Съфинансирано от Европейския съюз

Project "Fostering of legal migration from Moldova and Georgia to Bulgaria", implemented by the European Institute and funded by the Asylum, Migration and Integration Fund 2021-2027 of the Ministry of Interior.

NEEDS OF THE LABOUR AND SOCIAL ENVIRONMENT IN BULGARIA RELATED TO THE LEGAL MIGRATION OF THIRD-COUNTRY NATIONALS TO THE COUNTRY

QUANTITATIVE AND QUALITATIVE RESEARCH DATA REPORT UNDER ACTIVITY 2.2

IVO ZHELEV | CONSULTANT

DECEMBER | 2024

#COMETOBG WORK, STUDY & LIVE IN BULGARIA

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METHODOLOGY

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PROJECT OBJECTIVES AND ACTIVITIES

The project **“Fostering of legal migration from Moldova and Georgia to Bulgaria"** is funded by the Asylum, Migration and Integration Fund 2021-2027 of the Ministry of Interior.

The main aim of the project is **to contribute to the implementation, strengthening, and development of an effective common European policy in the field of migration**, in full accordance with the EU law and the international obligations of the EU and Bulgaria. The project intends to achieve this by fostering legal migration to the EU and in particular to Bulgaria among the citizens of Moldova and Georgia; increasing their level of awareness of the full range of possibilities of labor migration; as well as creating conditions for the effective implementation of the bilateral agreements between Bulgaria and respectively Moldova and Georgia on the regulation of labor migration, favoring subsequent integration and social inclusion.

Four main activities are foreseen to achieve the project objectives and results.

The studies presented in this report have been carried out under sub-activity 2.2 **"Determination of the needs of the Bulgarian labour and social environment regarding legal migration of third country nationals to Bulgaria"** of Activity 2 "Researching the potential for legal migration from Moldova and Georgia to Bulgaria and determining the needs of the Bulgarian environment" of the project.

The objective of sub-activity 2.2 is to identify the needs of the Bulgarian labour market; priority sectors with labour shortages and potential for accepting workers from Georgia and Moldova; barriers to entry, including social and legal aspects and cultural differences; adequacy of remuneration; stereotypes of Bulgarian businesses towards migrants; readiness and preparedness of institutions and labour intermediaries; and the possibility of securing the entry and integration process by NGOs, academia, media and human rights institutions.

