

“Employment and unemployment educational profile in Bulgaria (1994-2000)”

Vesselin Loulanski

The purpose of the research is to analyze the employment and unemployment educational profile, particularly the influence of the acquired education on the labor force market forms in the process of its labor realization. The main tasks being solved are: 1) Educational potential and human capital analysis as appearance forms of the educational product formed and consumed; 2) Labor force functional market aspects (employment and unemployment) main particularities' investigation as well as the educational ones (demand and supply); 3) Measurement and evaluation of the educational impact on the employment and unemployment in Bulgaria for the period 1994-2000.

The analysis factor is the educational level achieved and the result - employment and unemployment; the study deals with the hypothesis on educational levels. Five educational categories are distinguished: primary, lower secondary, higher secondary, higher education - bachelor and higher education - master and above. The research time span is seven years from the transition of the country to market economy and the alignment of legislation, management practices and research methodology with the EU educational and occupational structures. Data sources are the Labor force sample surveys by the National Statistical Institute, Bulgaria with more than 50 000 respondents per year.

The following elements in the education (as a factor on the labor market) research methodology are applied: the simultaneous use of indexes of range, intensity and potential of the unemployment by educational levels; the appliance of the elasticity apparatus for the factor identification of the range educational impact; the combined use of average and marginal coefficients from one side and scope of their variation from another aiming the measurement of the propensity towards employment and unemployment; the variation of the employment (unemployment) entry and exit rates by educational level, etc. Data analysis includes mathematics-statistical and coherent methods (correlation and multiple regressions of dynamic statistical rows).

The outcomes reveal that the higher employment, respectively the lower level of unemployment is to a bigger degree relatively elastic to the higher educational levels intrinsic to the labor force, thus activating its market realization. The effect of the educational level varies with the age, gender, work experience, previous wage level, marital status, reason for unemployment, unemployment duration, etc. Important finding is that undoubtedly the vocational training guarantees better professional realization in contrast with some academic programs generating “educational unemployment”. In the case of the higher educational levels the income effect is dominating over the replacement effect while the reverse is found true for the lower ones. The higher educational levels increase the propensity towards economic activity and employment, moreover they create employment for the lower educational levels; have higher norm of return of educational investments; prefer secure jobs in the public sector and generally have higher applicability on the market (employed by economy active population). The lower educational levels form the two thirds from the long-term unemployment with higher propensity towards unemployment, intensive flow to the private sector and strong incentive to self-employment.

An implication for the policy is that estimation of the number of students and the reevaluation of the curriculum priorities in conformity with the expected specialization of the national economy will create preconditions for decreasing the risk of unemployment for the new labor market entrants, thus avoiding the increasing unemployment potential in the case of Bulgaria. In this regard a general conclusion could be made that at each stage of economic development the priorities in the level structure and the professional profile of the educational product created should be re-examined as a monitoring system of the specialized and qualification employment structure.

Keywords: human capital, educational product, educational levels, employment and unemployment interrelation, employment policy, economic transition.

JEL classification: E24, I21, J21, J24, J64

The public defend of the dissertation was held on 26.02.2002 at UNWE before the Science council of economic theory and macroeconomics at the Higher certifying commission.

The jury included 18 members - university professors, researchers and government officials.