). According to the Immigration Act, highly skilled specialists and in particular academic and university researchers, high level business and industrial professionals received permanent residence permits on arrival in Germany. Freelancers were also allowed to settle permanently in Germany provided their profession was of economic interest to the German economy.

2.2. Bulgarian immigrants to Germany – statistics and movement flows

2.2.1. Characteristic features of the Bulgarian immigrants

Compared to the local German population and the immigrant community in Germany as a whole, the clear classification of Bulgarian immigrants is complicated because of the non-homogenous structure of this group.

After the collapse of the planned economy and the intensification of the economic and social crisis in Bulgaria (after 1989), many Bulgarians choose to emigrate, considerable number of whom had degrees. The majority moved to Germany looking for refuge, a better life for them and their families, better career prospects and other incentives for a more prosperous life. They believed Germany would provide them with all the preconditions for a higher standard of living and more opportunities for professional advancement.

In May 2001, after a census of the population had been taken, Germany ranked as the number one destination for Bulgarian emigrants (at 23%), with the USA second at 19 %⁴. Other preferred destinations were Greece and Spain at 8 %, Great Britain and Italy at 6 %, Canada 5 % and France with 4 %.

The rush of Bulgarian immigrants to Germany has its roots in the close historical and political relations between Bulgaria and Germany. After 1949 a lot of Bulgarians went to East Germany (former GDR) to study, gain a higher degree and work on different economic agreements within the former Council for Mutual Economic Assistance (COMECON) and other governmental exchanges. Some of whom managed to settle down permanently in GDR.

At the same time Bulgarian immigrants to West Germany after 1945 were mainly people who had left Bulgaria for political reasons and/or reconciliation with their families. During the period 1945-1989 due to the constitutionally guaranteed right to political asylum⁵, Bulgarian citizens found a haven in the Federal Republic of Germany, which gave them legal access to the national labour market. The most significant number of Bulgarians entered the country after the failure of the centrally-planned economy and their deep and long financial crisis.

⁴ According to the National Statistics Institute data, delivered by the Secretary of the Central Census Committee Dr. Yordan Kalchev, March 2001.

⁵ Grundgesetz für die Bundesrepublik Deutschland vom 23.05.1949, Constitution of FRG, paragraph 16a, section 1

Many of these highly-qualified specialists decide to leave Bulgaria for their families, considering that in an economically strong country with good social policies it would be easier for their children to obtain better education and jobs in the future. During these years, Germany became an attractive destination because of its economic and social policy and good job opportunities.

Germany and especially its universities have always appealed to Bulgarians since its liberation from Ottoman domination. From 1825 to 1831 a great Bulgarian enlightener Peter Beron studied in Munich and Heidelberg and in 1846 Doctor Ivan Bogorov lived and studied in Leipzig. For Bulgarian intellectuals Germany has the best developed educational system, with inspirational literature and culture. This demonstrates that as long ago as the 19th century Germany was the preferred country for Bulgarian intellectuals in a period when the Bulgarian state had not yet been restored. In addition, prior to Liberation, Bulgarian merchants opened companies to trade on German territory.

Bulgarians have been living in Berlin since the Liberation from the Ottomans (1878) to date. There is a long tradition characterized by a rich and structured educational system, good economic networks and positive exchange in science and education. The Student Union 'Rodina' (1908), for instance, has helped young Bulgarians to integrate into Berlin for years.

Bulgarian labour migrants entering Germany in the 30's, initially settled in Leipzig and Munich as gardeners. During the Second World War workers were recruited into the manufacturing, service and agricultural industries. While around 1000 Bulgarian students studied at German universities. Between 1945 and 1989 the Bulgarian labour migration to FRG was formed mainly of political emigrants and people who settled in Germany in order to join their families.

After 1989 Bulgarians didn't meet the formal labour immigration requirements. Therefore, access to the German labour market became difficult⁶. Since 1991 several bilateral agreements for temporary employment of Bulgarians come into force but these quotas had already been filled. Only a small portion of Bulgarian highly qualified IT specialists have managed to benefit from the 'green card' and settle down in Germany with the right to work and long-term residency.

According to statistics and the German migration authorities, the country is defined as an important destination for Bulgaria emigrants during the whole post-war period until the present day. The flow of Bulgarian citizens 'entering' and 'leaving' the country has been monitored by the FRG Statistics Office since 1954⁷. Bulgarian citizens registered with various residence rights have been accounted for since 1967⁸. Nevertheless, a complete picture of Bulgarian mi-

⁶ The regulations are in Paragraph 18 of the Act on residence of foreigners in FRG and on Paragraph 5 of Decree on work permits which regulate the exceptions of the general ban for access to the labour market.

⁷ Federal Statistics Office of Germany, (2007): Lange Reihe ab 1952-2006, Herkunft-Ziel

⁸ Federal Statistics Office of Germany, (1981, 1985, 1999, 2006): Lange Reihe, Ausländer nach Staatsangehörigkeiten, <http://www.destatis.de>

gration to Germany can only be obtained after 1989, and since 1991 official information is available only for a united Federal Republic of Germany.

After a steady and constant increase of Bulgarian citizens in FRG (according to the initial data in 1967 there were 1,985 people), in 1989 those Bulgarians residing legally in former West Germany reached 5,670. In the same year, according to the Central Statistics Office of the former GDR, 4,900 Bulgarians lived there accounting for barely 2.6 % of all foreigners living in East Germany⁹, at the time (there were 191,200 foreigners mainly from Vietnam, Poland, Mozambique, former USSR, Hungary, Cuba, Czechoslovakia, former Yugoslavia and Angola).

Due to a lack of specific information and more detailed statistical research *the legal grounds* upon which the Bulgarians resided in former FRG as well as in former GDR until 1990 cannot be defined precisely. It can be said for certain that they had neither the 'gastarbeiter' status, for there was no such agreement between the two countries, nor a 'Bilateral agreement for foreign workers qualification improvement programme which had never been signed'¹⁰.

Until 1st January 2007 Bulgarian citizens did not have the right to stay for more than three months in Schengen states without a residence permit. Therefore, one of the ways for Bulgarians to stay longer in Germany was to obtain a student visa by studying at German universities or other educational institutions. According to data from the FRG Ministry of Education, in 1975, 81 Bulgarians studied in the former Federal Republic, in 1980, 121 Bulgarians, in 1985, 115 and in 1990, 183¹¹.

Another immigration pattern in FRG was marriage to a German citizen¹². Nevertheless, it is hard to define the exact number of Bulgarians who took advantage of this opportunity during the whole post-war period because of naturalization. It is even harder to define the number of political emigrants from Bulgaria for the whole post-war period as there are no such statistics. Refugee status was another way for Bulgarian citizens to settle in FRG, although this would be temporary (from 6 months up to several years while their asylum applications were reviewed)¹³.

⁹ Wirtschaft und Statistik, (1990): Ausländer in der DDR 1989 nach Nationalitäten, H.8, S. 544

¹⁰ Bulgaria and the Soviet Union are the first two countries from which the GDR State Planning Committee invited foreign engineers, young specialists and workers, a total of 50,000 people, for the needs of the German enterprises which import mainly for those two countries. Due to the emigration of Eastern German engineers, specialists and workers to the West, many factories' production facilities remained unused. The proposition was from 26.10.1961, but the Council of Ministers of GDR 'stopped' these plans at its meeting on 25.01.1962., supposedly for political reasons – how was the world going to accept the hiring of foreign workers by a socialist country. However, these first 'plans' pave the way for the adoption of 'Bilateral agreements aiming to improve the qualification of foreign workers', first with Poland (17.03.1963.) and Hungary, later with Vietnam, Mozambique, Algeria, Cuba etc.

¹¹ BMBF, 1995

¹² This form of migration existed both before 1989 and after that throughout Germany.

¹³ Only for the period 1988-1990 did the asylum claims from Bulgarian citizens in Germany reach nearly 9,000. The refugee status was the first stage during which a contact with the employer was made and the structure of the migrants' network base for future migration, set up.

In *the former GDR* the concept of ‘migrants’ (‘emigrants’/‘immigrants’) was considered antisocialist and clashed with official party-government policy. After 1963, foreign citizens could have residency on the following grounds:

a) a bilateral agreement for foreign workers taking a higher qualification, which, as we said before, didn’t exist with Bulgaria.

b) studying at a German university which was widely popular among Bulgarian students graduating from German language schools (18 schools throughout Bulgaria), providing them with an high school diploma compatible with those from GDR; the access to higher education did not require entrance exams and the education itself was free.

c) individuals settling in Germany for various reasons: *family* – marriage, reconciliation of relatives; *acquiring the right to work and residence* after graduating in GDR; *long-term employment* through the exchange of professionals or specialists between Bulgarian and German enterprises, and through foreign trade representation offices amongst others.

After 1990 the number of Bulgarian citizens in Germany increased sharply to its peak of 59,094 people in 1992 after which it dropped to 31,564 in 1998 before rising again to 46,818 people in 2007. When analyzing this data, one should bear in mind they are derived from the residents’ current legal status as well as the registration authority of the receiving country for that particular period. This means, those not covered by the statistical journals are; Bulgarian citizens legally residing in Germany who have left the country unannounced; those with expired residence permits who have stayed in the country ‘unnoticed’ trying to re-register; as well as the illegal residents in FRG. In addition, those granted naturalization have been removed from the list.

Despite the contradictory trends in the number of Bulgarians in Germany and the constant flow in and out of the country, some *conclusions* can be drawn:

- ***The total number*** of the Bulgarian citizens in Germany ***has increased***

Table 1. *Bulgarian nationals in Germany from 1999 – 2007*

Year	Bulgarian Nationals (total)	Women (% of total)	Foreign citizens in Germany (total)	Population of Germany (total)
1999	32, 290	44,9	7, 336, 000	82, 163, 475
2000	34, 359	45,6	7, 268, 000	82, 259, 540
2001	38, 143	47,1	7, 318, 300	82, 440, 309
2002	42, 419	48,9	7, 348, 000	82, 536, 680
2003	44, 300	50,8	7, 342, 000	82, 531, 671
2004	39, 167	54,6	7, 288, 000	82, 500, 849
2005	39, 153	56,6	7, 289, 100	82, 437, 995
2006	39, 053	57,2	7, 255, 900	82, 314, 906
2007	46, 818	57,0	7, 257, 000	82, 217, 830

Source: Federal Statistics Office of Germany (2008), <http://www.destatis.de>

by almost **50 %** for the period 1999 – 2007.

➤ **In 2004**, the year of EU accession for the first CEE countries, a sudden drop in the total number of the Bulgarians in Germany can be observed. It dropped almost 11.5 % which wouldn't change significantly for the following two years.

➤ In 2007, the year of Bulgaria's accession to the EU, the number increased to nearly 20 % while the foreign and local population in Germany marked a slight drop.

➤ **The share** of female immigrants increased **to 57% in 2007**. Then since 2003 their number steadily exceeded those of men, which is unusual for most foreign ethnic groups in Germany.

➤ The average age of Bulgarian nationals in Germany is 35.4 years as the majority are students, young workers and temporary and seasonally employed workers, where the upper age limit is 40.

➤ The majority of Bulgarians (**65%**) are at an active working age, between 25 and 55, and nearly **25 %** of them are students between 5 -25 years old (school and university), which indicates the reasons why Bulgarians go to Germany and remain there in the long-term or indefinitely, namely; **education, professional training and qualified work**.

➤ Only **33 %** of the Bulgarian population in Germany is listed as married. One third of married Bulgarians, around 12 % of the total, are married to Germans, the majority being Bulgarian women. This shows that obtaining residence rights in Germany through marriage or for other family reasons is a significant but not major reason for immigration¹⁴.

➤ Bulgarians who make families in Germany or live there with them become part of the active and potential labour population. These people strive for a complete integration into the workplace as those who fail to make the transition tend to leave the country.

➤ Provided that Bulgarian nationals have worked legally for more than one year in Germany they can register as unemployed and seek work without leaving the country, made ever more possible with Bulgaria's accession to EU.

➤ The average stay of Bulgarian nationals in Germany is **7 years**; the short-term residents predominate, followed by medium-term and long-term – up to 8 years, the total of around 70 % which coincided with the democratic changes in Bulgaria and its negotiations for EU accession. Almost **95 % of the Bulgarians** in Germany stay there up to 20 years which confirms the assumption that the major part of the Bulgarian immigration in Germany formed after 1989. Around one third stays between 1 and 4 years which can be explained with the milder working and residence regulations as well as with the Bulgarian

¹⁴ Given the chance, Bulgarians who managed to secure good work and accommodation in Germany in advance, left with their whole family, incl. children. In order to adapt faster and easier to the lifestyle and environment in Germany, the children went to German schools, colleges and universities. The member of the family who didn't have a permanent contract could sign one if they were willing to and if they showed the necessary professional skills, as well as knowledge in German and sometimes in English languages.

accession to EU.

The majority of immigrants to East and West Germany are ethnic Bulgarians professing East Orthodox Christianity. After 1989, together with them, many Bulgarians of Turkish origin, professing Islam, headed towards Germany. Most of them entered as illegal immigrants feeling more secure in contacting the Turkish community in Germany and finding shelter in neighborhoods inhabited mainly by Turkish immigrants. There they didn't feel isolated and helpless in this unfamiliar environment. The German 'Turks' became their first employers, the mosques were some of the main places for social contacts and the Turkish immigrants' religious organisations provided everyday help and advice on how to survive in the unfamiliar economic, social and cultural environment. In most cases these people did not speak German and were not able to communicate in this language. It was exactly at these religious centres where the immigrants received the necessary information and support for settling everyday matters and for communicating with German institutions regarding asylum and migration pleas.

From 1989 to 1993 asylum requirements became stricter so a trend was seen in Bulgarian immigrants legalizing their stay in Germany. That is Bulgarian nationals' asylum applications increased up to 74,884 or 7.5 % of all asylum applications by foreigners in Germany. This shows that in a relatively short period a significant number of Bulgarian immigrants had settled in Germany and were looking for ways to stay there permanently.

According to the information given by Bulgarian interpreters hired to hold interviews for the Asylum Authorities, the profile of those seeking asylum generally reflected the ethnic structure of the Bulgarian population. In 1992 the ethnic profile of the population was 85.3 % Bulgarians, 8.5 % Turks and 2.6 % Roma people. Their religious profile was 83.3 % East Orthodox Christians, 12.1 % Muslims (this group consists of Bulgarian nationals who are ethnic Turks and Bulgarian Muslims). The chances to receive the right to asylum as well as work are the main incentives for Bulgarian Turks to settle in Germany.

Later, some changes in their behaviour occurred. A part of them remained connected to the Turkish ethnic community and in practice didn't make any attempts to integrate into the German society. Other Bulgarians of Turkish origin, who had successfully settled in Germany, adopted a European system of values. That is why they turned back to their Bulgarian identity and familiar cultural roots which helped them to integrate into the German society. The relative share of Bulgarians of Turkish origin who managed to receive an official right to work in Germany cannot be described precisely as there is no statistics.

2.3. Regional distribution of the Bulgarian work migration

The regional distribution of Bulgarian nationals in Germany has the following characteristics shown in Table 2 below.

The majority of Bulgarians (around 75 %) live in economically richer and financially stable provinces, such as North Rhine – Westphalia, Baden-Würt-

temberg, Bavaria, Hesse and Berlin, where they have found better work, remuneration and living conditions. These provinces have world renown universities with traditions in higher and professional education, science, foreign student bodies and part-time employment for students. As those provinces – North Rhine-Westphalia, Baden-Württemberg, Bavaria and Hesse and partly Berlin are in the former GFR where access for Bulgarians was highly limited before the Unification in 1989, an assumption can be made that Bulgarians started to immigrate there after the changes. For certain, there was internal migration which has been generally observed with the German population (migration flows from East to West). An interesting fact shows that the relative share of Bulgarians in the East German provinces of Saxony, Thuringia, Brandenburg, Saxony-Anhalt and Mecklenburg-Vorpommern is around **9 %**, while only Berlin has **10,2%**.

Table 2. *Bulgarian nationals by German provinces, 31 December 2007*

Provinces in Germany	Bulgarian nationals (total)	Bulgarian as a % of foreigners	Foreign population in Germany (total)	Population of Germany (total)
Baden-Württemberg	6 220	13,28 – III	1 277 052	10 754 937
Bavaria	8 948	19,11 - II	1 185 649	12 515 713
Berlin	4 776	10,20 - V	474 083	3 410 147
Brandenburg	667	1,42	66 018	2 593 081
Bremen	875	1,87	85 285	663 050
Hamburg	1 430	3,05	252 002	1 766 156
Hessen	5 320	11,36 - IV	685 409	6 072 717
Mecklenburg – Vorpommern	139	0,30	39 377	1 683 411
Lower Saxony	2 433	5,20	539 729	7 979 194
North Rhine - Wetsphalia	9 263	19,79 – I	1 912 729	18 008 611
Rhineland - Palatinate	2 287	4,88	318 211	4 048 582
Saarland	639	1,37	86 684	1 038 500
Saxony	1 408	3,01	117 813	4 226 490
Saxony - Anhalt	893	1,91	45 860	2 420 209
Schleswig - Holstein	776	1,66	151 250	2 327 021
Thuringia	744	1,59	47 370	2 294 972
Total	46 818	100,00	7 284 500	82 258 300

Source: Federal Statistics Office of Germany (2008) <http://www.destatis.de>

These are probably Bulgarians who had settled in former GDR before the Unification. They had kept their professional and family contacts and had good work and study opportunities as there was a small foreign population in these provinces.

The naturalization of Bulgarian nationals in Germany also shows some interesting tendencies:

➤ The number of Bulgarians taking German nationality is within the **1 %** quota and **women** again prevail at **65.0 %**.

➤ Only **30 % of Bulgarians** have acquired German nationality by means of marriage or co-habitation with Germans or through other members of the family; the majority, **70 % of Bulgarians**, have acquired German nationality through their long-term residence permit, including the 8 year permit which shows a high appreciation for their professional abilities in the receiving country.

➤ **93% of the naturalized Bulgarians** have acquired German citizenship in the last 20 years and the majority of them (**around 80 %**) live in the former West German provinces which suggests that naturalization has happened after the Unification of Germany.

➤ The Bulgarians with German nationality are at an active working age between 25 and 55 (**70 %**) and students (**20 %**). Thus they can be described as equal to nationals in the German labour market (Table 3).

