

## Bulgaria Chronicle 1 – Unemployment in Bulgaria

by IRIS

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Slowly but pervasively, unemployment is becoming the defining problem for ever growing numbers of the population in Bulgaria over the last several years. Some 430,000 jobs were [lost](#) since 2008, when the financial and economic crisis hit Europe, in a country of some 7.3 million. The official [figures](#) of the National Statistical Institute point to 12.3% of unemployed at the end of 2012, and that excluding the long-term jobless, the economically inactive and the discouraged. The current caretaker government recently [updated](#) its forecast for the coming three years, foreseeing jobless numbers rising to 13% in 2013, causing lower consumption and slower economic growth of 1%. This is creating a vicious circle for the Bulgarian economy in the short term, bidding particularly bad for the poorer remote regions of the country.

The global economic downturn had a milder effect on Bulgaria compared to its neighbours Greece, Serbia and Romania. Financial stability did not suffer, foreign debt stayed very low (some 17%) and the budget deficit even shrank to the negligible less than 1% during the four years of crisis. But this happened at the cost of a shrinking economy, thousands of small- and medium-sized firms gone bankrupt, hundreds of thousands of newly unemployed and – as a consequence – a flush of people freshly unable to make both ends meet.

This dire situation was one, if not the main, cause for the mass protests which took place in Bulgaria in February and brought down the centre-right government then in power. Hundreds of thousands of people took to the streets, initially to protest unexplainably high electricity bills but later expressing general indignation at uneasy living because of unemployment, poverty and a corrupt political system. The despair had reached such levels that there were six [cases](#) of self-immolation, with four fatal outcomes.

The difficult life of ordinary Bulgarians was the object of a special focus in the [latest](#) EU Employment and Social Situation Quarterly Review, too. It is no secret that Bulgaria since its accession in 2007 has been the poorest EU member state, with an average monthly salary of some €400 and an average pension less than half that. But this last EU document reveals some extremely worrying figures. According to a [synopsis](#) of the report by BalkanInsight, a pan-Balkan news site, published in late March, The European Commission has expressed concern over growing poverty and social unrest in Bulgaria in a recent report - noting that austerity has taken its toll on society. The European Commission has dedicated a special section to Bulgaria in its EU Employment and Social Situation Quarterly Review.

According to the review, almost half of all Bulgarian people - 44 per cent - experienced severe material deprivation in 2011, the highest percentage in the EU, and five times higher than the EU average. "The other social indicators also highlight that Bulgaria was the poorest member state in 2011: 49 per cent of the total population and 52 per cent of the children were at risk of poverty or social exclusion compared to 24 per cent and 27 per cent on average in the EU15," the review reads. It added that the situation is even worse for pensioners over 65, some 61 per cent of whom are at risk of poverty or social exclusion. The review also said that the average salary in Bulgaria was the lowest among the member states at about 393 euro a month for September 2012. Twenty-two per cent of the labour force are employed on the minimum wage, amounting to about 159 euro, the second lowest in the EU, it said.

The report noted that the intense economic austerity measures imposed in Bulgaria during the recession have markedly improved the state of the budget; the deficit was cut from almost 4 per cent of GDP in 2010 to 1 per cent in 2012. But it stressed that this has come at the cost of increasing social unrest. Mass protests, which turned violent, erupted at the end of January 2013 and are still continuing, one month on, in over 30 towns and cities. The protests were spurred by a hike in electricity bills, on average twice as high as in previous months. After unrest escalated, the center-right government of Boyko Borisov resigned on February 20. Indeed, representatives of the ex-cabinet have admitted publicly some austerity policies may have been too stern and more should have been done to fight unemployment.

### ***Conventional crime***

The economic crisis that has been plaguing Europe for more than four years has had a negative effect on human security in Bulgaria in one more way – it has triggered a rise in conventional crime. While organised crime has often been the subject of many critical reports by the European Commission and the EU member states on Bulgaria and its readiness to join the Schengen free movement area, it is conventional (or traditional) crime that directly affects people's lives and engenders insecurity. The economic crisis has caused an increase in everyday crimes such as robberies of shops, petrol stations, private property and vehicles, judging by the more frequent media publications. This growing concern in society is also reflected in the political platforms of some parties ahead of the 12 May early parliamentary elections: they are referring to the need to more seriously address conventional crime in the period ahead. Another factor for the rise in such kinds of crime may be a power vacuum, or at least a lack of focus, at the top of the governing structures that is perceived to be happening after the toppling of the government in February and that may continue until a new cabinet is formed after the early vote in May.