

# National Recovery and Resilience Plan: Bulgaria

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### Abstract

Bulgaria is still in the early stages of implementing the National Recovery and Resilience Plan. Because of the unstable political situation since 2020 the European Commission approved the Plan only at the end of May 2022. Furthermore, more than 22 laws and 60 strategies are necessary for implementation, and the current uncertainty very few steps are being taken. According to the RRP, the main tasks facing Bulgaria are education and qualifications, research and innovation, strengthening small and medium-sized enterprises, developing a decarbonised economy, sustainable agriculture paying attention to biodiversity, digitalisation, sustainable transport, development of local self-government, the environment, social inclusion, and health care. They are analysed in detail in this chapter in accordance with the activities of national institutions.

**Keywords:** Bulgaria, Investments, Plan, Reforms, Resources, Strategies.

### 1. General framework.

Bulgaria is one of two countries whose Recovery and Resilience Plan (RRP) was approved by the European Commission (EC) only at the end of May 2022. This is because of the unstable political situation since 2020. In 2021, the country had two caretaker governments, parliamentary elections and a regular government only from December 2021. The latter, however, was subject to another vote of no confidence in June 2022 and now the political situation is complicated and unstable once again. This means that our focus will be on ideas and intentions declared by the government, but without practical measures for implementation. The main objectives are the efforts towards economic and social recovery from the Covid-19 pandemic, and the creation of a more sustainable, fair and prosperous

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economy. It is also necessary to lay the foundations for digital and green transformations of the economy within the framework of the European Green Deal.

The Covid-19 pandemic has created a high degree of uncertainty in all walks of life. Therefore, first of all, it is necessary to assess how it is being tackled, as well as its consequences and the emerging possible new health crisis. The government believes that it should boost the resilience of the health care system and ameliorate the socio-economic consequences of the pandemic through measures to strengthen enterprises, increase employment, and ensure health and safety at work.

It should be noted that Bulgaria's real GDP fell by 4.4 per cent in 2020 and by 0.4 per cent in 2020 and 2021 combined. The poverty and income inequality rate is one of the highest in the EU. Bulgaria has the most carbon- and energy-intensive economy in the EU.

Improving the quality of government institutions and combating corruption continue to be major challenges for Bulgaria. Labour and skills shortages, as well as skills mismatches in the labour market, are also a significant barrier to economic investment and constrain labour productivity growth. The introduction of digital technologies is progressing slowly in both public and private sectors.

The Recovery and Resilience Plan (RRP) for Bulgaria as an EU Member State is part of a key Community tool for economic and social recovery from the Covid-19 pandemic, namely NextGenerationEU (2021–2024). The country's recovery and resilience strategy is based on Bulgaria's National Development Programme 2030. This document sets out the national solutions for growth and development. It defines as its strategic goals accelerated economic development, demographic upswing and reduction of inequalities, for the implementation of which 13 national priorities have been identified. Some 22 laws and more than 60 strategies must be adopted in order to implement the RRP. That is why we are unable to go into much detail in this presentation.

As long ago as the summer of 2020, the Bulgarian government was actively involved in preparing and adopting the multi-year financial framework and the new 'NextGenerationEU' instrument, brought into being at the proposal of the European Commission. This is aimed at a sustainable, coordinated and fair recovery of the EU Member States from the Covid-19 pandemic. All the competent national bodies have striven to ensure implementation of this instrument.

## **2. The RRP: an overview.**

Concerning *the sums requested*, in the wake of the European Council of 17–21 July 2020, the financial package envisaged for Bulgaria was set indicatively at around 6.217 billion euros (€) in grants and €4.549 billion in loans. It appears from what is known about the consultations held in the country between July 2020 and June 2022 that Bulgaria does not plan to take advantage of the opportunity for loans.