Table 3. *Bulgarians granted German nationality between 1999-2006 z.*

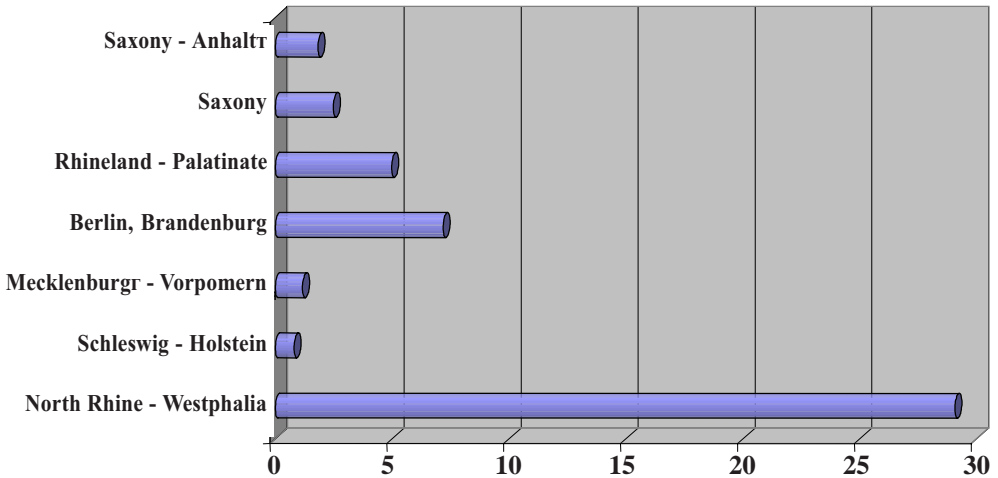
Year	Foreigners granted German nationality	Bulgarians granted German nationality	Relative share Bulgarians with German nationality/ all foreigners with German nationality	Relative share of women among the Bulgarians with German nationality
1999	241 972	303	0,13	52,5
2000	186 688	614	0,33	47,9
2001	178 098	615	0,35	53,7
2002	154 547	649	0,42	56,2
2003	140 731	579	0,41	58,5
2004	127 153	404	0,32	60,4
2005	117 241	400	0,34	61,5
2006	124 566	409	0,33	65,0

Source: Federal Statistics Office of Germany (2007), <http://www.destatis.de>

In an internet survey, the replies of 1,365 emigrants from Bulgaria give an idea of where they are mainly concentrated in Germany. The chart shows that most Bulgarians are from the North Rhine – Westphalia, followed by Berlin, Brandenburg, Essen and Bremen.

Chart 1

Regional distribution of Bulgarian immigrants, survey from 2008 (%)



Source: Survey from <http://www.zaedno.de>

3. Employment characteristics

3.1. Skills and education level

Bulgarian students in Germany are a specific type of Bulgarian immigrant because some of them usually remain in Germany after graduation.

Until 1945 studying at universities abroad was typical for certain cultural and economic elites. While in the period 1945-1990 it was a privilege for a certain politically loyal part of the population, in the 90s it is an exception for economic reasons and is considered prestigious. After 2000, studying in foreign universities became highly popular for Bulgarians.¹⁵

The restrictive migration policy enforced by the Western European countries in the 90's made the free settlement of Bulgarians on their territory very difficult, almost impossible.¹⁶ The measures aimed to keep the higher price of labour in the local labour markets. Therefore hiring foreign worker-immigrants from CEE countries was permitted only if the employer could prove there weren't nationals with the same qualification locally and therefore needed to be imported from outside. Since the beginning of 2001 until 1st January 2007 – Bulgaria's

¹⁵ Liakova, Marina, The hybrid life of the Bulgarian students in Germany, in: *Criticism and Humanism*, issue 25/2008, p. 45-63

¹⁶ If by 1989, Bulgarian citizens' emigration was controlled by the Bulgarian institutions (Ministry of Interior, Ministry of Foreign Affairs) through the exit visas system, after the democratic changes the Bulgarians' movement abroad was restricted only by the receiving countries through migration policies and their visa regime. Until the spring of 2001 Bulgarian citizens needed visas even when traveling or staying in Western European countries up to 3 months. Despite Bulgaria's full membership to EU, the restrictive clauses on the access to the labour market remained.

EU accession – Bulgarian nationals didn't have the right to spend more than 3 months in the Schengen territory without special permission. The most popular and accessible form of long-term legal residence in EU was with the student status¹⁷. These who could mainly benefit from this status were young people up to 35 years old who had a higher education diploma and a good knowledge of the language. The students kept their nationality and were granted the right to reside in the country for the time of their studies until graduation. Thus they made up part of the 'internationally mobile students' as qualified by the Statistics Institute of UNESCO¹⁸. As such they were considered as potential labour migrants i.e. migrants with higher education and corresponding professional experience.

The students' migration from CEE to Western Europe hides the risks associated with the loss of young and qualified labour resources in their own countries, which can slow down the future development of important economic sectors. If the young specialists were to return to their home countries, they could catalyze its future economic development. But the chance for that happening was very slim. The young people usually named the following reasons for not returning: there isn't an appropriate job in their home country with similar work ethics, techniques and know-how, good remuneration and clear prospects for career development; the unstable socio-economic and political situation in the home country adds additional doubts and hesitations about going back.

Nobody denies the importance of migration among students, PhD students, and young scientists, who are involved in one form of education or continuous training abroad. Nevertheless, it is a fact that there is little research in this area. This group can be defined as 'the forgotten' migrants, who gain more and more importance for the future development of a united Europe.

During the 2007/2008 academic year around 50,000 Bulgarian students studied abroad with a very strong presence in Germany. Indeed, at this time out of a total of 233,600 foreign students in FRG 10,500 were Bulgarian. This meant they ranked fifth out of all foreign students in Germany¹⁹. In reality, the Bulgarian students held third place because some of the Turkish and Russian students in Germany were naturalized Germans. Out of all Bulgarian students going abroad almost 20 % choose Germany for their studies.

The majority of young Bulgarians study in the former West German provinces – North Rhine Westphalia (22%), Bavaria (20%), Baden – Wurttemberg (16%), Berlin (8.5%) and Essen (8.5%). More than 80 % of them go to universities, the rest into other educational institutions. Most Bulgarian students study law, economics and social sciences, linguistic and cultural studies, mathematics and natural sciences. Three of these subjects – computer science, economics and engineering are most popular with Bulgarians.

¹⁷ After 1999 25-30 % of the Bulgarian citizens in Germany were students in different German educational institutions and universities.

¹⁸ Unesco-UIS, 2006

¹⁹ Statistische Bundesamt, 2007; according to the Bulgarian Consulates in Germany latest research found that the number of students had reached 15,000 people.

Table 4. *Foreign students in Germany including Bulgarian students according to initial year of studies*

Years	1999	2000	2001	2002	2003	2004	2005	2006	2007
Bulgarian students	1 204	1 945	2 678	3 172	3 080	2 489	1 819	1 319	1 067
%	3,0	4,3	5,0	5,4	5,1	4,3	3,3	2,5	2,0
Total of foreign students	39 905	45 652	53 183	58 480	60 113	58 247	55 773	53 554	53 758

Source: Federal Ministry of Interior, Bundesamt für Migration und Flüchtlinge, <http://www.bmi.bund.de>

Table 5. *Foreign students in Germany and major subjects (totals and %s correlated for major subjects)*

Academic year	2004/ 2005		2005/ 2006		2006/ 2007		2007/ 2008	
Total	12 848	%	12 794	%	12 170	%	10 504	%
Linguistic and cultural studies	2 670	20,8	2 559	20,0	2 432	19,9	2 089	19,9
Law, economics and social science	4 763	37,0	4 823	37,7	4 626	38,0	3 942	37,5
Mathematics and natural science	2 474	19,3	2 431	19,0	2 324	19,1	1 978	18,8
Engineering	1 667	12,9	1 638	12,8	1 514	12,4	1 321	12,6
Medicine	556	4,3	614	4,8	617	5,1	601	5,7
Art	496	3,9	422	3,3	474	3,9	420	4,0

Source: Federal Ministry of Interior, Bundesamt für Migration und Flüchtlinge, <http://www.bmi.bund.de>

Table 6. *Bulgarian students in Germany and major subjects (total and %s correlated on major subjects)*

Academic year	2000/ 2001		2001/ 2002		2002/ 2003		2003/ 2004	
Total	5 015	%	7 321	%	9 897	%	12 048	%
Linguistic and cultural studies	1 098	21,9	1 568	21,4	2 090	21,1	2 554	21,2
Law, economics, social science	1 936	38,6	2 762	37,7	3 631	36,7	4 422	36,7
Mathematics and natural science	858	17,1	1 413	19,3	1 952	19,7	2 337	19,4
Engineering	577	11,5	861	11,8	1 260	12,7	1 530	13,2
Medicine	165	3,3	251	3,4	373	3,8	470	3,9
Art	286	5,7	327	4,5	399	4,1	482	4,0

Source: Federal Ministry of Interior, Bundesamt für Migration und Flüchtlinge, <http://www.bmi.bund.de/>

Because of the dynamic growth in the number of Bulgarian students, they are of special interest for research. What is their motivation in choosing FRG in particular? Undoubtedly, Germany's geographical closeness is a major factor for their choice.

Due to the former GDR (founded in 1949) belonging to the socialist bloc it was a precondition for many Bulgarians to get easier access to the East German universities even before the Unification (1989). This tradition also continues after 1989.

Another important factor is that the German education system has a good reputation. German universities have traditionally attracted many Bulgarians since the 19th century. Apparently for Bulgarian students the fact that Germany has established and world renowned universities define their choice of a place to study.

Some Bulgarian students choose FRG for their studies because of all their family and relatives permanently residing in the country. But this is just an initial 'impulse' and they provide a financial guarantee and an easier and faster adaptation to the local way of living.

A characteristic of Bulgarian immigrants in Germany are the limited contacts between the 'old' and 'new' migrants and the lack of succession between them. The old migration was forced to leave the country mainly for political reasons, rarely for family or social reasons. The new migration is entirely economically motivated. Material values dominate among the young Bulgarians, especially among the Bulgarian students in Germany. The material and economic interest is a key reason for their decision to 'immigrate' to Germany as students.

The access to German universities is relatively easy for all foreigners with a high school diploma, as it doesn't require entrance exam for certain subjects. In most universities the only requirement is a German language diploma („Sprachdiplom") which can be obtained either from the authorized institutions, or through an exam at the selected university²⁰. It is not a problem for students in Bulgaria as there are 18 German language schools in the country where education is aimed at achieving this diploma.

There is hardly any other country in Europe where so much private funding is invested in foreign language education: private lessons, language courses in specialized schools, private language high schools and test preparation for universities abroad.

Another important reason for choosing Germany is the relatively cheap fees for education in its universities. Up until 2004, the tuition fee was 100 Euros as well as a preferential price for municipal transport, dormitories, student canteens, legal counseling and other benefits. Since 2004 those who have exceeded the duration of their study period pay 500 Euros per semester. Since

²⁰ Over the last number years more and more universities accepted foreign students with English, but only in some of the disciplines.

April 2007 the German universities are free to decide whether to introduce tuition fees for all students and up to what amount²¹. On account of Bulgaria's full membership to EU since 1st January 2007 Bulgarian students have the right to apply for a German state loan (BAfÖG) to finance their studies.

One peculiarity of studying in Germany is the relative freedom when forming the curriculum. The students can decide when to sit tests and exams which is a major advantage for those students who have to work in order to finance their studies²². On the other hand, for the students who are motivated to study and are supported by their families it is more of an obstacle towards successful graduation. It is accepted as a disadvantage of the educational system because if the future specialists don't graduate on time, there is a risk they might turn into cheap labour in the market – mainly in hotels and restaurants or even some less attractive jobs requiring physical work.

However, this particularity of the German educational system sets conditions for deliberate 'prolonging' of the studying process mainly for the 'pro forma' students who have already graduated in Bulgaria and enroll in Germany in order to benefit from the German labour market through their student status.²³ This deliberate prolonging of the studies is preconditioned by the restriction set in the Foreign Nationals Act (Ausländergesetz). According to it, foreign students are obliged to leave Germany after graduating and to spend at least one year outside the country before being granted a permanent residence permit in case they are offered work by a German employer.

This administrative regulation was revoked by the new Immigration Act (Zuwanderungsgesetz). According to it, from 1st January 2005 all foreign graduates are granted equal rights in the labour market with German nationals, and are allowed to stay in the country one year after graduation while looking for work related to their subject. To secure incomes during this period they can practice any profession without a work visa. Out of all graduates in 2006, this opportunity benefited mainly Chinese students (503), Bulgarians (133) and Indians (129) which shows that there is serious professional interest on behalf of young Bulgarians to work in Germany.

This legal amendment is related to the change in the whole socio-political climate in Germany. According to the latest demographic research, for the normal functioning of the country's social security system with its negative increase in population, immigration needed is nearly 400, 000 people of working age per year.²⁴ By allowing foreign students to stay in the country after their studies FRG gains valuable potential from highly qualified immigrants.

²¹ In practice, most universities introduce a tuition fee of around 500 euro per semester and some universities waive the fees for foreign students for social reasons.

²² Girls find work in the area of gastronomy, household and office work while the boys work in factories, storehouses and garages where the work is harder but brings a higher income.

²³ All students in Germany have the right to 20 hours a week employment during the semester and 40 hours during the semestrial holidays.

²⁴ Unabhängige Kommission Zuwanderung, 2001

The Bulgarian student community in Germany is multicultural and open to its social contacts. Although there are tens of Bulgarian student organisations – in almost every city where there are Bulgarians studying, the number of their active membership is very small compared to the total number of Bulgarian's studying in Germany. With the increase of the newly accepted students in the recent years an establishment of a Bulgarian student diaspora can be seen. It shows a tendency to be introspective apparent with other large ethnic communities, staying within an ethnic niche and searching and finding monoethnic contacts. In the specialized sociologic literature there is an argument whether this ethnic introspection within one migrant group can be defined as social exclusion, or as a natural process of gathering of individuals with similar habits, expectations and understandings.²⁵ For young Bulgarians, although in more homogenous groups, they show tolerance and understanding for the different religious and cultural characteristics of their colleagues – as was the case with their predecessors in the 80's and in the 90's.

Bulgarian students don't have a definitive vision for their future after they graduate in Germany. However, almost all of them are willing to 'live well' and to 'earn good money'. Most of them relate this to staying in Germany or other West European countries where the chance of finding a better job on their chosen field is higher. There are some who wouldn't stay in Germany after their graduation as they see a difference in mentality, customs and temper. But they are unanimous that studying in Germany has been an important life experience.

How do the Bulgarian immigrants and students in particular, integrate into Munich's Society in 2008?

Although Munich is one of the cities where a compact group of Bulgarians live, there is a lack of statistical data on how many of them live there permanently. Bulgarians here are mainly in two groups. The first group consists of students and the second of different working Bulgarian immigrants living in Germany. There are 2,700 Bulgarian students in Munich. In 2002-2003 they were 4,000 which is more than the number of Chinese students. Interesting is the fact that in the course of time the majority of them remain enrolled as students but in practice become 'gastarbeiter'. They use student papers to reside in Germany, but in fact, work wherever they can find it. This is due to peculiarities in the German education system which allows students to change their major up until the fourth semester. Some of the students start work first to save money for their studies or have some capital. Some of them work for four years and then go back to Bulgaria, which explains the decreasing number of Bulgarian students in Germany. However, most Bulgarian students in Germany go there for their studies. Also, the sanctions for prolonging studies have increased after 2004. The Bulgarian student community is characterized by informal commu-

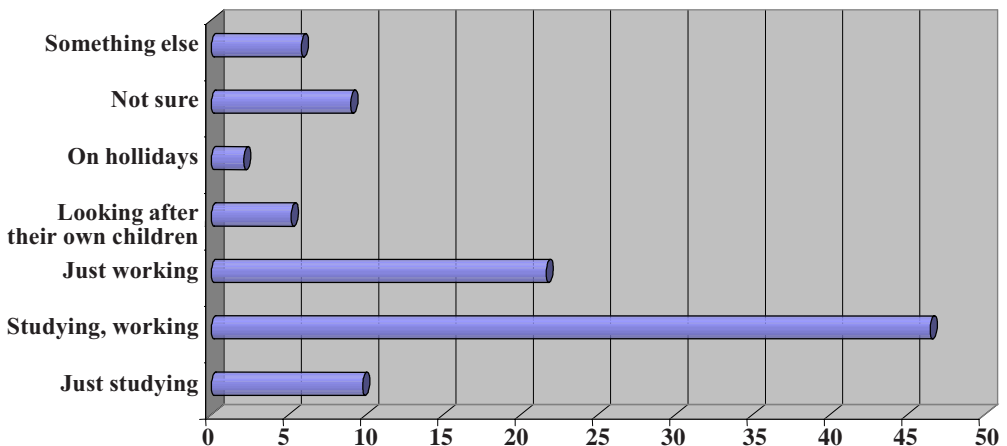
²⁵ Halm, Sauer (2004,2006); Sen, Halm Sauer (2001); Bukow, Nikodem, Schulze (2007); Nowak (2006)

nication and mutual assistance between the students. Those who already know the bureaucratic obstacles help the new arrivals from Bulgaria to adapt. Thus the new Bulgarian students adapt more easily to the economic and social environment and avoid the cultural shock. The 'old' students act as social centres helping the young people adapt to their new life. In practice, they restrict their integration into German society, because they create conditions for easier and trouble-free contacts within the Bulgarian Diaspora. After the Bulgarian accession to the EU (01.01.2007), Bulgarians' gaining residence in Germany was not as difficult as before. Regardless of the fact that the German labour market was saturated and selective, as there are areas in the real sector where there is still a shortage of labour. That is why Bulgarians with higher education diplomas (especially ones obtained in Germany) find work as engineers, IT specialists, lawyers, doctors, financiers, scientists, where the Bulgarian students also have good chances of finding work.

3.2. Employment and occupations

According to the survey below (held on the internet among 910 people) the majority of Bulgarian immigrants in Germany study and work. Around 22 % are in Germany to work, but the survey doesn't explain what portion of the participants is in Germany temporary or have remained after graduating.

Chart 2. *Distribution of Bulgarian immigrants' employment until 2008 (%)*



Source: <http://www.zaedno.de>

The data presented in Table 7 shows the various forms of temporary employment of Bulgarian nationals in Germany based on intergovernmental agreements enforced after 1991 which are of mutual economic interest. The most popular way is by signing a *labour contract* between a German company and employees of a foreign company (e.g. Bulgarian company) for subcontractor work in Germany for a certain period of time with an optional 4 year extension

Table 7. *Short-term Bulgarian immigration in Germany based on the type of employment, 1991 – 2006*

Years	subcontractors on labour contract	Seasonal employment on intermediary contract	'gastarbeiter' on intermediary contract	house help on intermediary contract
1991	365	-	-	-
1992	1 968	-	3	-
1993	3 802	71	176	-
1994	2 353	70	323	-
1995	1 866	131	326	-
1996	989	188	304	-
1997	1 229	203	245	-
1998	688	236	351	-
1999	1 402	332	378	-
2000	1 724	825	658	-
2001	1 861	1 349	776	-
2002	1 309	1 492	648	-
2003	1 651	1 434	367	-
2004	1 471	1 249	222	-
2005	1 038	1 320	157	38
2006	731	1 293	115	29

Source: Federal Ministry of Interior, Bundesamt für Migration und Flüchtlinge, <http://www.bmi.bund.de/>

clause. The foreigners are paid according to acceptable rates, but their social benefits are covered by the dispatching country. These jobs are mainly in construction and metallurgy requiring good secondary professional diplomas and qualifications.

More and more interest is showed in seasonal employment for foreigners in Germany – *up to 3 months a year*. Typically, for Bulgarians, almost 100 % work in hotels or restaurants. Remuneration is according to the German rates and social benefits are paid in Germany. This is the reason for the increase number of people employed with an intermediary contract for seasonal work, although this type of work doesn't always require a professional degree and qualification. Bulgarians' employed as '*gastarbeiter*' is contradictory. These are working specialists (up to 40 years old) in international companies and joint ventures, who have the right to work in Germany for a year (or a year and a half) with the purpose of raising their qualifications, which is of mutual interest for both countries. They are paid German rates and receive social benefits in Germany. The quota is for 1000 people of which only 50% of the places are filled.