QUANTITATIVE STUDY

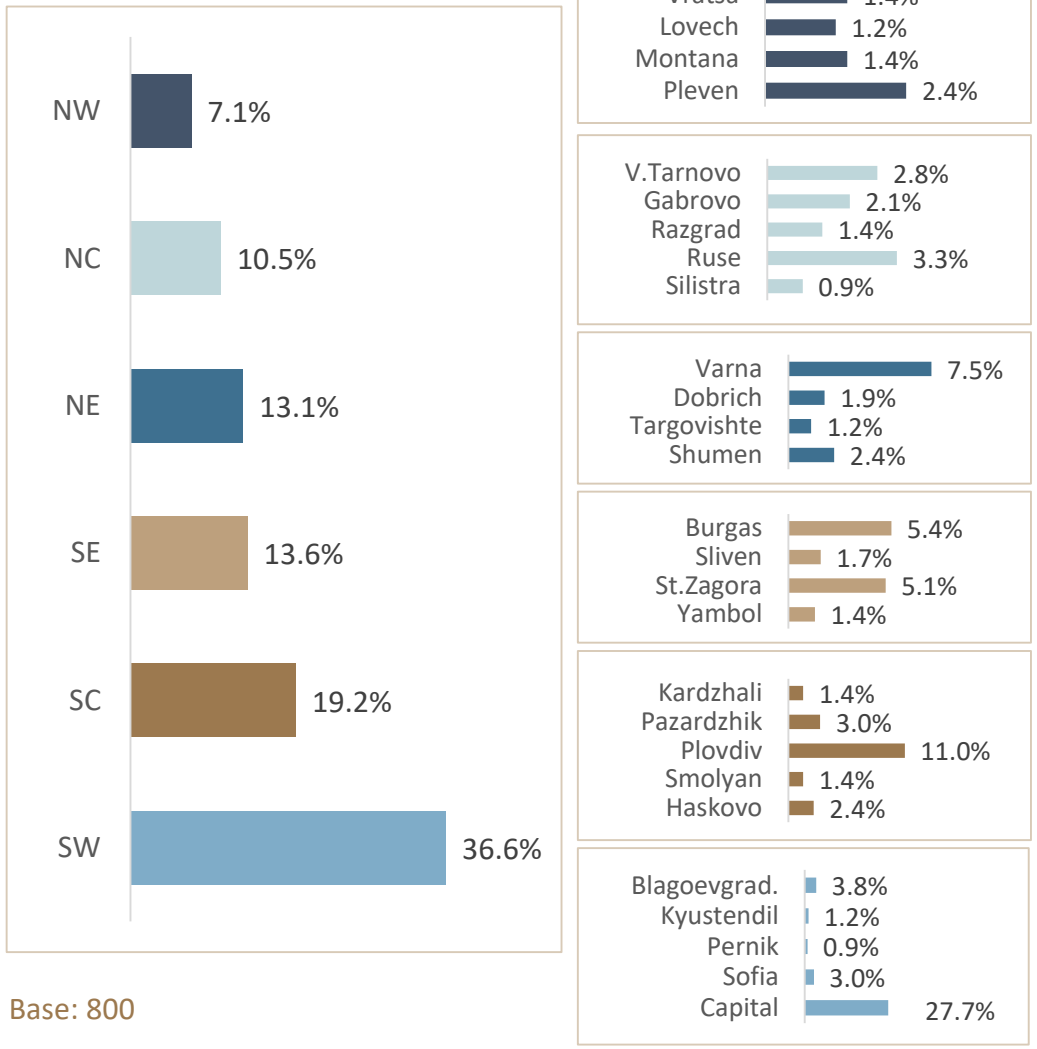
Target group: employers - non-financial enterprises operating in Bulgaria

Representativeness: national
Sample: 800 companies
General population: 461 819 (NSI, 2023)
1% of the sample: ~ 4 618 companies
Statistical error: ± 3.46% for 50% confidence interval 95%

Method: computer-assisted personal interview at the workplace
Period: 21.10-09.11.2024