On 6 November 2020, a first draft<sup>1</sup> of the Plan was submitted to the European Commission in accordance with the guidelines for preliminary consultations with Commission Services. After this it took a long time to get the final version of the plan approved, along with the relevant funding. On 4 May 2022, the European Council approved the assessment of the plan. The allocation of contributions in accordance with the agreements on financial contributions is subject to available funding and a Commission Decision adopted under Art 24 of Regulation (EU) 2021/241 stated that Bulgaria has satisfactorily passed the relevant milestones and targets set out in relation to RRP implementation. On 30 June 2022, the European Commission reduced the total amount of grants under the RRP to €5.6 billion (a reduction of €578 million).<sup>2</sup> This amount corresponds to the funds allocated after deducting Bulgaria's proportional share of the expenses under Art. 6, par. 2 of Regulation (EU) 2021/241, calculated in accordance with the methodology under Art 11 of this Regulation. An amount of €4.636 billion is available for entering into a legal commitment until 31 December 2022. If the update provided for in Art 11, para 2 of Regulation (EU) 2021/241 resulted in an updated maximum financial contribution for Bulgaria, equal to or higher than €6,267 billion, an additional amount of €1.631 billion shall be made available for entering into a legal commitment from 1 January 2023 until 31 December 2023. While this update results in an updated maximum financial contribution for Bulgaria of less than €6.267 billion, the difference between the updated maximum financial contribution and the amount of €4.636 billion shall be made available to cover legal commitments in accordance with the procedure provided for in Art 20, para 8 of Regulation (EU) 2021/241, from 1 January 2023 to 31 December 2023.

The agreement between the European Commission and the Republic of Bulgaria for financing under the Recovery and Resilience Facility was signed on 30 May 2022, and on 13 July the National Assembly of the Republic of Bulgaria passed a law on the ratification of this agreement (SG No 57 of 22 July 2022). With the ratification of the Agreement the financial implementation of the RRP started and a statutory basis was created to ensure the effective implementation of the planned reforms and investments in Bulgaria. All this is a prerequisite for submitting a first request for payment to the European Commission. The operational arrangements are about to be signed. These will provide the necessary basis for establishing implementation of the various milestones and targets, as well as indicate how the Commission will engage and work together with Bulgaria to monitor the plan's execution.

After the Council had approved the Plan, a management and control system was created in Bulgaria, an analysis of the workload of the key authorities was carried out and the information system for management and monitoring of EU funds (ISUN 2000) necessary for the management of the plan was upgraded. The first procedure under the programme

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<sup>1</sup> This draft was published for public consultation on the portal for public consultations: [www.strategy.bg](http://www.strategy.bg). Five interactive presentations of the first project were organised. The first presentation was a general one for the entire plan. Four interactive consultations were held, dedicated to the four pillars of the plan.

<sup>2</sup> Commission note to the Council and European Parliament, RRF: *Update of the maximum financial contribution*, 30 June 2022.

for technological modernisation has already been announced, with BGN 260 million to support small and medium-sized enterprises.

According to the RRP, *the main tasks* facing Bulgaria are education and qualifications, research and innovation, strengthening of small and medium-sized enterprises, decarbonised economy, biodiversity and sustainable agriculture, digitalisation, sustainable transport, development of local self-government, environment, social inclusion, and health care. In addition, the government and the Parliament have set out other very important tasks, including reform of the judicial system, improving the fight against corruption and enhancing the capability of the armed forces. Clearly analysing the numerous and extremely important tasks under the programme is beyond the scope of this paper, so our attention will be focused on social policy issues.

Bulgaria's plan is structured in terms of four of the six pillars of the Resilience Recovery Facility: "Innovative Bulgaria", "Green Bulgaria", "Connected Bulgaria" and "Fair Bulgaria". It contains measures that contribute to all six pillars, with almost all of its components targeting several pillars simultaneously. According to the Commission's assessment, such an approach helps to ensure that each pillar is addressed comprehensively and consistently.

The plan lays the foundations for green and digital transformations of the economy. The measures envisaged for the green transition account for more than 58.9 per cent of total planned expenditures, while 25.8 per cent of the funds will be allocated to digitalisation.