For the purposes of this research some specific data on the business and employment of Bulgarian nationals in Germany prove to be of great interest.

Table 8. *Bulgarian nationals with personal business in Germany*

Nationality/age	before 2005	2005	2006	Total	Women
Bulgarians	94	23	22	139	50
%	3,6	3,1	3,4	3,5	4,1
Total foreigners	2 599	732	642	3 973	1 232

Source: Federal Ministry of Interior, Bundesamt für Migration und Flüchtlinge, <http://www.bmi.bund.de>

The data in table 8 shows the number of Bulgarian's who have obtained the right to long term residency in Germany. This is because they perform activities of great economic importance for the country and for a particular region. The initial requirement: since 1st Jan 2005 is to invest a minimum of 1 million Euros and open ten working places which has since (1st August 2007) decreased to half a million Euros and 5 working places.

Bulgaria, with 139 investors, among which 50 women, takes eighth place in Germany after China (984), USA (729), Japan (270), Russian Federation (214), Turkey (178), Korea (161), Canada (154). Only China, USA, Japan and Russia have more business women compared to Bulgaria.

Table 9. *Bulgarians granted residence in Germany as highly qualified specialists*

Nationality/ age	2005	2005	2006	Total	Women
Bulgarians	29	0	2	31	10
%	3,0		2,5	2,8	2,9
Total foreigners	972	71	80	1 123	347

Source: Federal Ministry of Interior, Bundesamt für Migration und Flüchtlinge, <http://www.bmi.bund.de>

The data in Table 9 refers to Bulgarian nationals defined as highly qualified specialists – scientists, research associates, professors who have been offered work in Germany where their income allows them to live without social support from the state. 31 Bulgarians are defined as such, one third of whom are women. Among the different nationalities present in Germany, Bulgarians are in 9th place after Turkey (185), the Russian Federation (142), USA (138), Romania (65), Serbia and Monte Negro (55), China (43), India (40) and Croatia (37). There is definite 'brain import' from the former socialist countries into Germany – 30 % out of all highly qualified specialists in Germany come from this region and 10% of all representatives of the former socialist science are Bulgarians.

The Bulgarians are among the best represented nations in Germany for IT specialists, in 8th place after India (5740), Russia, Belarus, Ukraine, the Baltic

Table 10. *Bulgarians issued work visas as IT specialists for the period 01.08.2000-31.12.2004*

Nationality	Total	Men	Women	From abroad	From German university
Bulgarians	469	373 (80%)	96 (20%)	380	89
%	2,6			2,5	3,1
Total foreigners	17 931	15 773	2 158	15 067	2 864

Source: Federal Ministry of Interior, Bundesamt für Migration und Flüchtlinge, <http://www.bmi.bund.de>

Republics (a total of 2033), Romania (1144) Czech Republic and Slovakia (1031), Former Yugoslavian countries (823), Hungary (553), Algeria, Morocco and Tunisia (516). Excluding India, Algeria, Morocco and Tunisia, whose representatives may have political rather than economical interest to live and work in Europe, the rest of the IT specialists have been attracted from the former socialist countries – 35 %. Bulgarian IT specialists make up a substantial portion although only a quarter have graduated in Germany. Bulgaria has paid for the education and professional development of the other three quarters, but it isn't able to offer them with an equivalent German income and lifestyle. The minimum income which the German employers had to guarantee the foreign IT specialists through a 5-year labour contract was 50,000 Euros per year.

This was regulated by an enactment that after 1st of January 2005, all of these specialists could remain long-term or indefinitely in the IT sector in Germany with mutually beneficial conditions. On condition; that their German employer offered them a job in their field of expertise; they agreed to the working conditions and remuneration; they had enough income to live in Germany without needing social or unemployment allowance. Unfortunately, there is no information on how many Bulgarian IT specialists benefited from this opportunity.

What are the possible reasons and explanations for the present state and structure of Bulgarian immigration in Germany?

➤ Potential immigrants from Bulgaria to Germany had to wait for 'the borders to be open' for better legal and economic conditions to immigrate, as well as for family reasons, for work, for education or for both work and education

➤ Bulgarian women are more adaptive to the life and working conditions in Germany than the men and it's easier and more common for them to co-habit or marry there.

➤ The flow of immigrants out of Germany after 2003 could be explained with preferences for immigration to the new EU member-states, to Southern European countries like Greece, Spain, Portugal and Italy which offer more accessible and better working and residential conditions; or to other continents such as Canada, USA, Australia, New Zealand amongst others.

Over the last 8 years and especially after 2000 the number of Bulgarians who settled permanently in Germany decreased. Most of them left, being sea-

sonal workers and labourers in the low qualified sectors of German economy, and returned to Bulgaria. Some of these seasonal migrants stayed for longer periods but migrated in the meantime temporarily to third countries.

In what fields are Bulgarian workers hired?

The seasonal workers from Bulgaria and from other CEE countries are usually hired in agriculture, forestry, hotels, restaurants and other temporary jobs. It must be underlined that apart from hiring workers from Bulgaria and other CEE countries, Germany organizes qualification programmes for young people from this region for the duration of 18 months and trains between 3,000 and 6,000 participants annually. German employers and public institutions look for qualified nurses for hospitals and other medical establishments; people who are not limited by the employment restrictions such as scientific researchers, executive and management cadres, foreign language teachers, actors, models, professional athletes and coaches. There is special demand for foreigners under 25 who can look after children for more than a year as well as students who can work during the weekends. Those Bulgarians who want to settle permanently in Germany, including students, study for higher qualifications in order to find a job more easily.

Another type of employment for the immigrants aiming to settle and seek long-term residence in a different socio-economic and cultural environment is setting up their own business. The importance of the 'ethnic economy' in Germany is increasing. The foreign entrepreneurs' actual number, motives and issues are the object of much research by the German Federal Authorities. Most significant is that the number of independent entrepreneurs among the immigrants has increased over the last 15 years, of which the number of entrepreneurs of Turkish and Italian origin has doubled. The increase is considerable compared to the increase of German entrepreneurs.

In 2003 the number of foreign entrepreneurs in Germany was 285,000. Since 1990 this has increased to almost 65 %. The foreign entrepreneurs open jobs mainly for their ethnic groups but still facilitate the labour market. Higher unemployment rates are mostly found among the ethnic groups, for example the Turks and the Italians in Germany, are particularly high. Enterprises set up by foreigners have opened up nearly 1 million jobs, which is 3 % of all jobs in the Federal Republic. This ethnic economy is mainly concentrated in the hotels and restaurants business.

What are the immigrant's incentives to set up their own enterprise?

On one hand, they find a way out of unemployment; on the other hand, it is a 'matter of motivation – the desire to be your own boss'. The ethnic economy is in fact a factor for integration. Accordingly, when the German retail traders are displaced by the big retail chains, in many cases the foreign entrepreneurs open their own small shops. They fill the vacated niche market. Another important aspect of this process is the integration of this population through the retail trade. These small shops and restaurants owned by immigrants in Germany turn into centres of cultures and contribute to a peaceful life between foreigners and

Germans. In other words, the owner can rightly claim that as an immigrant he has an equal chance to be recognized in society through his entrepreneurship. The encouragement to integrate as well as the strengthening of the immigrants' social involvement benefits the Bulgarians of Turkish origin and the Bulgarian Muslims. They usually live in agglomerations with compact Turkish populations and are hired by Turkish employers with small businesses. The Bulgarian immigrants of Turkish origin usually work in small Turkish restaurants and in practice never leave this circle. They live in Germany but in reality they don't benefit from the opportunity of adopting a new culture by integrating into the German nation, who has been a lot more welcoming over the last years. Some of these Bulgarian labour immigrants are willing to leave this closed ethnic circle of work and life by orientating their children towards school and even university.

The immigrants' attitude is determined by the extent of their integration into the societies they live in. Bulgarians of Turkish origin, who are Muslim, integrate into German society in a similar way to the Turkish ethnic groups in Germany. Regardless of this fact, there are certain differences in the Bulgarians' (of Turkish origin) behaviour due to the influence of some long-term influencing factors, such as:

- They come from a country which differs from Turkey traditionally and culturally. Ignoring the influence of their family and ethnic environment, these immigrants could change their behaviour and strive for future development.

- Their behaviour and future development is conditioned by their educational level and the ability to communicate adequately in an unfamiliar country.

- This group of Bulgarian immigrants is strongly influenced by religion and therefore cannot leave their circle unless they have higher educational or a professional status. It can only be assumed what their attitude towards German society, culture and lifestyle is²⁶. This is a crucial indicator when researching the quality of integration of minorities and also when looking for political solutions within every European country, including Germany²⁷.

It is precisely the quality of this integration that defines the majority attitude towards these immigrants. Such data can be found in other research²⁸ from USA, France, Great Britain, Spain, Italy and Germany. The local population's attitude towards immigrants is not unambiguous but in practice their negative attitude grows, especially towards illegal immigrants and those of Roma origin.

²⁶ Thus for example, in many surveys on the Muslims integration, held in USA over the last years, it turns out that the American Muslims have a positive attitude towards the society they live in. At the same time 53% of the participants consider it more difficult being a Muslim in America after 11th of September than before the attack of the twin towers. It is worth noting that 47% of the interviewed Muslims define themselves first as Muslims and then as American citizens. In Great Britain however, self-determination is different – 81% put first their apurtenance to the Muslim community and then their British citizenship.

²⁷ In one of the European Commission's latest reports against racism and intolerance concern has been expressed about the worsening of the feelings against Muslims and the increase of manifestation of anti-Semitism in more and more European countries.

²⁸ International Herald Tribune, 25 of May 2008.

The conclusion is that a significant majority of English (67%) and 55 % of the Germans and Italians think that too many immigrants reside in their respective countries'. This proportion goes down in Spain where 45% of those interviewed speak of the disproportionate number of immigrants settled on the Iberian Peninsula. The percentage with the French is 32 % which brings them closer to the American attitude towards immigrants. *The Germans think that generally the immigrants are not well integrated into their society and that underscores of the quality of the legal immigrants' integration.*

Furthermore, in a period of economic stagnation and especially in the sectors where foreign and local labour can easily be interchangeable, hiring immigrants leads to growing unemployment among workers of foreign origin born in Germany. The inflexible labour market in almost all European countries means that paradoxically the new immigration flows coexist with low labour participation, shortage of work and unemployment. That demands that migration policies conform not only with social, ethnic and religious factors, but also with some considerable changes in the economic plan, mainly the differences in the labour market which has increased even more following the two EU enlargements²⁹.

On the one hand, immigrants increase the population and help overcome the shortage of workers in the market, which contributes to economic growth and competitive power. On the other hand, it creates tension in the labour market with doubts about low qualified workers of foreign origin, even those born in Germany, not being able to answer the new economic requirements and find appropriate work.

The Bulgarian immigrants, who have lived in Germany for years, have higher education and work mainly as doctors, lawyers, actors, artists, with numerous representatives of those professions in cities like Berlin and Munich. The young Bulgarians who have decided to choose Germany for a second home are highly educated working in the fields of banking, finance, tourism and information technology. One characteristic feature of Bulgarians is that if they don't know the language, they quickly adapt, start attending language courses which, as we mentioned before, are organized in Germany for CEE immigrants. By learning the language and due to their entrepreneurship they soon adapt to the German way of living. Their adaptation is helped by the fact that their value system is not much different to the Germans. Thus, in most cases they manage to achieve their personal and professional goals.

An example for such development is the life of a Bulgarian immigrant woman N.K. who arrived in Germany after 1989 wishing to visit new countries and to know a different culture. She decided to stay in Germany and after a while set up a translation company. Currently, she runs a network of over 10,000 free lanced associates around the world.

As the table indicates, Bulgarian immigration increases after 1989 and lev-

²⁹ Louka T. Katseli is Professor of Economics at Athens University and Director of the OECD Development Centre (www.oecd.org/dev).

Table 11. *Summarised facts and figures regarding the main tendencies of the Bulgarian immigration in Germany*

First period 1945-1989	Second period 1989-2000	Third period 2000 - to date
Bulgarian immigrants' flows in Bulgaria		
The Bulgarian immigrants in Germany are people who leave Bulgaria mainly for political or family reasons. A flow of people who want to study and then settle in the former	After 1989, increased flows of Bulgarian labour migration on account of the collapse of the centrally planned economy.	After 2000, the structure of Bulgarian immigration changes: increase of seasonal workers and students. The students comprise 25-30% of all Bulgarians in Germany.
Accumulation of immigrants		
Up to 1989, 5,000 Bulgarians settled in Eastern Germany (former GDR) which makes 2.6% of all foreigners in former GDR. Until 1989, 5,670 Bulgarians reside legally in West Germany (former Federal Republic of Germany)	After 1990, the number of Bulgarians in Germany quickly grows. In 1992, their number is 59,094 people. In 1998 has decreased to 31,564.	In 2007, Bulgarian immigrants add up to 46,818 people or barely 0.64% of the total foreign population in Germany. Illegal immigrants have not been considered.
Level of education		
Not very different from those born in the former GDR - specializing in technology, medicine, art, law and economics.	High for students who have studied and remained in Germany. Medium for immigrants who have secondary specialised diplomas. Low compared to those born in Germany. These are immigrants who have non-qualified jobs and come from a relatively low social strata.	High for students who have studied and remained permanently in Germany. Medium for immigrants who have secondary specialised diplomas. Low compared to those born in Germany. These are immigrants who have non-qualified jobs and come from a relatively low social strata.
Skills		
Various skills depending on the immigrants' educational background. In West Germany Bulgarian immigrants have legal status. They are not 'gastarbeiter' because there is no agreement for movement of work force between FRG and Bulgaria.	As with the previous period, the skills correspond to the level of education. High for people with education similar to the German higher or secondary education. The unqualified workers hold limited skills and probably face more difficulties integrating into the German society or acquiring new skills.	High for people with education similar to Germans. The unqualified workers hold limited skills and are unlikely to integrate into the German society and to acquire new skills
Entrepreneurship		
Journalists, artists, lawyers, doctors and other people with free professions settle in West Germany.	No great initiative in setting up small and medium enterprises like the Greek and Turkish immigrants, except for some Bulgarian immigrants of Turkish origin who are involved in ethnic orientated business activities.	There are 139 Bulgarian immigrants who are included in the group of substantial investors and 50% of them are women. The Bulgarian specialists working in the IT sector make 2.6% of all foreign specialists in United Germany.

els off to some extent around 2000. After this period migration tends more towards seasonal than permanent employment which relates to the temporary mobility of the Bulgarian low qualified labour migration. There is no serious incentive among Bulgarian immigrants to set up small and medium enterprises which are a way of surviving, as seen with the Turkish and Greek immigrants. Setting up companies gives Bulgarians the opportunity to develop and expand their business very quickly.

The Bulgarian immigrant population is relatively small compared to those of Greece, Turkey, former Yugoslavia, Italy and others, but then it doesn't have homogenous character and its structure is quite complex. It represents a very small part of the multicultural and multiple societies in Germany. The number of officially registered immigrants are around 40,000 but this number is not fixed. It is seen that the wide ethnic groups of Turks, Greeks and Italian significantly influence Germany's culture, social and political environment in the German cities. In contrast, the Bulgarian immigrant community has a modest influence but is highly appreciated among the German cultural and highly educated circles. The majority of Bulgarians are first generation immigrants who try to preserve their ethnic characteristics, language, cultural values, but also make efforts to adapt quickly to the social, cultural and economic environment in Germany. The Bulgarian immigrants have very weak connections with immigrants coming from countries outside Europe. Though, they generally maintain contacts with Serbs and immigrants from the former socialist countries.

3.3. Some prospects that can attract new highly qualified Bulgarian immigrants to Germany

The lack of experts in a number of economic fields in Germany influenced the adoption of a new law by the Bundestag whose main purpose is to attract highly qualified specialists, among them Bulgarians.³⁰

The law stipulates an easier employment application processes for the Bulgarian students who represent the second biggest group of foreign students in Germany. The requirement for a check to see if there is an appropriate German candidate for the job is removed (this check up is still performed for candidates from third countries). There are also improvements envisaged in the status of young foreigners graduating in the Federal Republic of Germany who live there without a secured residence permit. Those who are well integrated in the country and have a professional or secondary degree, will be granted a residence permit 'for employment purposes'. In some cases they are able to receive social benefits too. Such a permit is given to graduates who have worked in their field of expertise for two years as well as to the specialists who have three years of

³⁰ The most significant point of the Law is the decrease of the level of the minimum income. It is supposed that highly qualified workers will agree to receive 63,600 Euros per year in order to be granted an indefinite residence permit instead of 86,400 Euros as it was before. (The amendments must be adopted by the Bundestag which wants an even bigger decrease of the level of the minimum income – up to 53,400.)

professional experience in a field that requires at least three years of continuous education. The precondition for this is a contract with an employer.

These amendments to the law regulating immigrants' labour relations, in practice keeps the Bulgarian graduates in Germany and gives them jobs and a legal status which is an indicator for their long-term or permanent stay in Germany. This concerns mainly highly qualified specialists like doctors and IT experts.

The changes in the German migration policy are aimed at attracting specialists from the new EU members. These allow recognition of qualifications obtained outside the country. In addition, the spouses of the highly-qualified specialist do not have to prove their knowledge of German before their arrival. The work restrictions for low-skilled workers will be in force until 2011. Obviously, the 'brain drain' process from Bulgaria will continue.

4. Conclusions

Summary of key characteristics to be used for future comparisons

General conclusion: the main reason for the modern Bulgarian immigration to Germany is *short-term and for economic reasons*, it is not related to previous traditions, asylum seeking and political reasons although the unsteady political situation in Bulgaria in the first years of transition influenced the numbers of immigrants with a relative increase in the 90s. The groups of Bulgarian immigrants after the 50s have a different reason. Those Bulgarians left for the former GDR to receive education or work. Typical for the Bulgarian immigrants in former FRG is that they reside there for political and/or family reasons.

The structure of the Bulgarian migration to Germany after the 90s has a different structure and characteristics. Some of the Bulgarians in FRG are probably former students who have integrated into Germany's economic and social life one way or another. Another group of Bulgarians represent the labour migration looking for a better life in a country with high standards and good social policy. The third group is those who agree to work whatever they are offered (Bulgarian and Romanian immigrants are well known for taking the dirty jobs other immigrants refuse to do). They don't want to integrate with German society no matter how long they live in Germany. The new Bulgarian immigrants benefit from the open borders and the relatively ease to overcome legally-economic conditions for settling and living in Germany. These are mainly family reasons related to finding better jobs, receiving better education. It is noted that Bulgarian women are even more adaptable to the life and work conditions in Germany.

The main incentives for immigration are for studying at *university or other higher education institution*³¹ or for *temporary employment*³² which can only turn into long-term employment or indefinite residence with certain mutually

³¹ The final goal is to obtain a 'convertible' diploma and a chance for better professional realisation with a corresponding better income.

³² Short-term employment is preferred to long-term. It's due to the fact that labour migrants can earn good money for a short period of time and thus secure their life and the life of their families in Bulgaria where the standard of living is much lower.

beneficial conditions for both parties. In this context, the social networks and contacts between the immigrants (family, friends, professional, ethnic) play an important role by helping the easier and faster adaptation to the life and work conditions in the receiving country. At the same time, they are not a precondition for the isolation of a community based on religion or ethnicity, or even less for its 'capsulation' within the German socio-cultural environment.