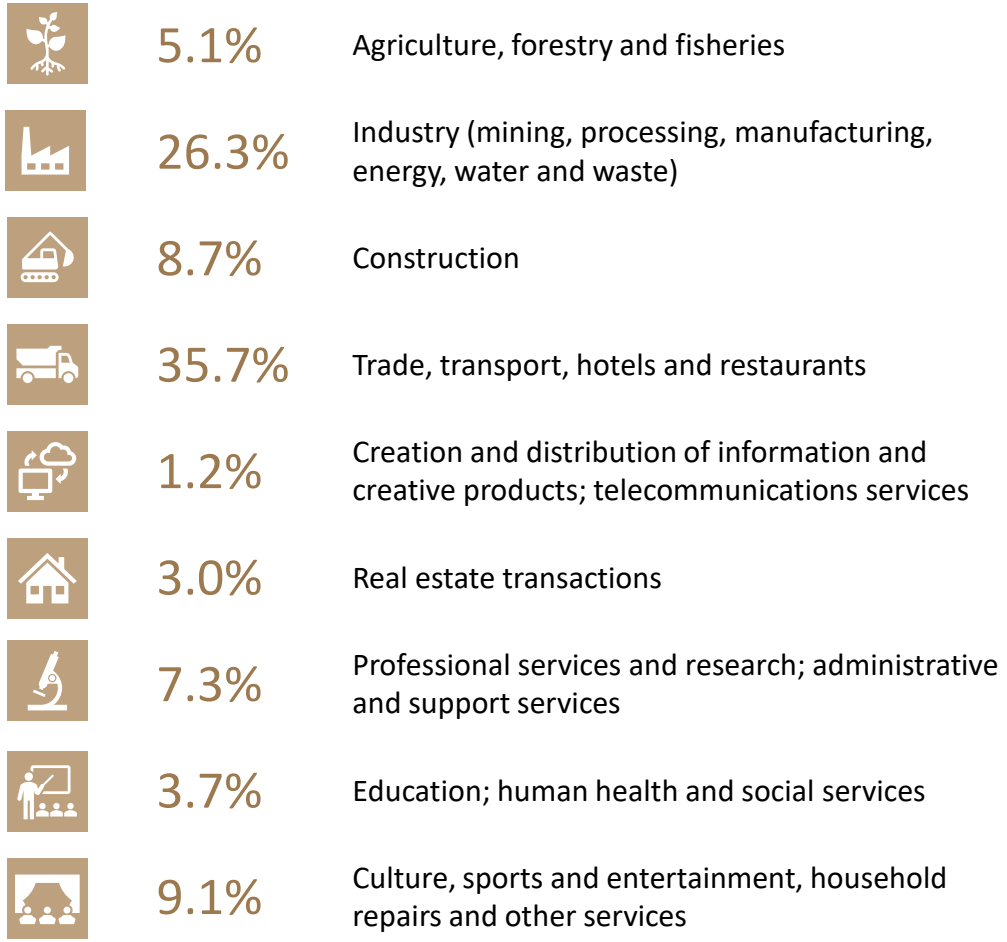
PROFILE OF RESPONDENTS

REGION AND DISTRICT



Base: 800

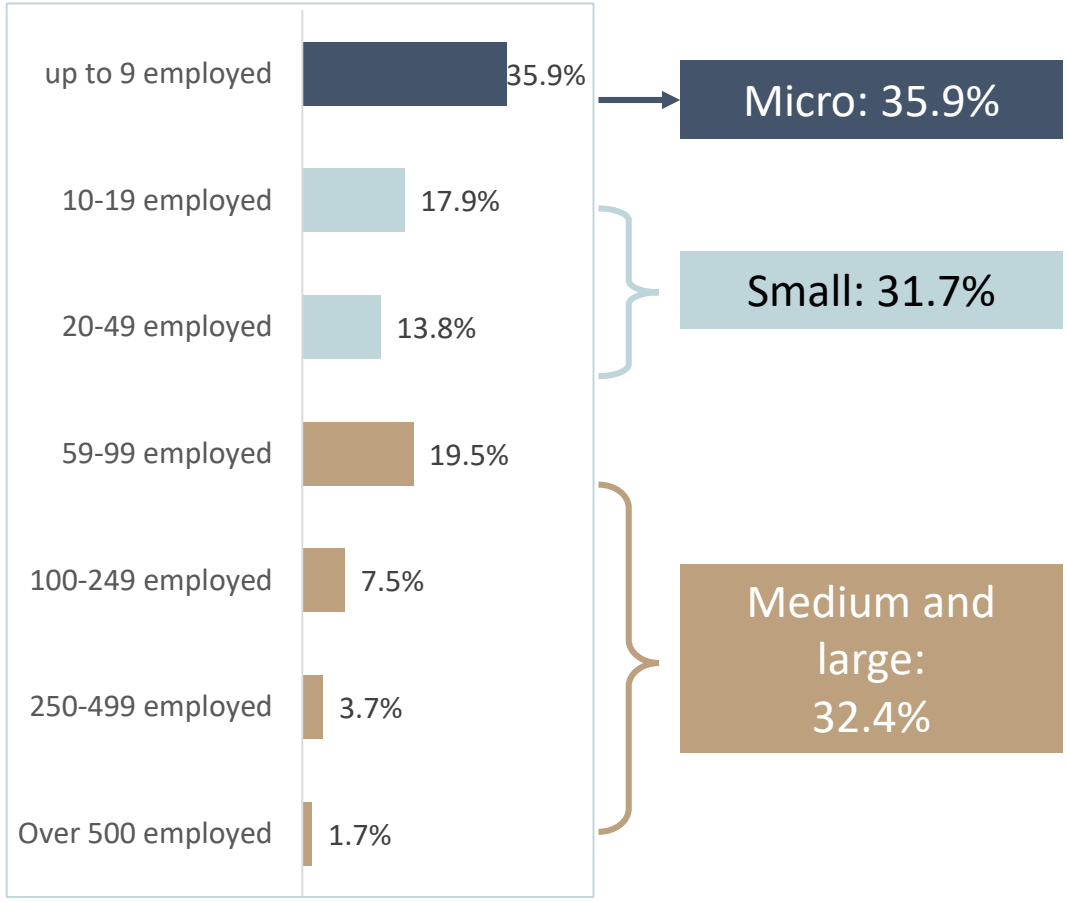
SECTOR



Base: 800

PROFILE OF RESPONDENTS

NUMBER OF EMPLOYEES



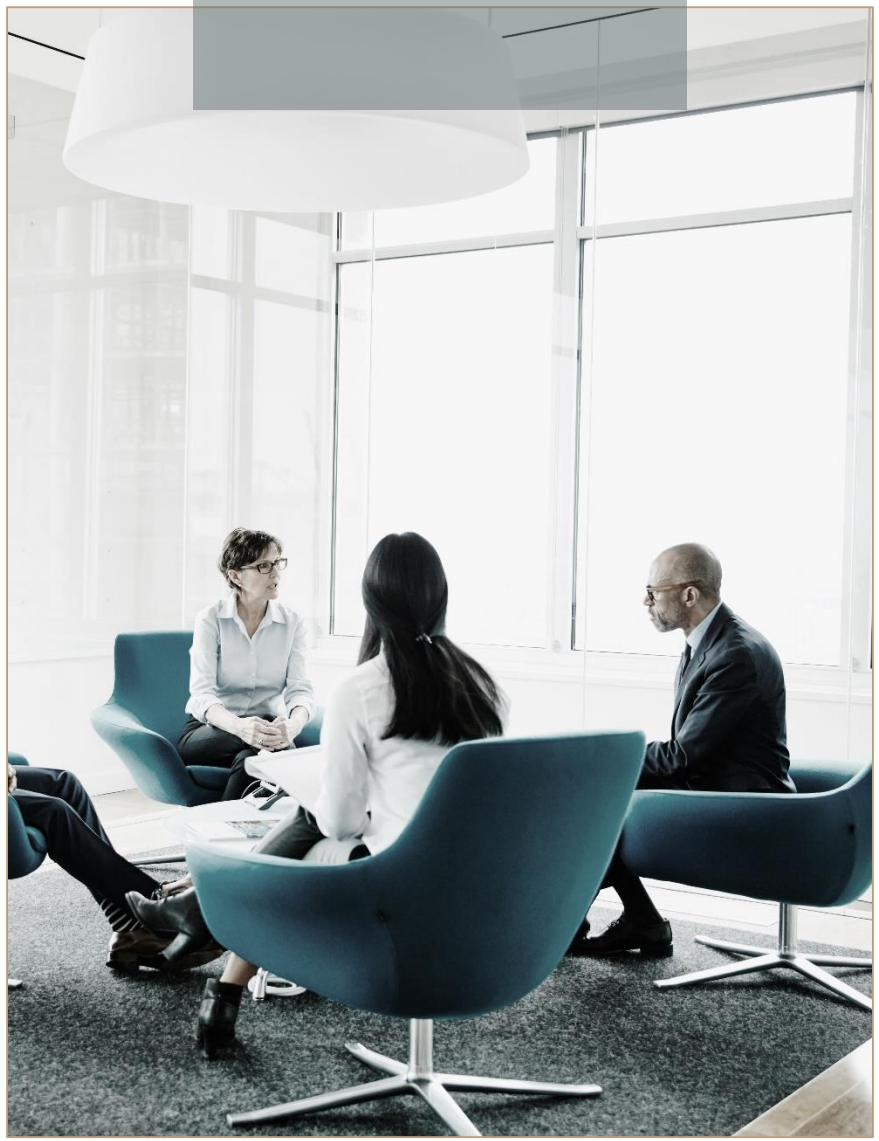
Base: 800

RESPONSIBLE FOR THE SELECTION AND MANAGEMENT OF HR*

9.8%	Human Resources Department with more than one employee
21.1%	Human Resources Specialist (one employee with appropriate experience and education)
15.5%	An employee in another position who also performs the duties of Human Resources (but does not have appropriate experience and education)
51.9%	Representative of the senior management of the company, incl. owner
1.2%	External specialized company

Base: 800

*HR – Human Resources



QUALITATIVE STUDY

TARGET GROUPS /TGs/

Participants:

- Representatives of the Tripartite Cooperation Council (1 person)
- Other stakeholders - NGOs, media, academia (1 party)

IN-DEPTH INTERVIEWS /IDIs/

Participants:

- HRs in operating companies with experience in hiring foreign nationals (7 people)
- Representatives of employment intermediaries registered with the Employment Agency to carry out job placement activities abroad (3 people)