The health, economic, social and institutional resilience pillar includes measures to improve access to education, lifelong learning and health care, as well as promote social inclusion. Education and training provisions include measures to increase the use of higher education to address labour market shortages and promote research, as well as create a platform for lifelong learning. Health care measures include the adoption of a new national health strategy, implementation of the national health information system and construction of a network of outpatient care units, supported by a reform addressing the unbalanced geographical distribution of health care professionals. To promote social inclusion, the RRP includes reforms to improve the coverage and adequacy of the minimum income scheme and measures concerning social services, including long-term care. Social cohesion is expected to be promoted through reform of the minimum income scheme benefitting adults and children, investment in the social economy, modernisation of social and employment services and provision of telemedicine and e-government services in remote areas by repurposing the postal network. The plan will help ensure the ongoing implementation of policies for the next generation, with measures such as mandatory inclusion of four-year-olds in pre-school education; modernisation and construction of educational infrastructure, including kindergartens and school laboratories, as well as opening youth centres throughout the country.

Many of the reforms needed in Bulgaria impact on the labour market, employment protection, social protection/welfare and social assistance.

Measures aimed at improving employability by strengthening skills, including digital ones, are also expected to have an impact on the labour market. Access to teleworking is expected to be improved through the planned measures under the components "Digital Connectivity"

and “Business Environment Reform”. To protect employment, measures are foreseen under the components “Investment” and “Modernisation of the Employment Agency”.

Strengthening active labour market policies is planned through measures under the components “Education and Skills, Investment” and “Provision of digital skills training and setting up a platform for adult learning”. As regards employment, the Ministry of Labour and Social Policy is constantly developing programmes and measures for training, methodologies for improving adult learning and other policy instruments. The Ministry implements policy on the labour market, workforce training and integration of disadvantaged groups. It also analyses labour market information and the results of active labour market policies, and organises surveys of employers’ needs for qualified workers. Implementation of the specified tasks is laid out in the Employment Strategy, the National Reform Programme and the National Employment Action Plans.

Measures under “Education and Skills” are planned to promote equal access to education. They require improvements in the conditions of access to primary education, upgrading digitalisation in education and reform of higher education. Measures related to education and skills, including digital skills, should increase socio-economic resilience by addressing persistent and significant skills shortages and strengthening employability and productivity.

Measures for social assistance, access to education and health care will have an impact on the social protection and welfare system. Social inclusion measures are planned to improve access to integrated social and employment services under the “Social Inclusion” component.

To support the minimum income, measures are planned to change the rules concerning social assistance and the adoption of accessibility and adequacy criteria. This assistance must be defined based on the poverty line for the correspondent year and not, as hitherto, based on a guaranteed minimum income.<sup>3</sup> The planned change will enable more people to obtain assistance.<sup>4</sup> Changes in the system of monthly social assistance will help to solve problems arising from poverty. Raising the social assistance floor, however, has the risk that social assistance becomes too inviting for some people who are able to work, but do not want to.

That is why changes in active labour market policy will also be very important, such as encouraging employers to hire the long-term unemployed by financing minimum income schemes (under government programmes money would be granted to employers to cover wages and social insurance contributions for the employment of different groups of unemployed, such as young people and the disabled).

Another strategic objective of social policy is the protection of social security and other social rights. Legislation continues to evolve to meet the challenges that Bulgaria faces.

Efforts are directed towards finding balanced and lasting solutions for a wide range of issues in order to increase revenue to the social insurance system (which will ensure its adequacy and resilience) and limit its costs. It is also important to adapt the pension system to the emerging demographic and socio-economic conditions, as well as [to secure] the sustainable growth of pension income in accordance with economic growth.

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<sup>3</sup> The guaranteed minimum income is now defined by the Council of Ministers and is BGN 75 (€38). The poverty line for 2022 is calculated as BGN 413 (€207).

<sup>4</sup> While at present 63,000 people can receive assistance, by 2025 their number may be 115,000.

Improving access to health services (by providing financial resources to strengthen the resilience, accessibility and capacity of the health system, including by reducing out-of-pocket payments and addressing shortages of health professionals) will be achieved by implementing measures planned under the “Health Care” component.