The 'mass' migration from Bulgaria to Germany started in the 90s and compares differently from the Bulgarian networks and migration channels before and after 1989. There is difference in their interests, contacts and behaviour. Those two communities are often strangers. The 'new' migration to Germany is to a great extent due to the better information on going abroad, the intermediary institutions and companies, the better transport connections and the legality of work in Germany. It is also more mobile and can easily turn into 'returned' or 'circulating' between the two countries, depending on the changing socio-economic conditions securing a higher income and better standard of life.

After 1990 Bulgarian nationals can leave Bulgaria freely following the democratic changes which mean the movement of Bulgarians abroad is limited only by the migration policies of the receiving countries which enforce their own visa regime. The aggravated economic situation in the country during the transition period creates a phenomenon known as 'brain drain'. The emigration of young people is defined in Bulgaria as loss of valuable social and economic resource. In practice however, Bulgaria doesn't have the means to restrict the emigrational tendencies among its citizens.

The migration of the well-educated and qualified Bulgarians is a serious problem, but it can be interpreted in different ways. From a national investment in creating 'human resources' and its opposing view the Bulgarian economy definitely loses from the 'capital transfer' towards the West European countries. If the state is not able to form particular tax, social and other policies in order to stimulate private investments and open well paid jobs for its highly qualified specialists and if it can't win recognition as a European 'social market economy', then the 'battle' for the young people is lost.

In the context of the globalised world however, the concept of 'brain drain' should be revised. The return on investments turns into an issue for the global economy of knowledge where human capital is an indisputable resource no matter what its nationality. The problem facing individual countries is to guarantee their citizens and institutions access to the global knowledge and its use and not to withhold human capital within their national economies.

In Germany there isn't one united Bulgarian ethnic community, something typical for other big ethnic communities. However, there are numerous cultural centres and organisations aiming to spread information on the life of Bulgarian immigrants to Germany. They help the Bulgarians adapt relatively easily to the economic, social and cultural life in the country.

The highly qualified Bulgarian immigrants have a good knowledge of German and good professional qualifications according to German standards which defines German lifestyle and salaries.

Usually the educated Bulgarian immigrants as well as the second generation immigrants work in the field of new information and communication technologies, insurance and banking. A lot of Bulgarian immigrants are lawyers and doctors. Some of them are actors, artists and freelance journalists in big German cities, and Berlin in particular. Some of the Bulgarian immigrants start their own business and some even manage to expand them. With few exceptions, most Bulgarian immigrants don't start business in the field of restaurants which is very typical for the big Turkish and Greek communities in Germany.

Bulgarian immigrants with low level degrees and qualification are prepared, as we mentioned, to do dirty jobs and are usually involved in construction, restaurants and hotels as general workers or service personnel.

Regardless of the fact that the Bulgarian immigrants are very few compared to the other big immigrant groups in Germany, they integrate well into German society while keeping some specific characteristics which distinguish them from the others. Their presence in Germany contributes to its multicultural and varied environment.

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ECONOMIC IMMIGRATION AND NATIONAL IDENTITY ¹

1. Immigration – the new risks and challenges for Bulgaria and the EU

Post-Cold War Europe faces new challenges, among which is the intensification of migration flows on the continent. The European Council reiterates the importance of this issue in the Presidency conclusion by December 2006, focusing its attention on the challenges and changes, which it is related to². Until recently Bulgaria and the European Union (EU) scrutinize migration from two different perspectives. EU identifies as a major problem the mass movement of people from the poorer countries of Eastern Europe, Asia and Africa to the member states. The key challenge for Bulgaria is the large flow of emigration to Western Europe, United States, Canada and other developed countries. However, after Bulgaria's accession to the EU the national point of view to migration will increasingly get closer to the European one. The challenges EU faced yesterday in terms of migration, would be also Bulgarian problems tomorrow for which initial indications could be identified even today.

In this context, several aspects of migration processes are analyzed in the text. First, the risks and challenges to European countries generated by legal and illegal immigration.

Second, the relationship of migration processes with the problems of national identity.

Third, some empirical dimensions and characteristics of immigration and immigrant communities in Bulgaria, related to the issues of identity.

Fourth, implications for policies on migration and to immigrant communities.

1.1. Legal and illegal immigration

According to a commonly used definition (e.g. Kalchev, 2001), consistent with the standards of the United Nations (UN) and International Labour Organisation (ILO), „immigrants” are defined as persons who arrive in a foreign country with the intention to remain and live in it more than a year. Two main categories of immigrants are distinguished – legal and illegal. Legal immigration is regulated by the law and systematically monitored by authorised national institutions. Usually three main categories of legal immigrants are defined (see e.g., Office of the UNHCR, 2000):

¹ This publication is prepared under the project „Economic migration in Bulgaria and national identity”, approved by the National Research Fund in 2007.

² Brussels European Council, Presidency Conclusions – 14/15, December 2006, p. 6

- Permanent residents (they have a legal residence permit);
- Long-term residents (workers with temporary contracts to work in the country, officials of international organizations and multinational companies, military personnel, scientists, students and others);
- Refugees (persons in need of international protection, whose status is determined by international and regional agreements; victims of social and military conflicts or natural disasters, etc.).

The reasons for legalization of immigration are mainly economic and humanitarian (including, joining of separated families). Legal immigrants work with regular job permits, do legitimate business or are economically inactive (students, housewives, retired, unemployed). Legal immigration also raises social and economic problems, related especially with: a) the criteria and scale in which it takes place; b) the tension, which it puts on the labour market and tax insurance system of the host country; c) the risks of occurrence of ethno-religious and national identity related conflicts. However, major challenges are related to illegal immigration. Several categories of foreigners are defined as illegal immigrants (see eg. Jahn A., Straubhaar T., 1998):

1. Entering the country illegally;
2. Entering the country legally, but staying illegally in it;
3. Entering and residing legally but working illegally.

In some cases immigrants may enter, stay or work legally, but lose this right as a result of political and/or administrative changes related to the conditions for granting permission to reside or work in the country. Immigrants who illegally enter and reside in the country as a rule are included in the hidden economy, their employment is unregistered and their illegal residence/work is very often ensured with the help of corrupt practices. Legally residing immigrants might also pursue illegal or non-registered activity – work that is done without permission, not declared or prohibited by law.

It is important another distinction to be made – between voluntary illegal immigrants and victims of human trafficking. In the first case, immigration is a personal choice, motivated primarily by economic reasons, and in the second case the act of migration was forced, mostly a result of criminal activity. Channels for trafficking in human beings developed by organised criminal groups for the purpose of sexual or labour exploitation become a serious social problem for the EU. There are grounds to believe that some immigration groups in Bulgaria are also associated with channels for human trafficking.

1.2. Immigration – risks and challenges

Immigration is not a new phenomenon for Europe, as there is long tradition of joint cohabitation with large immigration communities in countries such as Germany, France, Great Britain, Italy, Belgium, Netherlands and others. In the context of globalization and European integration, however, migration becomes a key political, economic and social problem. On one hand, the scale of migration processes evoke challenges to European governments and institutions be-

cause of its intensity and unforeseen structural transformations. In less than 40 years (1965-2000) the number of migrants worldwide has doubled – from 75 to 150 million. It is expected that during this decade the migrants wave will again grow almost twice. The European Union is formed as a global attractive center, along with traditional immigration destinations such as US, Australia, Canada and others. Migrant movements from East to West and from South to North constitute a powerful flow, which alter the traditional labor markets, the reactions of sending and receiving countries, the business and social patterns, the structure and activities of the public institutions.

On the other hand, the focus put on the socio-economic dimensions of immigration until recently is complemented by global security issues – terrorism, organized crime, trafficking of human beings, arms, drugs, etc. Citizens and representatives of political circles in the EU express growing concern for preservation of cultural identity, economic stability, the rule of law, values of democracy and legality.

In this context, the risks and challenges of intense international migration during the last two decades have been increasingly shifting from the periphery to the central core of the research problems of economists, sociologists, politologists, statisticians, demographers, antropologists and other representatives of a wide range of scientific areas. Several key areas related to both legal and mainly illegal immigration have been identified, which are seen as problematic and/or give rise to public fears:

First, illegal entry into a foreign country creates security risks for the immigrants themselves. The inclusion in the criminal channels for human trafficking, illegal border crossing, the use of unreliable and dangerous vehicles endanger the lives and health of immigrants. They often become victims of fraud and violence on the part of organized criminal groups sometimes operating under the cover of fictitious employment agencies.

Second, the rights of illegal immigrant workers and residents are not legally protected. As a rule they can not receive legal protection by labour legislation on wages, working hours, working conditions, etc. Immigrants often work in poor conditions without health and social insurance.

Third, legal residents, but illegally working immigrants, take advantage of different national programs for social assistance, health care, education, etc. This sometimes leads to negative reactions of local citizens who practically provide significant part of those immigrants' maintenance through their taxes and insurance payments.

Fourth, the vast majority of illegal immigrants work in the „grey” economy. They do not pay taxes and insurance, sometimes carry out activities prohibited by law, thus distorting the rules of legitimate market order. Public attitudes toward foreigners as offenders of law and morality reinforce xenophobic moods and the political influence of extremely right-wing parties could be strengthened.

Fifth, certain immigration groups in the European countries are increasingly considered as participants in international criminal organizations, with whose

assistance cross-border criminal activity is carried out. Free movement of persons, goods and capital in some cases is associated with the easy operation of international channels for human trafficking in people, arms, drugs, excisable goods such as alcohol and cigarettes, cultural and historical values and others.

Sixth, especially after the attacks in the United States on September 11, 2001 and terrorist acts in Madrid and London, immigrants began to be perceived as a threat to national security and as potential participants in terrorist organisations. These concerns are backed up also by the data that 2/3 of immigrants in the European Union in 90's of the XX century are Muslims mainly from Asia and Africa. In mid-90's the number of Muslim immigrants in Europe amounted to around 13 million people. Furthermore, the birth rate among immigrants is significantly higher than the average for the European countries and the immigrants are expected to be a major source of demographic growth³.

1.3. Immigration and dynamics of national identities

In this dynamic international context new problems related to national identities emerge. Three of them deserve special attention:

First, diversification of models of transition, which is taking place in the Central and Eastern Europe.

Practically, there is no country in the region of Central and Eastern Europe in which ethnic, cultural, political and ideological dimensions of national identity to be not debated and reviewed. In some European regions the process of retailoring of territorial borders between countries and within them (between different ethnic regions) could be observed. Patterns of political system and governance are changing. The role of ethnic, cultural and religious norms, feelings and symbols is being strengthened.

Second, fears and barriers to EU enlargement

On one hand, in the „old” Europe a wave of ethno-nationalism has risen, which restructured traditional post-war political models, thus challenging the conventional political and ideological distinctions „left-right”. In Western societies, which have demonstrated tolerant attitudes towards foreigners and immigrants for decades, manifestations of xenophobia and ethnocentrism have become more frequent. This trend affected also the attitudes towards new migrants from Central and Eastern Europe, and later reflected negatively on the further EU enlargement. An explanation of the negative vote against EU constitution in France and the Netherlands is associated by some experts with the reluctance for further EU enlargement and growing fears and negativism to the East Europeans and other foreigners. On the other hand, the initial positive attitudes to the EU in the postcommunist societies were followed by increased skepticism and even in some cases – hostility towards the European integration project.

³ Eurostat, News Release: Population of the EU in 2000. No.86/2001; Eurostat, News Release: Faster Growth of EU Population in 2000. N0.4/2001

Third, the changing structure of transnational migration

Initial expectations and forecasts were that more than 15 million people in CEE will emigrate towards developed countries and more than half of them will become permanent residents in the Western Europe. Actual migration „East-West” in fact was 3-4 times less than anticipated, however it became one of the leading factors for reconsidering the strategies of the European integration and socio-economic stabilization in the Eastern Europe. At the same time, the new and candidate EU member states from Central and Eastern Europe are facing increasing flow of immigrants coming from outside the European Union.

So far the reactions to these new realities are mostly negative among the population of the host countries, ambivalent and controversial among local politicians from EU member states. The fear is also an emotional motiv of such behavior: the citizens of destination countries of migrant flows fear of loss of jobs and social benefits, which the uncontrolled influx of foreigners might cause; politicians are afraid of losing electoral support if tolerating immigrants. As a result of these attitudes nationalist ideologies promoted by new extreme movements and parties have strengthened, a number of conservative and restrictive immigration policy actions have been offered. The first steps were: strengthening of existing immigration institutions, creating new legislative restrictions, introducing rigid immigration regimes, and attempts to regulate transnational migration. The effect of these measures is still difficult to be seen, but as a whole the migration intensity has not decreased. Territorial configuration of immigrant flows is also changing – it becomes semi-legal, ethnically meaningful and creating new type of immigration communities.

All these developments shift the center of research interest towards the economic, political and social effects caused by global mobility.

2. Empirical dimensions of immigration in Bulgaria and the problems of national identity

The problem of the Bulgarian nation reconstruction on the basis of a new vision for its identity entered the agenda of modernisation and „Europeanisation” of societal relations. For now, the focus of public interest is mainly on the relations between traditional ethnic communities in the country: Bulgarian, Turkish and Roma. Like other CEE countries, Bulgaria has also experienced a period of ethnic and transformational ethno-religious shocks. The first of them was related to the so-called „revival” process in the late 80’s and the subsequent events – resistance of the Bulgarian citizens of Turkish ethnicity against the forced change of names and emigration wave of Muslims from Bulgaria to Turkey. Return of the names and legitimation of the political party Movement for Rights and Freedoms (MRF) temporarily limited the outbreak of ethnic tensions and even political concept of „Bulgarian ethnic model” was launched. In the last 3-4 years interethnic tensions again increased, thus putting the question whether Bulgaria can start along the road to ethnic and religious conflicts.

More and more topical, however, becomes the issue of the new minority /

ethnic groups, which are formed in each country after immigration flows undergo a certain critical mass of permanent and long-term immigrants. This issue is rather complex and there are at least three basic dimensions:

- Demographic, due to the depopulation of Bulgaria;
- Ethno-social, because of national identity and integration of immigrants into the local environment;
- Economic, linked to the reduction of workforce deficit and removal of structural imbalances in the Bulgarian labour market.

2.1. Migration situation in Bulgaria

Some idea about the number and structure of foreign nationals in Bulgaria gives the Report on migration situation in Bulgaria in 2006 (17). The number of foreigners permanently residing in Bulgaria at the end of 2006 is 55 684, who live mainly in big cities and urban areas of the country. The highest number of immigrants granted permanent residence permits, are citizens of Turkey (903), Russia (455), Ukraine (228), Macedonia (213) and China (165).

Up to 2006, permission for longterm stay (up to one year) have received 14694 foreigners, which is 20% more than the previous year. By countries of origin, they are mainly from Macedonia (2 252), Turkey (2 051), Britain (1840), Russia (1 075), Greece (697), United States (695), Ukraine (571), Germany (452), Cyprus (422), Italy (305) and others.

In 2006, there are 14 468 applications for acquisition of Bulgarian citizenship in Directorate „Bulgarian citizenship” at the Ministry of Justice. In the same year, 6628 persons have received Bulgarian citizenship by decree of Vice-President of the Republic of Bulgaria, which is 781 more than the previous year. Applications are submitted mostly by citizens of Macedonia (8240), Moldova (2467), Serbia (716), Israel (508), Ukraine (506), Russia (439), Albania (421).

Since 1993 until December 31, 2006 15 391 foreigners (including 2688 children) from 81 countries who have sought asylum in Bulgaria have been recorded. In 2006, their number was 639, which was 22% less than 2005. In accordance with international agreements, Bulgaria granted refugee status to 1412 persons and humanitarian status to 3497 foreigners. The main groups of the refugees are from Afghanistan (581), Iraq (254), Iran (81), Syria (55), Ethiopia (55), Turkey (44), Sudan (32) and Congo (28). In 2006, the donor countries of refugees were mainly Afghanistan, Iraq, Iran, Armenia and the countries of North and Central Africa.

Unfortunately, no studies provide reliable data for illegally residing and working foreigners in Bulgaria. Estimates for the number of illegal immigrants in the country vary between 30 000 and 50 000. The number of foreigners, who have been imposed administrative measures on, according to the Act for Foreigners, increased in 2006. Expulsed from the country were 220 persons (2% more than in 2005), and escorted to the country border were 996 people. At the end of 2006 in all 13 prisons in the country there were a total number of 222 foreign citizens (about 2% of all prison population).

Some idea about the intensity of illegal immigration provided the Report on migration situation in Bulgaria in 2005⁴. In cases of unregulated or illegal border crossings, 2 894 foreigners were detained in 2004. Most detainees made an attempt to cross the Bulgarian-Greek border in the direction of Greece. Border control authorities did not allow 783 foreigners to leave the country illegally, which was 21 percent more compared to 2003. In 2004, for violation of the legal regulations of entry, residence and exit of Bulgaria, the measure „forced escort to the border” was imposed on 791 foreigners – twice more than 2003. Most of the sanctions were imposed on citizens of Afghanistan, Turkey, Armenia and Bangladesh. Compulsory administrative measure „expulsion” was imposed on 135 persons, which represented almost double increase.

In the first 6 months of 2008, about 900 orders for expulsion from the country and forced escort to the border were issued. Of those, 637 people (mostly from Iraq, Afghanistan and Middle East) were expelled for illegal residence or expired visa. Other 72 persons were expelled because of committing a crime or at the request of a foreign country⁵. 366 people have requested, and 125 have received humanitarian protection in Bulgaria.

The existing data shows that the relative share of foreigners in Bulgaria is not high – about 1% of the population of the country. It is not realistic to expect that in the short term our country could attract a significant contingent of well-qualified professionals, medium and small entrepreneurs or self-employed non-residents.

Based on the limited information available, the situation in Bulgaria in terms of economic immigration and illegal employment of immigrants will be analysed below.

2.2. Illegal activities of immigrants

Illegal employment in Bulgaria and in other postsocialist countries involves the development of a significant criminal economic activity in the last 15 years. It has been carried out by a developed network of criminal and semilegal groups (known in Bulgaria as a „power groups”). Many of these groups are included in the new network of international crime, which have occurred after the political changes in former socialist countries of Central and Eastern Europe. This network is closely related to the implementation of smuggling and illegal cross-border traffic (people, weapons, drugs, cultural and historical heritage, and consumer goods) in Bulgaria and the countries in Southeast Europe. Additional favorable circumstances for the development of regional cross-border crime was the military conflict in the western Balkans during the 90 – year of the twentieth century and the embargo imposed on trade with former Yugoslavia. Smuggling was also stimulated by the spread of „hidden” economy in the country, which includes an extensive network of „grey” wholesale and retail trade.

⁴ <http://www.evroportal.bg>

⁵ Newspaper „Trud”, 20.06.2008., N168, Vanya Petkova, „72 foreigners expelled in 6 months”

There are no reliable data on the engagement of immigrants in Bulgaria with illegal activity, but some examples could illustrate the potential risks.