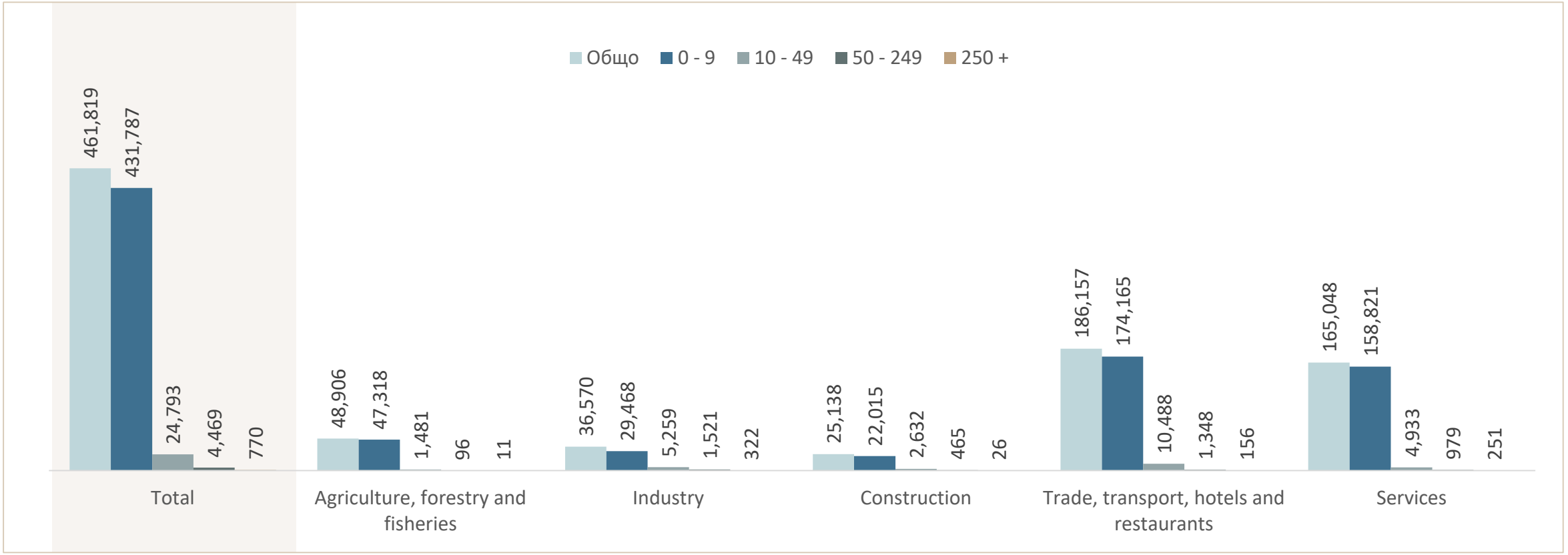
Period: 21.10-06.12.2024

LABOUR MARKET

State of play, problems and prospects

STATISTICAL DATA

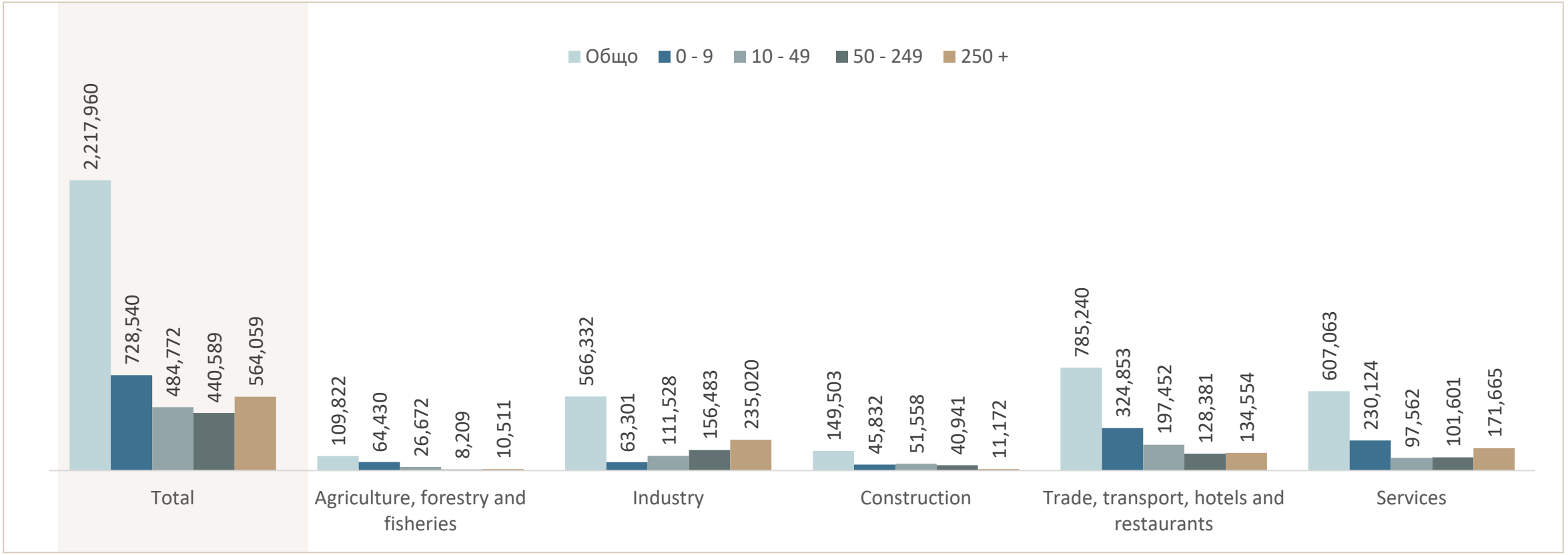
NUMBER OF NON-FINANCIAL ENTERPRISES IN SECTORS AND GROUPS BY NUMBER OF EMPLOYEES, 2023



Source: NSI, Labour Market

STATISTICAL DATA

NUMBER OF EMPLOYEES IN NON-FINANCIAL ENTERPRISES BY SECTOR AND GROUP BY NUMBER OF EMPLOYEES, 2023



Source: NSI, Labour Market

STATISTICAL DATA

2 849.8 thous.

Employed persons (15-64 years) in the third quarter of 2024

108.1 thous.