### **3. The social and labour dimensions of the RRP.**

In the evaluation made in accordance with Article 19 (3) and the criteria laid down in Annex V of Regulation (EU) 2021/241, the RRP has been assessed by the European Commission and the Council as a balanced response contributing to the six pillars under Art 3 of Regulation (EU) 2021/241 and as addressing all or a significant part of the challenges identified in the Country Specific Recommendations. The contribution to growth potential, job creation and economic, social and institutional resilience is explicitly stated. It is asserted that the Plan includes significant reforms and investments to support the economic, social and territorial cohesion, which contribute to better compliance with the European Pillar of Social Rights. The envisaged measures are expected to help to increase social resilience to shocks, reducing social inequalities and creating opportunities for the most vulnerable groups to enter the labour market. Measures in education are expected to support equal access to quality education and training and to reduce early school leaving rates. In addition, health care measures are expected to strengthen the responsiveness and accessibility of health care and contribute to improving the geographical distribution of health professionals.

In accordance with the economic, political and social situation in Bulgaria and in accordance with the requirements of the European Pillar of Social Rights and the Social Scoreboard, the RRP includes reforms and investments in support of economic, social and territorial cohesion, which contribute to implementation of the principles of the European Pillar of Social Rights in all three areas around which they are structured. These are: equal opportunities and access to the labour market; fair working conditions; and social protection and inclusion. The data collected from previous years for all 12 indicators included in the Social Scoreboard make it possible to identify the main social problems and to choose the means of meeting national targets pertaining to the European Pillar of Social Rights.

The projects included in the RRP will promote equal opportunities for all, while respecting the principle of ensuring equal participation of men and women whenever possible, as well as non-discrimination on the grounds of gender, race, ethnicity, religion or belief, disability status, age and sexual orientation. The reporting of microdata and target groups for individual projects will provide data disaggregated by gender, age, disability status and ethnicity, where possible.

Reforms and investments are expected to improve equal access to quality education and encourage participation in early childhood education by promoting the personal development of young people, and establishing youth centres, among other things. The plan is focused on the modernisation of schools, including setting up science, technology,

engineering and mathematics laboratories to ensure ongoing adaptation to emerging challenges, and in particular to digitalisation.

The Recovery and Resilience Plan is expected to help create jobs and foster Bulgaria's economic, social and institutional resilience, including by promoting policies for children and young people, as well as mitigating the economic and social impact of the Covid-19 crisis. The overall aim is to enhance economic, social and territorial cohesion and convergence within the EU.

To mitigate social vulnerability, it is planned to improve the system of social assistance, in particular through the reform of the minimum income scheme and the modernisation of long-term care for the elderly and people with disabilities.

Large-scale reforms and significant funding by component are foreseen as regards implementation of the recommendations formulated in the 2019<sup>5</sup> and in the 2020<sup>6</sup> cycles of the European Semester.

Out of the four groups of recommendations for 2019, two contain recommendations that are of direct social application. Regarding Specific Recommendation 3, Bulgaria should direct investment policy towards scientific research and innovation. Under Component 2, measures on scientific research and innovation are planned. Regarding Specific Recommendation 4, employability should be improved by strengthening skills, including digital skills.

Out of the four groups of recommendations for 2020, two have a direct social aspect. Regarding Specific Recommendation 1, in line with the general escape clause, Bulgaria shall take all necessary measures to tackle the pandemic effectively, sustain the economy and support the ensuing recovery. Various measures are planned in order to mobilise adequate financial resources to strengthen the resilience, accessibility and capacity of the health system, and ensure a balanced geographical distribution of health workers.

In order to comply with these recommendations, the RRP attaches particular importance to equality between individuals and different groups in society. The main strategic document concerning gender equality is the 2021–2030 National Strategy for Promoting Equality between Women and Men. Its priority areas include the following: the equality of women and men in the labour market and an equal degree of economic independence; reducing the gender pay and income gap; promoting equality of women and men in decision-making processes; combating violence and protecting and supporting victims; and overcoming gender stereotypes and sexism in various spheres of public life. For each priority area, key activities for making progress are indicated. The challenges of achieving equality between women and men in the labour market require measures to boost employment; access to education, vocational training and various forms of lifelong learning; improving occupational qualifications and key competences; and enhance compliance monitoring with regard to labour legislation.