The start of the heroin market in Sofia for example, is associated by some researchers with a group of emigrants from the Middle East⁶. The earliest source of heroin for domestic market in autumn 1990 was a group of Iranians. Some of them were political refugees. „Iranians from Hemus” (they lived in a hotel „Hemus” in Sofia) themselves used high-quality heroin, which was delivered by foreigners, passing or temporarily residing in the country (Turkish drivers and petty traders from the Middle East). Iranian refugees started to use their channels for personal consumption to provide additional income from emerging Bulgarian drug market. Gradually, contacts were established between Bulgarian drug users and Iranian immigrants. Despite the large quantities of high quality heroin available, in the first two years Iranians sold heroin only to persons who they knew well and refused to sell to strangers. Subsequently, some other foreigners, passing or living in the country, joined drug trafficking networks – Albanians, Kurds, Lebanese and Turks, offering small quantities of heroin. Despite the growth of heroin usage, it was still available only at a limited number of locations in Sofia up to 1992. Then Iranians began to sell heroin in the city centre with increasingly less caution and in ever-larger quantities. At the end of 1993 Iranian top sellers of heroin in the country were shot in a police action. Meanwhile, since 1992 many small Arab companies have provided heroin to the Bulgarian market, along with the „grey” import of goods for mass consumption. In the beginning, the street drug dealers were buying heroin from Arabs living in Sofia, but later some Arab citizens trading with drugs moved to Plovdiv and Varna. After 1995 many small and medium-sized companies owned by foreign nationals from the Middle East were put on strong pressure by the police and criminal groups, thus losing their niches in the Bulgarian drug market.

Another example of immigrants’ involvement in grey economic activities is the illegal import of Chinese goods. Experts have identified as key participants in this activity Chinese nationals living in Bulgaria⁷. They not only finance illegal Chinese imports, but also arrange the transfer of Chinese goods through Bulgarian borders. The number of Chinese immigrants in Bulgaria increased rapidly at the end of last and early 21 century. Among them are mainly two groups – traders (importers of Chinese goods) and other entrepreneurs (mostly owners of restaurants and shops). About ten influential Chinese families control the smuggling imports and maintain contacts with Chinese enterprises (often with the mediation of their relatives in China). They get preferential prices and ensure regular supplies.

In mid 90-ies, Chinese traders established relations with Bulgarian organized crime groups. They provided them access to the warehouses, commercial

⁶ Drug market in Bulgaria, Center for the Study of Democracy, Sofia, 2003, p.10-13

⁷ Transportation, smuggling and organized crime, Center for the Study of Democracy, Sofia, 2004, p. 61-63

infrastructure (mainly in the commercial base „Iliantsi”) and certain tax-free zones. Protection of routes for imports through the Bulgarian border was also secured. To obtain these services however, Chinese traders had to pay to the respective Bulgarian crime group. According to information from Chinese traders, payment varied from 1000 to 5000 leva per month to use a pavilion and/or warehouse. At the end of 90 -ies some influential Chinese traders began to use Bulgarian organized crime to exert physical violence against competitors trying to extend their influence⁸.

Chinese community, related to smuggling imports, is of closed nature and it is extremely difficult more specific information about its social organization and economic activity to be obtained. However, some pieces of information on the illegal activities carried out by Chinese immigrants still exist. Smuggling process from China to Bulgaria has several phases⁹. Importer orders merchandise in China through his agents (usually members of his „broad family”). Payments are made through offshore bank or through a Chinese bank. Then the cargo arrives at a port (most often in Thessalonica) or at the airport. Middlemen, related to Bulgarian crime groups, arrange the transfer of Chinese goods through Bulgarian border and custom office, depositing them in a store or warehouse. For a delivery of a container to the store, the middleman receives between 25 and 50 thousand leva, which includes all costs (taxes, duties, transport, bribes, etc.). For example, in the period July 2002 – July 2003 through the border post Kulata about 300 containers of Chinese goods were transferred and declared as construction materials. The difference between the duties owed vs. duties paid was about 11-12 mil.BGN.

2.3. Pilot survey of Immigrants in Bulgaria

During the implementation of the research project „Economic migration in Bulgaria and national identity”, pilot study was conducted among foreigners residing in Bulgaria. The main parameters of the study were:

Method of registration: structured face-to-face interview.

Target group: foreigners living at least 6 months in Bulgaria.

Sample size: 60 immigrants from over 20 countries residing in Bulgaria.

Sample composition: more than half of the respondents (51.7%) have lived in the country more than 6 years, and about 40% – from two to five years. Two-thirds of respondents permanently reside in Bulgaria and 11.7% are long-term residents. Around 14% are foreigners with double citizenship (they have Bulgarian citizenship as well). Over half (56.7%) of respondents live in Sofia, 20% live in a regional center, 18.3% – in another city, and 5% – in a village.

⁸ Characteristic is the case with the Chinese citizen Chen Shiyan (known as „The big Chen”), who was exoulsed from Bulgaria in 2001. See, newspapers „Monitor” and „Sega” from 9 March, 2001.

⁹ Transportation, smuggling and organized crime, Center for the Study of Democracy, Sofia, 2004, p. 69-70

Field work: the survey was conducted in the period December 2007 – January 2008.

Some of the more important preliminary results of the pilot study could be summarized as follows:

1. The respondents have good material and financial status. Nearly half of them (45%) assess their material situation as average, and 26.7% considered themselves well-off or rich. Overall, the income of respondents is higher than officially reported average income of Bulgarian citizens. Over 80% of respondents live in their own dwelling (45%) or in a rented accommodation (36.7%). In this context, the expressed public fears that immigrants misuse social funds of the country, seem unjustified.

2. Nearly half of the respondents consider that they have better opportunities in Bulgaria than in the country where they lived before. The vast majority claim that in Bulgaria they can get good income, which is the main reason to live in the country. This enables significant share of immigrants (40%) to financially assist their families who do not live in Bulgaria, sending them money.

3. Over 80% of the respondents fully or partially support the idea that immigrants contribute to the economic prosperity of Bulgaria; 70% are convinced that immigrants bring benefits to Bulgaria. Meanwhile, 60% of respondents completely or somewhat agree that many immigrants work illegally in «grey» and «black» economy. Furthermore, 28.3% believe to one degree or another that illegal immigrants are sometimes related to criminal groups.

4. Less than half of respondents completely (3.3%) or somewhat (40%) agree with the statement that discrimination against immigrants is a serious problem in Bulgaria. Every third felt discriminated in the last year because of his nationality, race, or religious beliefs, and 3.3% reported to be victims of crime because of their racial, national, ethnic or religious affiliation.

5. Over three-quarters of respondents (76.3%) assessed the attitudes of the Bulgarians to foreigners as tolerant. Significantly lower is the share of those who think that the official institutions assist immigrants and promote actively their integration into Bulgarian society.

6. Political beliefs/sympathies of immigrants are concentrated in the centre (35%), the moderate right (20%) and the moderate left (13.3%).

4. Policies on migration and towards immigrant communities

The policy of European countries in the field of migration went through significant changes in the years after World War II. M. Castells (Castells, M, 2006) differentiates three periods of the European migration policy: liberal, restrictive and selective. The liberal period embraced the post years until 1974, when the economic boom in the European countries caused acute need of labour. Some authors even argue that the economic prosperity of Western countries significantly due to cheap labour from abroad. During this period migration policy was dictated by economic benefits and aimed at boosting import mainly of workers with low qualification.

The restrictive period covered the period from 1974 until the beginning of 90's. Immediately after the energy crisis in mid-70's of 20th century, West European economies and labour markets were restructured, the unemployment increased and public pressure on national governments to limit immigration was exerted. This policy extended throughout the European community. The concepts of multiculturalism and the role of ethnic diversity in the development of nations, which emerged in the 90's gave way to economic pragmatism and fear of losing social benefits and regulated labour market in the second half of last century. Early 21st century was characterized by searching for alternative immigrant policies and legal regimes. According to Castells, the most important innovation in that area was the launched programs for selective and temporary import of foreign workers. Immigration regimes in Western countries increasingly have been taking into account the political and economic situation in the EU and individual member states.

In parallel with the different periods of migration policy and in different historical and socio-cultural contexts, three kinds of identities develop, according to Castells:

➤ **Legitimising identity** – encouraged by dominant public institutions and ideologies in order to enhance cohesion and streamline various alternative ethnic, religious or other collective identities with the dominant national identity (legitimation of those „who are or want to be” like us „);

➤ **Resisting identity** has been generated by actors whose positions are devalued or marginalised. For example, „protective identities” emerge in part of the Roma community in Bulgaria. During this phase passed also the Movement for Rights and Freedoms in the 80's of last century;

➤ **Projected (new) identity** – build on available and accessible cultural attributes. For example, important factor in the new self-identity of Turkish ethnic community in Bulgaria is its influential independent participation in national and local governments. Most likely, particular attention has to be paid in the coming years to the potential projected identities of immigration communities in Bulgaria.

According to Jacqueline Hagan (Hagan, J., 2006) several major (changing, overlapping) patterns of migration policy can be distinguished in the context of relationship „immigration-national identity”:

➤ **Assimilative**. Assimilative policy seeks to break links with the immigrants' culture of origin and integrate immigrants into the host nation (typical for U.S.). Currently there is no European country where this model could be clearly demonstrated with sustainable results. Some signs of integration could be observed in the second and third generation of immigrants in Germany, Austria, Scandinavian countries, but it is under permanent pressure from active ethnic communities, religious and other social organizations.

➤ **Transnational**. Characterized by interruption of relations with the nation of origin, but immigrants still keep their old identity. Thus, a specific dual status of immigrants is established: by social status to the host country and

by cultural belonging – to the country/ community of origin. In case of identity crisis, original identity prevails as a rule and a process of ethnonationalism could get underway (e.g., the ethnic conflicts in France and Germany in 2006).

➤ **Selective exclusion.** It is adopted by countries, that see excessive immigration as a threat to their internal stability and security. This model suggests selective immigration legal regimes – immigration is admitted if there is an unmet demand in the labour market. A typical example is Great Britain, but Germany has also adopted elements of such policy recently. There is ground to believe that most countries of "Old" Europe will apply similar arrangements to restrict foreign competition on national labour markets and ensure access to jobs for local residents.

In this context, immigration policy in Bulgaria faces the challenge of several groups of problems related to tensions between different identities:

First, the formation of new external or originated in immigrant communities models of social relations and economic behavior;

Second, immigrants' adaptation to current and anticipated changes in labour markets and public opinion on labour force „import”;

Third, the incorporation of immigrants into the local institutional and cultural environment.

Conclusion

The present analysis of „economic immigration – national identity” relationship only touches this vast research area of increasing importance for the economic and social development of the country and the European Union. The analysis has a limited task to give an initial idea about the forms, the scope and the extent of the legal and illegal economic immigration and its connections with national identity. Awareness of the problem and its impartial scrutinisation are key prerequisites for searching effective political and managerial decisions. The need for the development and implementation of systematic and coordinated policies, programs and initiatives in the field of economic migration requires considerable resources and an extended period of time to achieve tangible and sustainable results.

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**FOREIGN DIRECT INVESTMENTS (FDI) AND REMITTANCES
FROM THE BULGARIAN LABOR MIGRATION.
POSSIBLE ECONOMIC EFFECTS ON THE DIVERSITY AND
THE DEVELOPMENT OF THE BULGARIAN ECONOMY.**

1. Introduction

The Foreign Direct Investments (FDI) and the increasing international migration are some of the main characteristic features of the modern international economic relations. The globalizing international economic relations give rise to expansion and merging of companies and acquisition of share capital, being the foundation of FDI, as well as of the increasing international migration. This is due to the elimination of some of the restrictions and the intensifying economic activity of the transnational companies (TNC), as well as to the differences in the economic development between the developed and developing countries. It is a fact, that the international production, the capital and labor factors are relocated to countries, with available good industrial facilities, comparatively higher living standard and good remuneration.

The FDI inflow results in setting up and/or developing of new industries or other activities, being of benefit to the economy of the host country. The FDI enable the transfer of new knowledge and technologies, new jobs opportunities and staff qualification. FDI have a positive impact on some sectors of economy, on the region and the economy of the country, receiving FDI. On the macroeconomic level FDI contribute to financing the deficite of the current account of the balance of payments. Thus the impact of FDI goes beyond their economic dimension, entailing changes in social, cultural and demographic aspect, increasing the diversity in the country.

The international migration also adjusts the economic environment of the country, attracting immigrants and of the country of their origin. The international migration influences the economy of the country receiving immigrants as follows: First, at a time of economic activity, the developed countries need staff of lower education degree. Second, the development of new technologies in the developed countries also attract specialists from abroad of higher education degree, because there they acquire better working conditions, carreer and remuneration opportunities. The labor of the immigrants give rise to the general welfare, the economic growth, the generation of additional income. Third, the immigrants come with their traditions, culture and understanding to the host country, thus changing the economic and social milieu, enhancing the diversity.

The following processes are witnessed in the country of origin of the emi-

grants. Large groups of qualified specialists leave the country, depriving the economy and the industries from qualified staff. The outflow of low qualified labor also has a negative impact on the supply of staff on the labor market, aggravating the labor market conditions, shrinking the production and limiting the economic growth respectively.

The economic emigrants in most cases remit money to their home land to finance their dependants. The remittances are a financial flow, moving in the opposite direction of the labor force, i.e. from the industrially developed countries to the developing countries. For some countries, the volume of the funds, remitted by the emigrants, is higher than FDI. It turns out, that the emigrants have a positive impact on the economy of the country of their origin. The remittances by the emigrants are of economic, social and financial benefit for a lot of developing countries, being a part of the external financing of their economies.

In the beginning of 1990^{ies}, Bulgaria opened its market for commodities, services and capitals. The policy aimed at attracting FDI, but they actually stepped up after the year 2000 due to the overall recovery of the economic and financial situation in the country. The accumulation of FDI contributed to the macroeconomic and financial stabilization of the country. Just like many developing countries, a lot of people emigrated from Bulgaria, whereas the number of the qualified specialists, who left the country was considerable. Regardless of the wound-up industries as a result of the economic and financial crisis during the transition period to market economy, the emigration of a high number of specialists had a crucial effect on the Bulgarian economy and the quicker restructuring opportunities. Yet, after the year 2000 the remittances by the Bulgarian labor migration to their dependants in Bulgaria are increasing. Both financial flows: of FDI and of remittances by the emigrants are actually a significant share of the external financing of the country.

The aim of this article is to explore some aspects of the impact of FDI and remittances by the Bulgarian labor migration on the economy and on the general welfare of the population. The first part analyzes the FDI growth and their impact on the diversity of the business milieu. The second part deals with some aspects of the Bulgarian emigration and the importance of the remittances to overcome the impoverishment of the Bulgarian population as a result of the economic and political disruption, suffered by Bulgaria in the course of the last 20 years of transition to market economy.

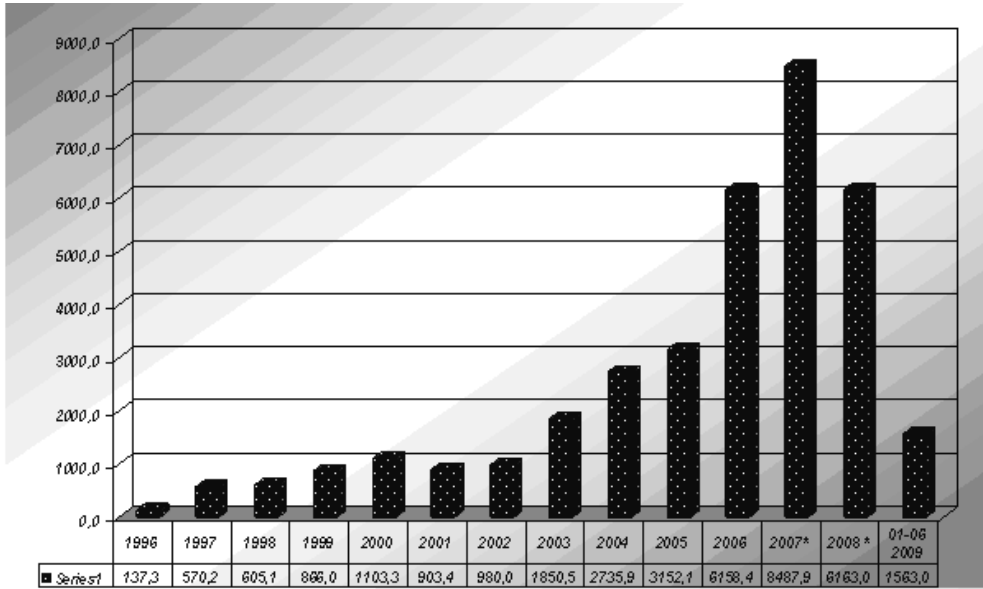
3. Impact of FDI on the Bulgarian economy

3.1. FDI growth and structure in Bulgaria

After the end of the war on the territory of former Yugoslavia and the gradual restoration of the peace in the Western Balkan Region and especially after the accession of Bulgaria to the EU (1.01.2007) there was a substantial inflow of FDI in Bulgaria.

Between 1996-2008 the FDI in Bulgaria totaled Euro 33,71 bln. The share capital is the largest investment type, being EUR 19,8 bln. of the total amount,

Figure 1. *Inflow of FDI to Bulgaria between 1996-2009 Q3 in mln. Euro*



Source: BNB

out of other capital types, totaling EUR 10,71 bln., and the reinvested profit is EUR 3,74 bln.. Fig. 1 shows the annual increase in FDI in Bulgaria, whereas more considerable FDI entered Bulgaria after 2000.

The sector-based FDI structure of economy shows, that a large share of FDI are accumulated from purchasing real estates. Most FDI are targeted to financial mediation, domestic trade, construction. The growth of «Greenfield investments» shows the foreign investors’ interest in the Bulgarian market, contributing to the construction of new and/or additional facilities in some sectors of economy. Another indicator for the activities of the foreign investors in Bulgaria is the reinvestment of profits from FDI in the Bulgarian economy. The statistics does not allow to estimate the percentage of the purchased private real estates and apartments and the share of the purchased real estates for investment purposes out of the acquired real estates, which is important for the estimation of the impact of FDI on the economy. Fig. 2 shows the accumulation of FDI by sectors for the period 1998-2008 .

A relatively limited share of the total volume of the accumulated FDI was invested in production. In the last few years there was a slow increase in FDI. Most of the FDI were targeted to the steel and textile industry, etc.

FDI are targeted to automation industries (Festo, Germany, Yazaki Bulgaria EOOD), to the production of electrical systems for the automobile industry, to the electronics (Johnson Controls Electronics Bulgaria, Melexis, Belgium, Greenman, UK), to outsourcing i.e transfer of business processes (Software

AG, Germany) etc.

Marketing services in attracting FDI in several key directions are developing in Bulgaria, being perspective for the development of economy – such as: information and communication technologies (ICT), outsourcing, machine-building, electrical engineering, electronics. In the sphere of ICT, there are certain traditions in Bulgaria, having a favorable effect on relocation of some activities to foreign companies in our country. This is a great job opportunity for specialists on the domestic market, hindering a lot of ICT specialists to emigrate from the country. Typical for Bulgaria are the medium-scale foreign investors in the sphere of ICT from the European countries, availing themselves of the comparatively lower salaries of the specialists in our country. According to the data, about 12 large-scale Bulgarian software companies and 200 comparatively smaller companies are present on the market.