Unemployed persons (15-64 years) in the third quarter of 2024

1 018.0 thous.

Persons outside the workforce (15-64 years) in the third quarter of 2024

2 958.0 thous.

Workforce (15-64 years) in the third quarter of 2024

Source: NSI, Labour Market

STATE OF THE LABOUR MARKET

The workforce in Bulgaria is insufficient and will decrease every year. The main reasons are negative natural growth, ageing of the population and emigration as a result of educaton, work and development opportunities in EU countries.

This has led to **major changes in the labour market** over the last 15 years - it has gone from employer-driven to employee-driven. This trend is lasting.

"In 2010, the labour market was employer-driven, i.e. employers had the power to choose the best workers from what was available on the market, or to put it simply - whenever one placed an advert, there were 20-30 candidates from which one could choose 5 who were top candidates. Now, whenever I put up an advert, there are 2-3 candidates, out of whom one is impossible to contact, the other fits 50% of the profile and the third is a compromise, overall no candidates. A lot of employment is offered and when one has a choice, the right mix of pay and workload is chosen and employers are accordingly disadvantaged."

/IDIs, Project Manager "Import of personnel", Retail Industry/

There is currently **a significant shortage of personnel for high-level managerial positions, specialized roles, low-qualified jobs**, and industry-specific positions. Recruitment of mid-level staff, particularly for administrative roles, is considerably easier—desk-based, office work with standard hours is strongly preferred over physical labour and shift-based employment.

“Administrative roles are the easiest to fill. There is a large pool of candidates, and they are active—they are proactively searching and applying for jobs by themselves. The most difficult to find are highly specialized professionals in the IT sector, such as programmers and architects. Executive-level positions are also extremely challenging to recruit for—it is very difficult to get to individuals who already occupy senior management roles and who are capable of leading an entire team, department, etc.”

/IDIs, Senior Recruiter, IT Industry (Entertainment)/

The shortage of candidates for managerial and highly specialized positions is primarily due to the very limited number of individuals who possess the necessary qualifications and skills, most of whom are already employed by competitors.

STATE OF THE LABOUR MARKET

Staff for low-level positions are extremely difficult to recruit due to **unfavourable working conditions and a widespread reluctance to engage in physical labour**. The problem is most pronounced in Sofia, where the unemployment rate is the lowest, and salaries, gains and benefits are the highest due to intense competition among employers.

"The compromise that many employees are unwilling to make is working longer hours. They want to work minimally, ideally 3 to 4 hours a day, whereas our business model is based on offering dynamic work environment that involves high workload. That includes shifts, weekends, holidays, and so on, which makes the job profile quite complex and unattractive. I believe this explains why we are facing difficulties."

– IDIs, Project Manager, "Import of Personnel", Retail Industry

The issue of recruiting staff for lower-level positions is expected to worsen, largely due to the characteristics of Generation Z entering the labour market—"digitalized" young people for whom manual work is unfamiliar and undesirable, and who do not perceive a need to adapt in this direction.

New generations also have very different expectations of the workplace compared to previous ones. They prioritise work-life balance and flexibility, and are unlikely to accept a job if these expectations are not met. They tend to seek quick results with minimal effort, communicate primarily in writing, and believe they deserve more in terms of salary and benefits. This challenges employers to be flexible and creative in developing solutions and options that meet the needs of both sides.

"Young people are looking for very quick results. I would say they are searching direct, ready-made outcomes, without necessarily going through the preceding steps. They have a distinctly different communication style, in particular Gen Z. They prefer to write rather than engage in direct communication, yet at the same time, they have high expectations for support and benefits they believe they deserve. [...] The onboarding process is different, the work environment is different, and so are their expectations. That's why employers need to become more flexible, think outside the box, and adopt a different approach than before."

/IDIs, HR Manager, Retail Industry/

STATE OF THE LABOUR MARKET

The education system is also not aligned with the needs of the labour market. Although companies attempt to engage with schools and universities, business demand for certain professions—often key roles such as pharmacists with a master's degree, engineers, and others—remains unmet.