Particular efforts are devoted to vulnerable groups who are at risk of social exclusion and who, because of their social status, have the lowest social resilience to shocks. Poverty and

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<sup>5</sup> OB C 301, 5 September 2019.

<sup>6</sup> OB C 282, 26 August 2020.

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social exclusion are serious challenges, and income inequality is high. Social transfers have a limited impact on reducing poverty and inequality. They are well targeted, but their coverage is not sufficient and they make little contribution to improving the condition of beneficiaries.

Essential to tackling social inclusion are the National Reform Programme and the national position on the Specific Recommendations to the Member States in the area of poverty reduction and the promotion of social inclusion within the framework of the European Semester. In implementing the Action Plan for the implementation of the European Pillar of Social Rights and the European target to reduce poverty by 2030, Bulgaria has set as a national target to reduce the number of people at risk of poverty or social exclusion by 787,000 people by 2030. A National Council on Social Inclusion was established at the Council of Ministers in order to carry out coordination, cooperation and consultation in the development, implementation, monitoring and evaluation of state policy on social inclusion.

This part of the Plan is in line with the Council's Country Specific Recommendations for 2019 and 2020 and will contribute directly to the implementation of Specific Recommendation 2 of 2020, as well as Specific Recommendation 4 of 2019. The planned reform to improve the overall system of social support through codification is intended to overcome the structural challenges hindering social policy in its efforts to reduce poverty and inequalities. For the purpose of implementing social services reform and the project for the modernisation of long-term care<sup>7</sup> it is envisaged to build and equip new, integrated social and health social services for residential care, accompanied by specialised and consultative social services for people with disabilities. Existing homes for the elderly should also be reformed.

The project has a specific component for increasing the energy efficiency of social infrastructure.

Projects for the provision of assistance to people with permanent disabilities and the measure envisaging expanding and modernising opportunities to support operators in the social and solidarity economy will also contribute to economic recovery, given the opportunities created for representatives of vulnerable groups to join the labour market. This is apart from their undeniable effect in terms of strengthening social resilience. Most of the planned investments will have a lasting impact; in other words, their effects will continue after completion of the respective projects.

Reform to develop e-health and the National Health Information System is very important. The objectives set out in sub-priority 12.3 'E-Health' are related to the application of digital technologies to improve the quality of health services and access to medical services. The objectives will be achieved through the introduction of centralised e-health services, including a health information system, health profiles, health records and monitoring, telemedicine, prescriptions and health administrative services.

Reforms and envisaged investments in education are expected: to help reduce the proportion of students aged 13–14 with low computer literacy; to increase the proportion of

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<sup>7</sup> Project implementation will support 332 units of social infrastructure in the process of deinstitutionalising long-term care services for the elderly and people with disabilities, as well as 840 social services units. Total planned resources amount to BGN 753.0 million (BGN 643.2 million from the Recovery and Resilience Facility and BGN 109.8 million of national co-financing). The implementation period is 2022–2026.



people aged 16–74 with basic digital skills; to boost the share of adults taking part in annual training; as well as to increase the proportion of vocational education and training graduates who enter employment and those involved in job-based vocational education and training.

All the measures envisaged for the implementation of the Specific Recommendations of the Council for 2019 and 2020 are also aimed at enhancing scientific research and innovation and unleashing their potential to speed up the economic growth. This part of the plan creates an expectation that by implementing the reforms and investments, Bulgaria's economic development will be encouraged in the long term, while boosting competitiveness and hence economic resilience.