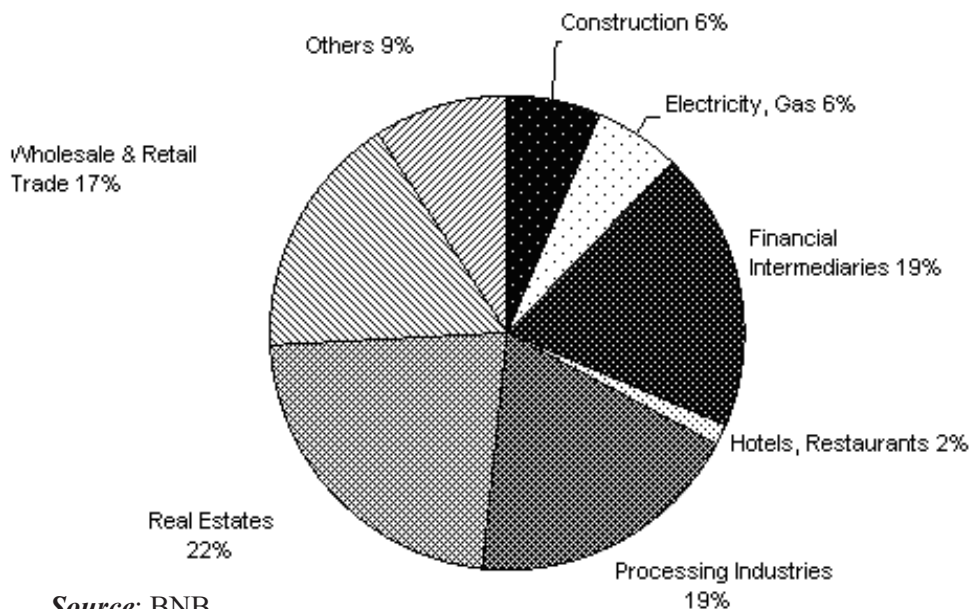
Outsourcing is also expanding, being efficient due to the comparatively lower costs of the offered service. However FDI in outsourcing are too mobile and are transferable from one country to another, making the policy of the foreign companies quite flexible, entailing the risk of eventual relocation of their businesses outside Bulgaria.

Bulgaria has comparative advantages and traditions in machine building, electrical engineering, electronics etc. The new EU member states have made considerable investments in the automobile industry. The automobile manufacturers and their suppliers are some of the first investors in the Czech Republic, Hungary, Slovakia, Slovenia, Poland and other countries. With the investment of the French company „Montupet SA” manufacturing automobile parts, Bulgaria also joined this export network in the sphere of the real sector.

Bulgaria disposes of qualified staff with low labor costs, suitable for development of such industries. The small-scale Bulgarian market in this sphere is not a negative factor, as most of the output is export-oriented. The FDI structure reveals, that most of the foreign capital investments are targeted to non-industrial sectors, and not to sectors, working for export. This FDI structure in Bulgaria is rather vulnerable in case of eventual changes and respectively aggravation of the economic situation worldwide, as it actually occurred in 2008.

Moreover, since the beginning of 2008 the global financial crisis aggravated the business climate and the international investment projects shrank. This change in the TNC projects restricted the investment projects in Bulgaria as well. Therefore, in the beginning of 2009 FDI in Bulgaria gradually dropped down. For the period January-April 2009 FDI were EUR 968,9 mln less compared to the same period of 2008. Another FDI is monitored in certain sectors of economy, such as: real estate demand by foreign individuals, private or corporate. The investment receivables in real estates are EUR 259,6 mln. (58,1%) less compared to January-April 2008, reaching EUR 187,3 mln. (19,6 % of FDI for the period).¹

¹ BNB, Balance of payments of Bulgaria, January-April 2009, 17 June 2009, p. 10-11.

Figure 2. *Sector-based accumulation of FDI, 1998 – 2008 in %*

Source: BNB

Similarly to our foreign trade, being over 50% EU oriented, the foreign investors in Bulgaria come mainly from the EU member states. The main investors in Bulgaria for the period 1996-2008 are TNC, Austria – EUR 5,43 bln., Belgium – EUR 1,58 bln., Cyprus – EUR 1,76 bln., Germany – EUR 2,19 bln., Holland – EUR 3,95 bln.

Between January-April 2009 FDI from Holland accounted for 21,4%, from Germany – 7,8%, from Luxembourg – 13,9%, from Austria-8,0% , and from other countries – 39,9%. From the non EU states, Russia is a considerable investor in Bulgaria with 9,0%.²

The factors, attracting foreign investors are a consequence of the achieved macroeconomic and financial stability, the EU membership of Bulgaria, the low labor costs. Table 1 indicates, that the Bulgarian economy has attained a positive real economic growth. The domestic investments are increasing. Unemployment is decreasing. Inflation is rising, with gradual growth in the average monthly salary. At the same time there are a lot of factors, discouraging the foreign investors and they prefer other countries from the region due to the bad infrastructure, the intransparent judicial system, corruption and other negative practices. By the end of 2008 the long-term growth turned upside down as a result of the economic crisis and in the second quarter of 2009 the economy dropped down by 4,9 % compared to the same period of 2008.

² Same, p. 11.

Table 1. *Macroeconomic indicators in Bulgaria*

	2003	2004	2005	2006	2007	2008	2008Q4	2009Q2
GDP mln. EUR		19850	21882	25238	28898	34117		
Real GDP growth %	5,0	6,6	6,2	6,3	6,2	6,0	3,5	-4,9
GFCF % (1)	13,9	13,5	23,3	14,7	21,7	20,4		
Inflation, end of the year %	5,6	4,0	6,5	6,5	12,5	7,8		
Unemployment %	13,7	12,2	10,7	9,1	6,9	6,3	6,7	7,9
Average monthly salary Euro		149,3	166	184	220	268	280	301
GDP per capita (Euro)		2551	2827	3278	4475			
Cash deficit/surplus % of GDP		1,7	3,1	3,5	3,5	3,0	-4,4	1,2
Current account % GDP	-5,5	-6,6	-12,4	-18,4	-25,2	-25,4	(July 08) -14,2	-7,2
FDI % of GDP		13,8	14,4	24,7	29,7	19,2	19,2	4,5
FDI/deficit of the current account %		209,3	116,5	133,9	118,2	75,7	75,7	60,1

Sources: NSI, BNB

(1). GFCF – Gross Fixed Capital Formation

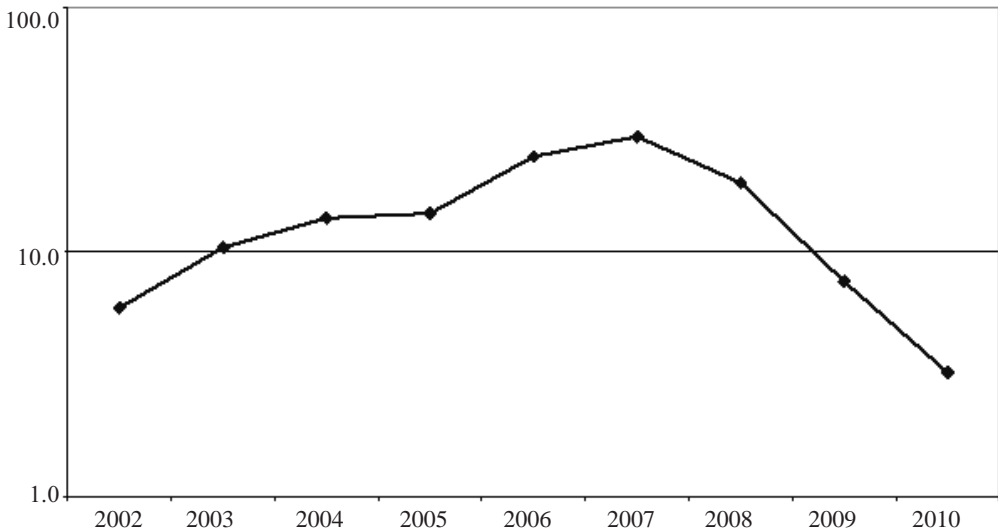
The impact of FDI on the economy could be estimated by means of the FDI indicator in GDP (See Fig. 3). Between 2000-2008 the high rate of FDI in GDP, shows, that the foreign investments have a positive impact on the economic growth. In the last two years, Bulgaria had the highest FDI rate in GDP, compared to other CEE countries. This rate began to rise after 2002, reaching a peak in 2007 – 28,9%, and in 2008 stepped down to –17,0%. By April 30, 2009 FDI accounted for 2.8% of GDP, compared to 5.6% of GDP for the period January-April 2008, corresponding to the above-mentioned trend for decreasing FDI under the conditions of aggravated economic situation.³

The speed of absorption of FDI in the economy is very important for the economic growth. The absorption capacity of the economy means the capability of the country's industry to value and launch new products, to improve the production of certain goods, to increase the quality, to adopt more advanced technologies. The countries absorbing quickly the increased domestic and foreign investments benefit from the economic growth in the short run.⁴

Regardless of some positive trends, in view of FDI in the ICT sector or the development of outsourcing, it is decisive for Bulgaria, that the impact of FDI

³ However this indicator restricts the assessment capacity, as other vital indicators are not considered such as the inhabitants of the country, sectors, where FDI are actually attracted, etc.

⁴ Neuhaus, Marco, The impact of Foreign Direct Investment on Economic Growth: An Analysis for the Transition Countries of Central and Eastern Europe. Inaugural dissertation, Mannheim University, May 2005.

Figure 3. *FDI in Bulgaria – % of GDP*

Source: BNB

on the economy is mainly in non-productive sectors – real estates, financial intermediaries, construction, i.e. sectors of economy, having indirect impact on the development or export-oriented sectors. In this respect Bulgaria is lagging behind its main competitors – the other CEE countries in attracting FDI.

FDI have a macroeconomic effect, because of their contribution to cover the deficit of the current account of the balance of payments, being too high 21,6 % of the GDP in 2008. This is mainly pursuant to the deficit in the balance of payments, as a result of the imported energy sources. Table 1 shows that the ratio between FDI and the deficit in the current account is high, and due to the FDI drop this ratio has stepped down after 2007. Meanwhile the deficit of the current account of the balance of payments has been reduced due to the decreased volume of imports and exports as a consequence of the less economic activity of Bulgaria's main trade partners and especially Germany and Italy due to the economic crisis.

3.2. Contribution of FDI to the growing diversity in the economic sphere

The FDI accumulated in Bulgaria and the FDI structure reveal an activity growth of the foreign companies in Bulgaria on the economic development and the diversity of the economic life. In some sectors of the economy in Bulgaria there are strategic investors. Most foreign companies in Bulgaria are small and medium enterprises (SME), incorporated on the grounds of purchasing share capital or „Greenfield investments”. The main aim of the comparatively smaller companies is to find domestic funding and FDI, opening new opportunities for production and exports. In Bulgaria the medium-sized processing enterprises

and the trading companies have attracted most of the FDI. The foreign investments are targeted also to micro companies, dealing mainly with real estate business.

FDI influence the manufacturing and export structure of Bulgaria, enhancing the diversity in the economic environment. Based on polls and personal interviews, made among the managers and/or the staff of 200 companies from Sofia, Plovdiv, Varna, Burgas, Russe, Shumen, Razgrad, Petrich, Kardzaly, Haskovo, Blagoevgrad since July 2006 the impact of the foreign companies on the economic development in the respective regions in Bulgaria has been estimated.⁵ Most of the monitored companies are SMEs (in 30% of the cases with capital, below EUR 255 646), 10% of the monitored companies dispose of a capital between EUR 255 646 – EUR 511 292 and just 7% of the companies have a capital over EUR 25,565 million.

Most of the monitored companies have less than 50 employees, 18% of the companies employ between 101 – 500 persons, and just 7% employ over 500 persons. They distribute their products and/or services by means of direct sales to the consumers (about 70% of the companies), about 27% thereof have their own distribution network, 19% avail themselves of trade representatives and wholesale representatives. It is an interesting fact, that half of the monitored companies export their products abroad, especially textile clothes, foods, etc. Comparatively smaller-sized companies with foreign capital from Greece, Turkey, as well as Germany, etc have come to Bulgaria. There is a high concentration of foreign capital in the light industry and services, due to the quick return on investments.

A characteristic feature of the foreign small and medium enterprises (SME), is that they are concentrated in the sphere of trade and services, because they do not require considerable investments. The foreign investments in the heavy industry such as metal processing, production of automobile parts, metallurgy, energy are just 10% of the total FDI of the interviewed companies. The same refers to the foreign investors, investing in electronics, telecommunications, informatics. The good news is the FDI growth in informatics by 2007-2008.

The Greenfield investments by the foreign investors is the preferred form of launching on the market (in 67% of the cases). The number of privatizing foreign companies is decreasing (in 11% of the cases) confirming the trend of increasing the «Greenfield investments» after the end of the privatization process in Bulgaria.

About half of the companies with foreign capital occupy 10% of the market niche in their sector, 20% thereof have a market share between 10 – 30%, about 70% of the companies hold 30% of the market of their production and/or service. Just 10% of the companies hold the largest share between 50% – 70%.

The obtained data are indicative for a considerable diversity between the

⁵ Diversified World Development: FDI companies in Bulgaria, Quantitative Study, July 2006, Report, Prepared by Market Links.

businesses in Bulgaria, whereas the companies with foreign capital are integrated on the Bulgarian market. More than half of them sell their products and/or services on the domestic market. The business is increasing, except for SMEs, being not financially stimulated for expansion, for instance the companies, manufacturing customer-made-products in the textile sector and where the foreign investor is attracted mainly by the low labor cost.

The competitiveness is based on efforts to improve the offered product and/or service. About 84% of the corporate managers have stated, that in the last few years, their companies have been successful, whereas the satisfaction of the larger companies is higher. About 70% of the SME have suffered difficulties in the development of their companies in their attempt to increase their competitiveness. The main competitive advantage for 65% of the companies is the higher quality of the offered goods and/or service, whereas 40% of the companies consider, that their advantage is in the lower production costs, the better service, prompt deliveries, the opportunity for them to become familiar with the market and to adapt themselves to it.

The companies with foreign capital are mainly based on the contribution of the foreign investor and mainly by means of transfer of know-how, equipment and providing export opportunities. About 36% thereof are of the opinion, that their technological level is much higher than their main competitors on the market, but 47% consider, that their technological level is on the level of the leading manufacturing companies in this sector. About half of the companies with foreign capitals have already completely reequipped their manufacturing facilities, and 30% – partially. A few companies intend to modify their equipment and some of them declare that they do not intend to renew their outdated equipment. The foreign investors contribute with investments in new technologies in 51% of the cases. The foreign companies also provide access to new markets and opportunities for staff training and qualification. Nearly 88% of the companies with foreign share capital obtain financial and technological support by the mother company, namely: in terms of new capital in 35% of the cases, in 24% in terms of know-how, and opportunities for direct access to the clients in 17%.

The opportunity for access to foreign markets enables most of the companies to expand their export opportunities (in 85% of the cases) with considerably improved exports due to the involvement of the foreign company.

Most of the companies with foreign capital consider, that the Bulgarian market has a growth potential, rising demand, increased purchasing power of the population especially after Bulgaria became a full EU member state.

The main business target of the companies with foreign capital is to enter the markets of the neighboring Balkan countries. One third of the companies registered 30% growth of production over the past 5 years, one tenth thereof increasing the turnover by 50%, and 7% doubling their turnover. A drop was monitored in 6% of the companies.

Taking into consideration the professional and social programs of the staff, applied by the companies with foreign capital, a conclusion could be made, that

the absorption in some sectors of the Bulgarian economy is quite good due to additional qualification of the workers. Two thirds of the companies have elaborated programs for professional training courses, and only one third of the companies do not have such programs. Training courses are organized most frequently. The large companies also offer programs for re-qualification of the staff, making them more flexible. Probably due to restriction of the costs, and due to the fact, that most of the companies with foreign capital are SMEs, sending staff for training at the mother company, and/or the use of foreign specialists is a quite rare practice.

In general the foreign investors have managed to meet their objectives on the Bulgarian market and to implement their localization strategy, maximizing the profits on the basis of low labor costs. The reduced investment risk and the legal framework on the foreign investments influence the orientation of the foreign companies in Bulgaria from market searching – to looking for export orientated companies. The favorable development of the foreign companies, localized on the Bulgarian market does not always mean, that the effect of their presence is positive for the economic development of the country. The data for the remuneration of the staff in the foreign company do not reflect the real market level and the costs per labor unit.

The foreign investors benefit from their localization on the Bulgarian market because of using the lowest remuneration in Europe. They have also accepted the vicious practice to save money from non payment of the social and insurance contributions due to the state and in most cases pay salaries «under the counter». The salary levels are lower in the industrial sector, being at the mean Bulgarian values, (i.e. between EUR 200 – 300), while the salaries of the management staff are much higher. After removal of the quotas for the textile industries, the small companies with foreign capital, working mainly on Customer Made Trade basis and not being important for the economic development were expected to withdraw from Bulgaria. Although their activity helps reducing the unemployment in the border areas in Bulgaria, the labor conditions and the remuneration remain too low.⁶ The establishment of such light industries does not entail economic development.

Therefore attracting strategic investors and investments in modern technologies is of vital importance for the country. The economic development and attracting quality FDI are based on the demand of new competitive advantages for Bulgaria, because the low labor costs are not a sufficient advantage and do not meet the economic and social targets of Bulgaria as an EU member state, aiming to improve the economy, the income level and the standard of living.

Bulgaria is at a stage of manufacturing mainly processed raw materials, plastic articles, chemicals, and a growth in the share of medium and high-tech

⁶ In the beginning of 2007 the largest textile manufacturer, owned by a Greek company was relocated to Serbia, as it would not be possible any more the profit rate to rise on the account of violating the rights of the women, employed therein.

processed products is expected. The entrepreneurship in Bulgaria is as twice as low as the average one in the EU. In general the companies in Bulgaria intend to stay on the market and they have less opportunities to invest in innovations. The relative share of the innovative enterprises is approximately one quarter from the innovations in EU. This is also the reason for the international market and respectively the inflow of FDI to remain the main source of supply of technological innovations. Although most of the companies with foreign capital would invest in new equipment, in practice their entire activity is reduced to import of machines and equipment, not suggesting any economic activity to be carried out. It is indicative, that most of the Bulgarian industries with foreign capital have a low level of technologies and the share of the hi-tech products remains comparatively low. As FDI are concentrated in the larger cities, with available labor, suggesting, that in the smaller settlements FDI can not contribute to overcoming the unemployment and to holding the inhabitants in their places of birth, which undoubtedly affects the migration trend.

4. The rising migration and the impact of the remittances by the emigrants on the Bulgarian economy.

4.1. Some facts regarding the Bulgarian emigration

For the past 20 years Bulgaria has been generating migration. The high migration is due to the political and economic collapse since the beginning of 1990^{ies}. According to the population census in 1992 and in 2001 the number of emigrants accounted to 196 000 persons in that period, while just 19 000 have returned to Bulgaria. According to the data from the National Statistics Institute (NSI) about 22 000 persons have left Bulgaria each year for the period between 1992 and 2001.⁷ Since 1989 about 1 000 000 persons have left the country, and about 750 000 persons were living abroad as at 2007. According to a study made by the International Organization on Migration in 2005 the emigrants accounted for 937 341 persons or 12,1%⁸. Pursuant to unofficial data the Bulgarian diaspora amounts to 1,2 million persons, not considering the previous emigration. Or as at 2008, 15,8% of the Bulgarians live abroad. The emigration is one of the main factors for the decreasing Bulgarian population.