#### 4. Lessons from the previous crisis

On 20 July 2020, the Council recommended that in 2020 and 2021 Bulgaria should take all necessary measures to address the pandemic effectively, sustain the economy and support the ensuing recovery. In its In-depth Reviews carried out since the Covid-19 pandemic the Commission recommended that, when economic conditions allow, Bulgaria pursue fiscal policies to achieve prudent medium-term fiscal positions and ensure debt resilience.

According to Eurostat data (2021) Bulgaria's total government budget deficit grew from 4.0 per cent of GDP in 2020 to 4.1 per cent in 2021. The measures undertaken by Bulgaria in 2021 were in line with the Council Recommendation of 20 July 2020. The discretionary budgetary measures the government adopted in 2020 and 2021 were mostly temporary or matched by offsetting measures.<sup>8</sup> Based on the Commission's spring 2022 forecast, the medium-term (10-year average) potential output growth is estimated at 1.8 per cent.

However, this estimate does not include the impact of the reforms that are part of the RRP and can boost Bulgaria's potential growth.

In 2022, the government phased out the majority of measures taken in response to the Covid-19 crisis, such that temporary emergency support measures are projected to decline from 4.3 per cent of GDP in 2021 to 1.8 per cent in 2022. The government deficit is impacted by the measures adopted to counter the economic and social impact of the increase in energy prices, which in the Commission's spring 2022 forecast are estimated at 0.9 per cent of GDP in 2022 and zero in 2023. These measures consist mainly of support programmes for public

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<sup>8</sup> The macroeconomic scenario underpinning the budgetary projections in the 2022 Convergence Programme is favourable in 2022 and realistic thereafter. The government projects that real GDP will grow by 2.6 per cent in 2022 and 2.8 per cent in 2023. By comparison, the Commission's 2022 spring forecast projects a lower real GDP growth of 2.1 per cent in 2022 and higher real GDP growth of 3.1 per cent in 2023, mainly due to different employment and investment growth projections. In its 2022 Convergence Programme, the government expects that the headline deficit will increase to 5.3 per cent of GDP in 2022, falling to 2.9 per cent in 2023. The deficit increases in 2022, which is cushioned by the phase-out of COVID emergency measures, mainly reflects a steep rise in intermediate consumption, business support and energy measures, as well as pension system amendments. According to the Programme, the general government debt-to-GDP ratio is expected to increase to 25.5 per cent in 2022 and to 27.7 per cent in 2023. Based on policy measures known at the cut-off date of the forecast, the Commission 2022 spring forecast projects government deficits for 2022 and 2023 of 3.7 per cent and 2.4 per cent of GDP, respectively.

utilities and household gas consumers. These measures have been announced as mostly temporary. If energy prices remain high in 2023, however, some of these measures could be continued.

On 18 June 2021, the Council recommended that in 2022 Bulgaria pursue a supportive fiscal stance, based on the impulse provided by the Recovery and Resilience Facility, and preserving nationally financed investment. The Council also recommended that Bulgaria keep the growth of nationally financed current expenditure under control. It also recommended pursuit, when economic conditions allow, of a fiscal policy aimed at achieving prudent medium-term fiscal positions and ensuring fiscal sustainability in the medium term, and at the same time, to enhance investment to boost growth potential.

The RRP includes an extensive set of mutually reinforcing reforms and investments to be implemented by 2026. This help to address all or a significant subset of the economic and social challenges outlined in the Country Specific Recommendations addressed to Bulgaria by the Council in the European Semester in 2019 and 2020; in addition to any Country Specific Recommendations issued up to the date of adoption of a plan. In particular, the RRP addresses the CSRs in the social field with measures to improve social inclusion. These are expected to improve the adequacy and coverage of the minimum income scheme, and to move forward with the integration of employment and social services. In addition, the plan contains far-reaching measures to improve the efficiency of the public administration and justice system, prevent, detect and correct corruption, improve the business environment, foster investment, and improve the research and innovation system. This will also help to support Bulgaria in achieving its remaining commitments under Cooperation and Verification.