According to the Workforce Review made by Eurostat the total number of emigrants in Europe is comparatively low except for those who have settled in Spain. About 100 000 persons have temporarily settled in Spain, and totally about 200 000 persons are staying in Europe.⁹ Other countries where a colony of Bulgarian emigrants is formed are Greece, Germany, Italy, Holland. (See Table 2)

⁷ Kalchev, Y. Census of Population, Housing Sector and Rural Entities (farms) in 2001, vol. 6 Sample studies, book 3 Territorial Mobility of Population, NSI, 2002.

⁸ A. Chindea, M.Majkowska-Tomkin, H. Maltila, I.Pastor.,2008,Migration in Bulgaria: A Country Profile, Ed. By Sh. Siar, International Organization for migration (IOM), www.iom.int

⁹ Eurostat, Labour Force Survey, 2007, http://ec.europa.eu/employment_social/news/2007/nov/bgro.pdf

Table 2. *Number of Bulgarian emigrants in the different countries*

Country	Number of emigrants	Year	Source
Turkey	480 800	2000	Foreign population according to country of their origin,
Spain	60 174	2006	According to permits to stay, Ministry of Workforce and Social Affairs, Spain, 2006.
Germany	46 818	2007	Federal Statistics Service, Germany, 2008
Greece	24 987 – other official sources: 70 000	2007	Issued permits by Ministry of Interior, 2007.
USA	25 415	2000	Available Bulgarian immigrants, Census in USA, 2000
Italy	19 924	2007	Issued permits for stay, Italian Statistics Service, 2007
Canada	15 955	2006	Statistics Service, Census in Canada, 2006.
Austria	6910	2007	Statistics Austria, 2007
Czech Rep.	4 600	2005	OECD 2007
Holland	2 202	2007	Statistics Service, Holland, 2007

Source: Migration in Bulgaria: A Country Profile 2008, p. 18, Federal Statistics Office of Germany (2008), <http://www.destatis.de>, A. Alexandrov, The Bulgarian immigrants in Greece, 2007 publication under the project Sustainable Development in a Diverse World, (SUS.DIV)

The above data on the Bulgarian migration are based on the official statistics. Pursuant to unofficial information however the number of the Bulgarians residing abroad is much higher. For example the number of the Bulgarians staying for a longer period of time in Greece is about 200 000 persons, whereas 35-40% thereof are residing in Thessaloniki and on the territory of Northern Greece.¹⁰

Certain changes followed after Bulgaria became a full EU member country. There is a trend of increased seasonal (circulating) migration, instead of the permanent migration. This is due to the enhanced temporary mobility of low qualified labor force as a result of Bulgaria's exclusion from the List of Schengen Countries. The growth rate of the labor force with lower education degree from Bulgaria accounts for 5,8% of the total number of emigrants.¹¹

Unlike previous periods, when the Bulgarian labor migration aimed at Germany and USA, in the last few years the temporary emigrants of lower qualifications are going to Greece and Spain. In most cases, the temporary migrants settle down and become permanent immigrants.

The considerable brain drain from Bulgaria is mainly due to economic fac-

¹⁰ A. Alexandrov, Bulgarian emigration in Greece, 2007 Publication under the Project „Sustainable Development in a Diverse World”, (SUS.DIV)

¹¹ World Bank, Development Prospects Group, 2008, Migration and Remittances Factbook, www.worldbank.org

tors, such as the lack of prospects for the young people for career in Bulgaria. Table shows clearly, that the GDP per capita in Bulgaria is low. In 2009 the GDP per capita in Bulgaria is about 40% of the average value of the EU member countries. In addition, the remuneration in Bulgaria is still low and lagging behind the remuneration in the other EU member states. Undoubtedly the migration has an economic dimension due to the drain of specialists and workers from the Bulgarian labor market. Due to the increased economic activity in the period preceding the global financial and economic crisis, it was difficult for some Bulgarian and foreign industries to find specialists and workers and according to some opinions Bulgaria should import labor from abroad.

When Bulgaria became EU member state the expectations were, that the incomes of the population would be increasing and respectively the stimuli for migration would be decreasing. A number of restrictions were abolished for permanent employment of Bulgarians abroad. It means that, considerable number of specialists and workers would prefer to work where their remuneration is higher, if such an opportunity is available. In some professions the labor supply in the country is insufficient. This is another hindrance for to the foreign companies for which one of the key priorities is the employment of qualified labor. It is also possible the lack of qualified workers to delay the FDI growth, which facilitated the high economic growth in Bulgaria in the period before the crisis. Therefore the ratio between FDI and migration is valid for Bulgaria as well.

4.2. Remittances by the Bulgarian emigrants, role to overcome poverty

The recent studies show, that the migration might have a positive impact on the economy of the country of origin of the emigrants. It is due to the effect of three compensatory mechanisms, limiting to a certain extent the outflow of educated and qualified labor from a country with high emigration, (known as brain drain), as well as a tool to avoid poverty. *Firstly*, the circular migration enables the emigrants to be long-term pendlers between their country of origin and their host country. Probably it would be of benefit to the exchange of knowledge. *Secondly*, the formation of diaspora facilitates the development of trade links between the country of origin of the emigrants and the country, where they have settled down. The trade links are intensified, facilitating the transfer of capital and the exchange of technologies. *Thirdly*, the increased remittances by the immigrants back to their country of origin, contributes to decrease poverty and to increase the general welfare, having a favorable effect on macroeconomy.

Out of the three compensatory mechanisms the last two are important for Bulgaria, namely, the movement of temporary emigrants and the transfer of new skills and knowledge, which is not possible to be assessed. For this reason the main consequence is the increasing remittances from the Bulgarian labor migration and their impact on the financial status of a lot of Bulgarian families.¹²

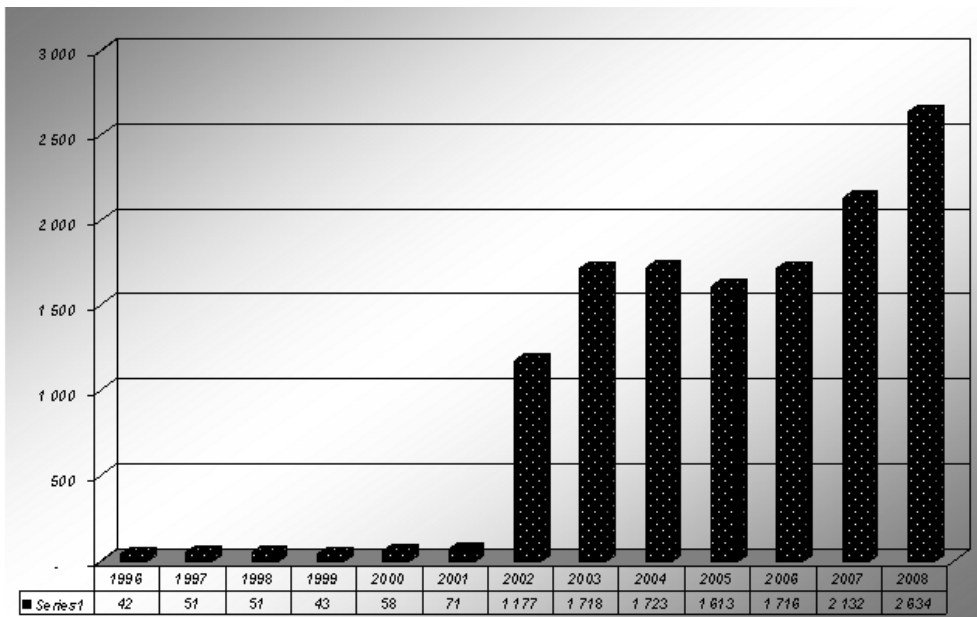
¹² The remittances by the emigrants are the share of the emigrants' income, transferred in form of money and goods back to the home country by the emigrants, mainly to support their remaining families.

The remittances are of vital importance for many Central and Eastern European countries, for many developing countries from Asia and Africa. Pursuant to the estimates of the World Bank, over 10% of the remittances of the emigrants are utilized for education and savings. About 5% are used for investments or support to private businesses. However most of these remittances are spent on food and garments by the households, obtaining considerable support by these funds.

In the past decades the remittances by the Bulgarian emigrants have sustainably stepped up (in nominal and in real extent) being a considerable source of income for a lot of families. (Fig. 4). In the period between 1996-2008, the inflow of funds totaled USD 13,03 bln. This financial flow is not precise, because the statistics account only for the officially registered bank transfers. Significant monetary flows are effected by means of the hidden cash transfers in various ways. According to some estimates, the remittances by the emigrants amount annually the total average contributions paid by the population as utility costs. As a migration effect, after FDI, the remittances by the emigrants from abroad are a vital source of external financing.

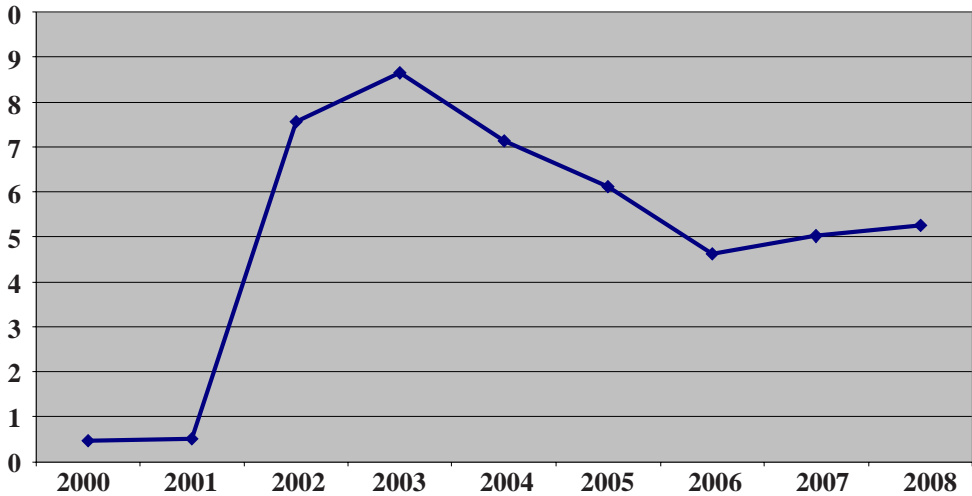
For many countries the remittances made by the emigrants account for increasing relative share of GDP in a lot of countries in South Eastern Europe, as well as in the former soviet republics. The remittances by the emigrants exceed 20% of GDP in Moldova, Bosnia and Herzegovina and exceed 10% in Albania, Armenia, Tajikistan. For Bulgaria this indicator has been also rising, having a

Figure 4. *Remittances by Bulgarian emigrants in bln USD*



Source: World Bank

Figure 5. *Amount of the remittances by the Bulgarian labor migration as % of GDP*



Source: Calculated according to data provided by the World Bank, and www.stat.bg

peak in the period 2002 – 2004 with an average 7,37% of GDP. After this peak the remittances by the emigrants were stabilized to about 5% of GDP.(Fig.5). The remittances by the emigrants are a considerable percentage of GDP affecting indirectly the stepping up economic growth. According to the statistics in 2009 the remittances by the Bulgarian labor migration will probably drop by 7% due to the drop in the economies of the advanced countries, especially Spain and Greece. It is difficult to assess the estimated effect of the remittances by the emigrants on the qualitative changes in economy. The World Bank Review of 2007 points out, that 80% of the Bulgarian emigrants do not make any remittances.¹³ Some of the emigrants, making remittances to Bulgaria transfer 30% of their average income, and 49% thereof transfer money once a month.¹⁴

In general for a lot of Bulgarian families, the remittances are a source of income, contributing to the alleviate their economic and financial instability and to overcome poverty. According to the data from August 2009 – 20% of the Bulgarian population lives close to the poverty line. Since January 2009 the poverty threshold is 97 Euro. The average monthly salary is about 220 Euro, being the lowest in EU. According to the approximate estimates the remittances made by the emigrants from abroad increase the income of about 300 000 Bulgarian families.

¹³ World Bank, 2007, Migration and Remittances – Eastern Europe and the Former Soviet Union.

¹⁴ B. Quillin, C.Segni, S.Sirtaine, I.Skamnolos, 2007, Remittances in the CIS countries: A Study of Selected Corridors, Chief Economist's Working Paper Series, Europe and Central Asia Finance and Private Sector Development Department, World Bank, Vol. 2, No2.

The higher financial opportunities for a part of the Bulgarian population, thanks to the remittances by the emigrants, enhance the opportunities for education and investments. In Bulgaria the remittances by the emigrants are used mainly to purchase real estates, accounted as FDI. In this regard the transfers of the employees abroad are a financial recourse for the Bulgarian economy and are of vital importance for the development of the regions.

The remittances also have certain negative effects on the economy. Probably the flow of fresh money from the emigrants has reduced the incentives for job search. It could be supposed, that the increased remittances by the emigrants have probably reduced the pressure on the labor market for decrease in unemployment. The increased incomes of a part of the Bulgarian population result in more consumption costs, exerting pressure on the balance of trade for import of consumer goods. It results in the total level of the domestic prices and a rise in inflation. The pegged course of the Bulgarian Lev to the Euro prevents taking into consideration the inherent trends of the probable increase in the exchange rate of the national currency and thus assessing the lower competitiveness of the domestic goods and services.

The remittances are less sustainable source of income in foreign currency for many countries and for Bulgaria as well. While the capital flows rise during favorable economic cycles and fall considerably in case of drop in economic activity and/or crisis, witnessed at the time of a global financial crisis, the remittances by the emigrants have an anti-cyclic effect on the countries of origin of the emigrants. Actually in Bulgaria the lower growth rate of the transfers, at least the volume, covered by the banking statistics, is due to the decreased economic activity in the advanced industrial countries, as a result of the global financial crisis. The remittances are comparatively stepping down and shall provide limited financial support to a part of the population. The lower FDI in real estates are due to a great extent to the limited purchases of real estates by Bulgarians, who have settled down permanently abroad.

In the last few years FDI and remittances are considerable financial flows, being of benefit on the macro level, contributing to the economic growth and to the higher employment and incomes of the part of the population. If it hadn't been for the remittances by the emigrants, the poverty in Bulgaria would have been higher.

Conclusions

➤ The international global financial crisis and the economic recession resulted in a lower FDI inflow. The FDI drop resulted in the negative economic growth, which used to be fed by FDI growth in the past. The companies with foreign capitals have also considerably limited their activities due to the difficulties in obtaining credits from the banks.

➤ Regardless of the fact, that the remittances are relatively more sustainable, because despite of the certain drop in the incomes of the Bulgarian labor migration, it is supposed, that they would continue their remittances to their

dependants, the reduced transfers shall affect strongly the solvency of the Bulgarian households. Moreover the unemployment is increasing, whereas since the beginning of the crisis the redundant employees are 297 500 whereas the long-term unemployed are about 80 000 persons.¹⁵ The reduced remittances shall affect the households, especially the households with liabilities to banks and other accrued payments.

➤ The limited FDI inflow is aggravating the competitive struggle among the CEE countries in attracting FDI. It imposes the search of new comparative advantages for Bulgaria, targeted to attract FDI to the development of export-oriented sectors, of infrastructure projects. It is necessary to resume the financial inflow from EU structural funds as a reaction against the reduced external financing.

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THE INCREASE OF DIVERSITY IN SOFIA: ECONOMIC AND IMMIGRATION CHANGES

1. Introduction

Sofia is an economic, commercial, financial center, center for services, communications and consumption. It is not a mechanical sum of separate detached areas, entangled with individuals and groups. Sofia is the heart of the common life in Bulgaria. The city is full of social dynamics, exchanges, tacit agreements or further negotiations, as well as tension, confrontations, even brutal collisions. Sofia is a place of civil activity, as the only opportunity of coexistence in the modern world and a capital city of an EU member country.

In the last twenty years Sofia and the large cities in Bulgaria are the focus of radical changes in the common life. They have undergone radical political, economic, social, cultural changes and collisions. Meanwhile, the physical environment has always been in a state of architectural, infrastructural and functional transformation, affecting not only the public life of the city, but also the common life.

A sensible change of Sofia as an open city is the fact that having been culturally and ethnically homogeneous, now the city is a home of increasing number of foreigners from all over the world. This large increase in cultural diversity is the result of growing international flows of goods, factors and knowledge that are fostering the global interactions among a rising and increasingly diversified number of people. Managing immigration has become a central issue for policy-making in Bulgaria.

This presentation aims at monitoring the economic life in Sofia and the prospects for development of the city. Another aspect is the expansion of the multicultural life within the city with the inflow of immigrants both from the country and abroad.

2. Historical and socio-economic development of Sofia

2.1. Historical details

Sofia is one of Europe's oldest cities with a history dating back to 7,000 years ago. The civilization that supposedly had first established their settlements over the present location of the city were the Thracians. For a short period, during the 4th century BC, King Philip of Macedon and his Son Alexander the Great had ruled the city. In 29 AD, the city came under Roman rule where it gained significant political and economic prestige, and where Chris-

tianity was first recognized as an official religion. During the middle ages, the city became part of the first Bulgarian Empire, when it was called Sredets and grew into an important fortress and administrative center. The name of Sofia has been known since the XV century. In the course of the Bulgarian-Ottoman Wars, the city was seized by the Ottoman Empire who held power over it until its liberation in 1878.

2.2. Sofia's development during socialism

Sofia's spatial development pattern differs from that of the cities with market economy. With the unlimited power of the state to purchase land and real estates, to be actively involved in housing construction and to set up the social infrastructure, a city was established with thick density of population in the periphery and a lot of industrial plots of land. The concentration of industries on the territory of Sofia attracts many people from the smaller settlements. Therefore large-scale residential complexes were built, resulting in unreasonable enlargement of Sofia and pollution of the city by the large-scale industries. The city started losing its attractiveness as a green city, comfortable to live in.

Actually during the period of socialism enormous hindrances were imposed on the inhabitants of provincial settlements to settle down in Sofia, limiting the domestic migration to a certain extent – from the smaller settlements and from the larger cities in Bulgaria to Sofia.

A direct implication of the specific features of the socialist society as a closed-type of society is the strict regulation and the maximum restriction of the movement of the population across the state border: both for Bulgarian citizens abroad, and foreign citizens to Bulgaria. The notion of ethnic and cultural diversity dates back to this period, often still associated with the concept «minorities», i.e., ethnic communities (Turks, Roma, Jews, Armenians, Tatars, Gagauzians etc.) traditionally living on the Bulgarian territory.

The rare exceptions for «setting up» of immigrant communities at the time of socialism were politically inspired:

- several emigration waves of Bulgarian citizens of Turkish origin to Turkey;
- attracting left-wing activists from neighboring countries, such as Turkey, Greece;
- attracting students from the non-European countries with the specific aim – a long-term strategy for university education for left intellectuals as a preparation of a global revolution.

As an exception to the dominant political logic Vietnamese immigrants were accepted in 1980^{ies} due to the demand of labor in some economic sectors, such as construction.

2.3. Sofia at the time after the transition period to market reforms

Sofia is the 14th largest city in Europe in terms of number of population (year 2006). It could be compared only with Brussels and Prague. It has under-

gone many drastic changes during the last 20 years as a post-socialist city in a transition economy.