The 2022 Country Specific Recommendations related to social and employment protection are aimed at ensuring that growth in nationally funded current expenditure be consistent with an overall neutral policy stance, given continued support for households and businesses most vulnerable to energy price spikes and people fleeing Ukraine. The expectation is to expand public investments for the green and digital transitions and for energy security, including through the use of EU funds. Further efforts are encouraged to make full use of public employment services and to provide integrated employment and social support to mitigate the impact of projected demographic change and support a just green and digital transition. It is also required to ensure the systematic participation of the social partners in the implementation of the RRP, as well as in other economic and employment policies beyond the plan.

The Ministry of Labour and Social Policy will invest a total of BGN 1,224.8 billion, which represents 10 per cent of the value of the entire plan for Bulgaria. This Ministry is the first institution ready to launch a scheme under the Plan. Investments are also aimed at opening new services, hiring and training staff and providing methodological support (opening of 125 social and integrated health/social services for residential care and 125 social services for raising awareness and counselling, advocacy and mediation, therapy and rehabilitation and training for acquiring new skills that can provide quality care for 7,500 people with disabilities.

In the period July 2020–August 2022, five governments (two regular and three caretaker) worked on drafting six versions of the RRP, related to the adoption of the NextGenerationEU plan. The draft plans were subject to wide and active consultations. The planning of reforms and measures under the RRP was repeatedly altered in view of the amendments to the priorities of the political majorities formed in the several parliamentary elections held.

The social partners in Bulgaria have been involved from the very beginning in the elaboration and implementation of the RRP. They were involved in drafting the Plan through well-organised institutional networks and actively participated in the consultation stages.<sup>9</sup>

The government continuously expanded the opportunities for their participation by conducting public consultations aimed at achieving a wider range of participants. This was managed by establishing a special government electronic platform, through which all interested parties (political parties, non-governmental organisations, including social partners) could express their opinions and make proposals. More than 30 opinions on the plan have been expressed on the platform.

In Bulgaria, the possibility of introducing stricter measures has been categorically rejected.

## 5. Final considerations.

The National RRP for Bulgaria reflects national priorities and commitments under the National Reform Programme and the specific recommendations for Bulgaria within the framework of the European Semester and the parameters of the Social Scoreboard. In the three priority areas – employment, education and social protection – additional efforts must be made at the national level because for a third year in a row the country has been plagued by unfavourable political, social and economic processes. They create an adverse business environment, a shortage of qualified workers, social stratification and inequalities.

The inequalities that emerged because of the pandemic will continue to deepen if the promotion of a sustainable and competitive economy based on quality jobs and equal opportunities is not ensured; in other words if social progress does not go hand in hand with sustained economic growth. Social protection is gradually rising as a priority to a level equal to economic and fiscal policy through the planned modernisation and expansion, with a view to mastering the challenges facing the future of work. The expectation is that through adequate legislative measures protection will be provided to all workers regardless of the forms, connections and relationships of their labour. Most importantly, a national minimum income scheme will guarantee protection to all Bulgarian citizens.

Because of the lack of research on the planned reforms and investments, economic or legal analyses are not yet available. The RRP foresees a set of measures that are expected to have a positive and integrated impact on combating poverty and social exclusion, reinforcing

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<sup>9</sup> For details about social dialogue see Rodriguez Contreras R., Sanz de Miguel P., *Involvement of social partners in the national recovery and resilience plans*, Eurofound, Publications Office of the European Union, Luxembourg, 2022, <http://eurofound.link/ef21002>.

the effects of employment, training and qualification measures. In the green and digital transition, constant investment will be needed in education and training, as well as in employability and social participation. The goal of providing children, young people and adults with access to modern education and training via the modernisation of schools and vocational training centres will require adequate implementation of projects within the framework of the planned investments. It is expected that by 2024 the differentiated minimum income will be gradually increased to 30 per cent of the poverty line. The measures aimed at improving the employment rate, provided for in the RRP, are not sufficient to ensure the creation of jobs corresponding to the expected changes in the labour market and continuous demographic deterioration. Measures to cover the unregistered and those not seeking jobs, especially young people not in employment, education or training (“NEETs”), are limited.

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