Sofia’s economy is service-oriented, driven mainly by the private sector. The private sector generates 94% of all services and 87% of the other sales. The small and medium enterprises have a share of 71% of all sales. In the last few years the construction, real estate trade, business services, transport and telecommunications sectors have had the largest share in the growth and continue attracting investments.

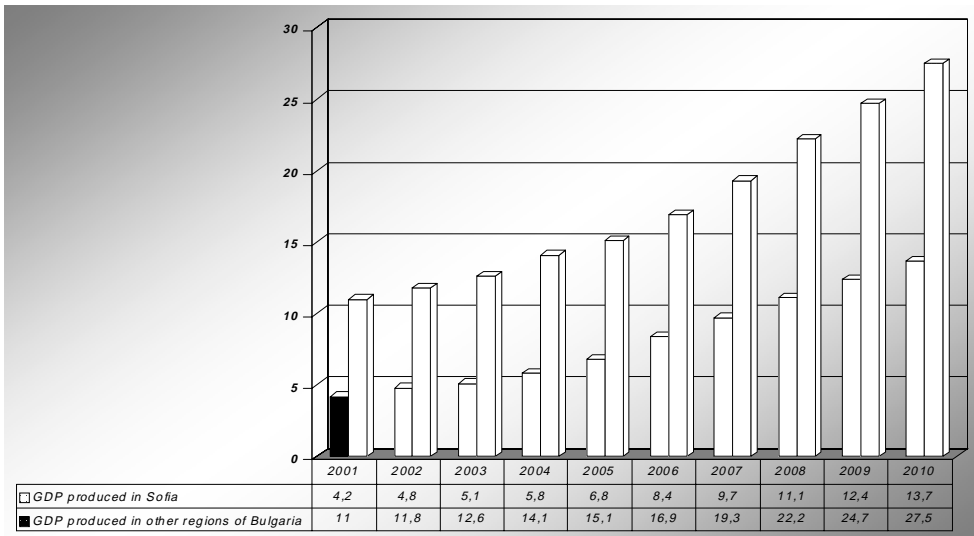
In Sofia 33% of GDP is generated. The GDP growth in Sofia has always exceeded the average growth for the country. In 2006 the GDP per capita in Sofia was EUR 15 845 and currently it is 69% of the average for EU. The share of services in GDP in Sofia is 74% compared to the average of 60% for the country.

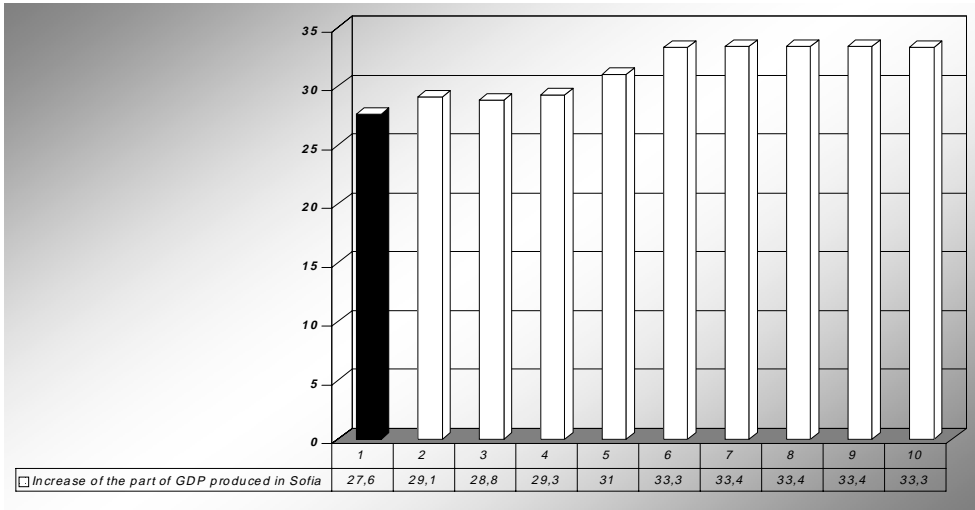
Sofia has significant advantages, *mainly job opportunities and human resources*. There are **835 768** working-age persons in the metropolitan, being 17.4% of the population. The number of inhabitants of working age is continuing to drop down, in line with the ageing processes of the population in Bulgaria. (Per 100 retiring persons, (above the age of 64), there are 79 persons, entering the working age (aged 15-19). The number of women in the capital is higher than men and there are 1103 women per 1000 men.

The capital is growing, but aging as well. The average age of the people in Sofia last year was 40.4 years, and 38.9 years – ten years ago.

The lowest unemployment rate was registered in Sofia compared to the other regions throughout the country with the highest incomes, employment

Graph 1. Increase of GDP produced in Sofia and in the other regions of Bulgaria for the period 2001-2010 in billion EUR



Graph 2. *Increase of the part of GDP produced in Sofia*

and prices. The finalized privatization opened more jobs in the private sector. The employed therein are 52% of the labor force, or 10 times more than in 1990. The relatively high percentage – 48%, employed outside the private sector, is mainly due to the concentration of almost all the administration in the metropolitan city.

Thousands of immigrants are attracted to Sofia – mainly businesses located in Sofia city centre – with forecasts predicting over 100,000 new inhabitants for the city over the next 5 to 10 years. This massive increase in Sofia's population adds greatly to the potential for Sofia property investment.

Almost half of the Foreign Direct Investments (FDI) for Bulgaria are registered in Sofia. This is something quite usual, considering the fact, that most of the privatized companies, holdings and banks are registered in the capital. The available industrial capacity, infrastructure and labor qualification are some of the main factors to attract investments (30,5% of the employees in Sofia are university graduates and 30% – have specialized secondary education, while for the country the respective values are 12,4% and 26%). In 2009, Bulgaria's FDI set to contract by 32%.

The Bulgarian economy is yet to see the worst of the global economic crisis. The Bulgarian economy will shrink by 6% for 2009, curbing the decline to 1.5% in 2010. This is a much grimmer forecast. For the fourth quarter, the Bulgarian economy is expected to deteriorate by 7.4% year-on-year. Figures by the National Statistical Institute (NSI) showed that the GDP slumped by 4.9% in the second quarter. The expected potential of Sofia for the next two years has changed.

In the period of transition to market economy and just like all over the country, the poverty in Sofia is aggravating, requiring new jobs to be created.

Graph 3. *Foreign Direct Investments in Sofia by economic sectors for 2008 in billion USD*

Total FDI	Financial services	Real estate	Constru c-tion	Trade& Repair	Business services	Techno- logies	Others
6.6	2.6	1.9	0.8	0.7	0.2	0.1	0.3

Many of the previous industries were closed down one after the other. The metropolitan urban planning structure and housing construction are the key disadvantages. There are neither adequate financing schemes, nor legal framework for the residential management. The residential areas should be renovated, the functioning schemes of the real estate market should be improved, the urban infrastructure and the public transport system in Sofia should be further developed.

3. Gradual growth of multicultural and diversity – inflow of immigrants and refugees

Recent migration trends show that, due to its central location on the Balkans, Sofia attracts an increasing number of workers and migrants from abroad, as well as internal migrants.

Pursuant to the statistics, although slowly, the migration to the capital from the other settlements is decreasing. Until two years ago the annual mechanical growth in population was between 13 – 17 thousand, and since 2006 it is about 7 thousand.

Most recent records show that there are 55,684 foreigners that are permanent residents mainly in Sofia. The largest group are citizens of the European countries, from outside the EU, followed by Asians, Americans and Africans. The Europeans are 69.8 % of the immigrants with permanent residential status, followed by Asian citizens (13.9 %), foreigners from North and South America (1.2 %) and Africa (1 %).

Two thirds of the foreigners live in Sofia with permanent residence status. Although the estimated number of immigrant workers in Sofia is not as high as it is in other EU countries, there is a tendency for an increase in the number of foreign residents, including EU citizens. Many young foreign-born professionals come to work in multinational companies mainly based in Sofia.

After Bulgaria's accession to the EU the immigration from third countries is increasing. Citizens of Bulgarian origin from the neighbouring countries are showing a growing interest in obtaining citizenship and settling in the country.

The immigration in Sofia and Bulgaria is *different* from the immigration in Western Europe, USA and other advanced countries. It *begans later* and is exceptionally *less numerous*. The differences are essential, but this is not the most important point. *The profile of the immigrant* in Bulgaria is *different*, almost opposite to the „classical” type. This has been confirmed by the realities – the unemployment rate among the immigrants in Western Europe is much

higher than that among the local population, and most of them are on the periphery of the labor market.

The immigrants can not be labeled as typical „representatives” of their countries – they are the more mobilized, more enterprising, challenging citizens, coming from another country.

Most of the *Chinese* in Bulgaria are less educated people, engaged mainly in two sectors – restaurants and retail trade. On the contrary – the *Africans* are highly educated engineers, medical doctors, etc. The *Arabians* are the key competitors of the Chinese in both economic niches, occupied by them. The *Chinese* community is one of the *most adaptive*, managing to overcome easily the ethnical differences regardless of the culture distance.

The Chinese are more aggressive, and have succeeded in pushing the Arabians away from some of the economic niches conquered by them in the beginning of the post-communist transition period. Meanwhile, due to their longer stay in Sofia, the *Lebanese* have penetrated in more economic activities.

There is no China town in Sofia, but the spirit of China town dominates over the structure and the self-organization of the Chinese community. Therefore the most – *homogeneous* group of immigrants is the *Chinese group*, and the most – *heterogeneous* group is the *Arabic group*, composed of Syrians, Lebanese, Iraqi, Afghans, etc.

The most-*controversial group* is the *Kurdish group* – if the nationality is the key characteristic feature for most of the groups, in this specific case it is subordinated to the cultural identity.

There is an open question whether the few *Africans*, coming from different countries and ethnic groups, in conflict among each other, could be considered a community. They are the only „*racial*” group in Bulgaria, the country without any colonial traditions and without any historical experience in this type of intercultural contacts. The African immigrants are the *heritage* of the policy of the Bulgarian state after 1960^{ies} offering academic grants to African students with left ideology.

The main type of immigration could be specified as *economic or labor immigration*: it is much easier to start business in Sofia, and for this reason immigrants are attracted from Syria, Lebanon and other countries from the Near and Middle East.

The economic immigration in Sofia has a *specific feature*. It „incorporates” the so-called *brain gain* – many experts, consultants, managers, accompanying the foreign investments in our country.

By means of the economic immigration Bulgaria has a chance to offset partially the losses incurred by the „brain drain”. Over 40% of the foreigners coming to Bulgaria are university graduates, and over 1/4 have their own business, contributing to the economic development of our country. It is true, that approximately the same share of the economic immigrants make financial transfers to their home countries, to support their families (exceeding USD 50 mln per year). However the same strategy refers to the Bulgarian emigrants, whose

remittances to their home country generate approximately 5% of GDP (2008).

Some groups of immigrants are set up entirely on *family* principle. The *Russian* community is generally female – about **80%** thereof are women, married to Bulgarians. The Russian community is numerous, settled down long ago and integrated excellently. The *African immigrants* are also from mixed marriages, and therefore as a rule they are also considered well *integrated*.

In 1993 Bulgaria signed the Geneva Convention and started giving political asylum. *The refugees* come mainly from Afghanistan, Iraq, Somalia. Bulgaria has also accepted a lot of Palestinians. The number of the *refugees* has increased 10 times in 10 years, preserving yet low values. This relatively small group has a large publicity – both due to the established network of governmental and non-governmental organizations, and due to the media coverage, increasing the fears of waves of refugees at the time of each crisis – Afghanistan, Iraq etc.

Bulgaria’s accession to EU (in 2007) has radically changed the concept of the *transnational migration to Sofia*. A slight increase is monitored at the „outlet” point, but it is far away from the uncontrolled inflow of immigrants from the newly acceded countries, such as Bulgaria and Romania, as expected by Western Europe. An inflow wave is emerging at the „inlet” point however – which was slightly expected and insufficiently appreciated both by experts, and by politicians. *According to official data in 2008 the number of foreigners in Bulgaria doubled, exceeding 100 thousand people (if adding the foreigners with unsettled statute, actually there is a 150% growth)*. Most of the people coming to Bulgaria or returning from Bulgaria are from *Turkey* – 13,3% of the total number. According to the International Migration Review from 2008 the countries sending transnational immigrants to Bulgaria are ordered as follows: Turkey, Macedonia, UK, Russia.

Table. *Number of migrants in Bulgaria as at 31 December 2007*

	2000	2001	2002	2004	2005	2006	2007
Number of migrants with permanent residence statute	-	43,630	-	50,756	53,197	55684	-
Number of migrants with long-term residence permit	-	-	-	23,295	21,680	26,921	-
Number of legal migrants with long-term and permanent residence statute	-	-	60,028	74,051	74,877	82,605	94,703
Number of refugees with acquired humanitarian statute	-	-	-	-	-	-	4,958
Total number of migrants	101 000	-	-	-	104,076*	-	99,661

* (Border police: 110,000)

Source: NSI; Directorate „Migrations”, Ministry of Interior (2007); Employment and working conditions of migrant workers, Bulgaria <http://www.eurofound.europa.eu/ewco/studies/tn0701038s/bg0701039q.htm>)

Migrants with permanent residence statute:

- foreigners, ***employed on a labor contract***, their children, parents;
- foreigners, ***who have invested more than USD 500,000*** and
- foreigners, ***having over 5-years' work permit for Bulgaria.***

Migrants with a long-term residence permit:

- foreigners, ***having obtained a residence permit up to 1 year***, mainly to continue their education at universities, for business activity, marriage with Bulgarian citizen or with a permanently residing foreign citizen,
- family members of the permanently residing foreigner or foreign specialists.

The data on the immigration flows to Sofia are insufficient, due to the lack of systematic statistic information open to the public on the number of foreigners, and the unofficially obtained data are scarce and contradictory. Some publications on the migration in Bulgaria are not in conformity with the categorization about the residence statute, applicable pursuant to the Law on Foreigners in the Republic of Bulgaria, but make use of their own classification on temporary, long-term and permanent residents, resulting in discrepancies in the number of migrants in Bulgaria, varying between 60,000 and 108,000, as well as enormous differences in the hypotheses on the number of immigrants illegally residing in Bulgaria.

Statistical profile of the immigrants¹ in Sofia**➤ Gender-age structure**

The gender ratio among the immigrants' communities is in favor of men, being 62 % of all the immigrants in the country. 93.4 % thereof are of working age (predominantly between 26 and 45 years of age). The gender-age structure of the immigrants' communities does not differ considerably from the global migration trends, where the typical economic immigrant is young and male. The discrepancies in the gender ratio are obvious among the Arabic, African, Turkish, Kurdish, Afghan, Iranian and Vietnamese communities, most probably due to the dominant cultural and social norms in their countries of origin, where the female migration is considered suitable and adequate only in the company of a male family member. The gender ratio is more balanced among the Chinese, Armenian and Macedonian immigrants, and among the immigrants from Russia (80 % women from the Russian immigrants in the country) and other CIS countries. Such a genuine female migration is mostly due to mixed marriages between the 1960^{ies} and 1990^{ies}.

➤ Civil status

Most of the immigrants (61.8 %) have chosen the individual migration, while 38.2 % are accompanied with another family member: a spouse or a partner (21.6 %), child/children (13.8 %), parent/s (6 %), or a close friend/s (6 %) etc... Most the immigrants are married or in liaison with a partner (63.4 %).

¹ Survey on the rights of the immigrants in Bulgaria, Report Written Comments of the Bulgarian Helsinki Committee, November 2006.

There is a considerable percentage of mixed marriages with Bulgarians (57.4 %) – being higher for women (61.1 %) and slightly lower for men (55 %). The average statistic immigrant's family has one child (42.7 %) or two children (41.8 %), 46.8 % thereof having Bulgarian citizenship.

➤ ***Education status and language skills***

The average statistic immigrant in Sofia is highly educated: most of the immigrants (54 %) are secondary school graduates; 37.1 % are university graduates (with Bachelor's or Master's degree), 2.1 % have higher academic degree, and approximately the same percentage have only primary education. The education status of the immigrants in Bulgaria is higher than that of the local population, due to the fact, that most of the immigrants who have settled down have primarily come to study in Bulgaria.

The naturalized Bulgarian citizens of immigrant origin are better educated than migrant groups with residence statute: 33.9 % thereof are university graduates, and 3.2 % have a higher education degree. Almost half of the immigrants (51.4 %) did not have any knowledge in Bulgarian language, when they came to Bulgaria for the first time, and a smaller percentage thereof (30.9 %) did not know English either.

➤ ***Duration of stay and legal statute***

Most of the immigrants in Sofia have lived here for more than 10 years (36.4 %), and almost the same rate (34.8 %) thereof have been living here for 5 to 10 years. The majority of the migrants in Sofia have a permanent (42.1 %) or long-term residence statute (31.2 %); the temporarily residing foreigners and the naturalized Bulgarian citizens are almost the same percentage from the migration community (about 8 %), while the refugees and foreigners with humanitarian statute or under temporary protection are less than 3 % of all the migrants in the metropolitan.

➤ ***Labor employment***

Contrary to the populist manipulations regarding the employment level among the migrants and the social support, hypothetically spent for them in many destination countries for immigrants, the labor employment among the immigrants in Sofia is rather high (73.8 %). The employment level is high among all migrant groups. Especially among the permanent residents (83.3 %) and the naturalized Bulgarian citizens (83.9 %). 63.5 % of the refugees, foreigners with humanitarian statute and temporary protection statute are also employed. Just 3.2 % and 9.5 % respectively of the naturalized immigrants and the foreigners, having obtained protection, have never applied for a job. The higher employment rate of the immigrants compared to the population as a whole is most probably due to their working age and their level of education and qualifications.

The above data confirm to a great extent the conclusion made by Anna Krasteva², that there are no immigrants living in poverty in Sofia (the refugees

² Krasteva, A. (2005). 'Bulgarian Immigration Phenomena'. In *Immigration in Bulgaria*, Editor. A. Krasteva. Sofia: IMIR.

are not included in the target group of her study) and while comparatively small share of the immigrants are employed by Bulgarian employers, there are Bulgarians, employed by immigrants. Therefore it is correct and appropriate to point out, that they create jobs, rather than take jobs away.

Bulgaria is not the final destination for the immigrants

Just about 50% of the immigrants intend to remain in Bulgaria forever. Almost one fourth of them want to return to their home countries if possible. The most dynamic and mobile group are the transit migrants- being 16,8% of the foreigners residing in Bulgaria. Bulgaria has become a distribution depot for the transnational flows, due to its new statute of EU member state. The rich European countries are the ultimate aim of the new nomads. They gather themselves in Bulgaria from south, east and west, in preparation of their further trip. Thus Bulgaria is experiencing the same situation like the Czech Republic and Hungary, that used to be attractive destinations for the global migrants a few years ago.

Key prospects for Sofia

Firstly, restoring the image of Sofia as a green city to live in – full of active economic and cultural life.

Secondly, solving complicated ecological problems, overpopulation, updating the infrastructure, regulating the migration flow from the villages to the towns.

Thirdly, solving problems, incurred by pollution from auto transport and some industries.

Fourthly, now migration policy is centrally managed at country level. Sofia aims to develop migration policy at municipal level.

In 2008 the city adopted a new strategic approach with the aim of enhancing the development of a democratic and self-reliant municipal management system in Sofia in a manner that will generate sustainable long-term benefits for its residents.