There is no strategy to ensure a supply of staff in sectors where even more severe shortages are expected in the future, such as energy, pharmaceuticals, and industry.

Graduates possess a very low level of knowledge and skills, requiring significant investment of time and resources to meet even the basic requirements for the positions.

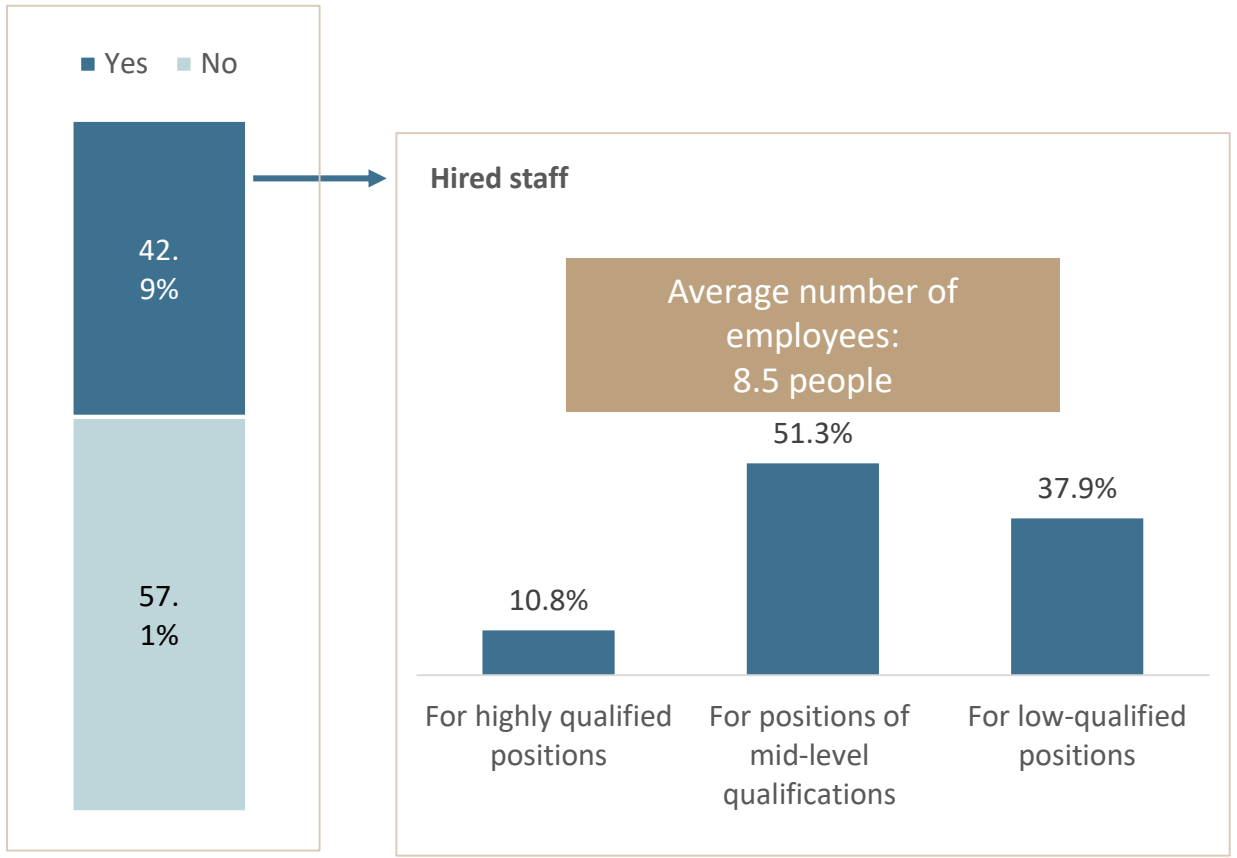
"The workforce is not only insufficient, but also unqualified—we are seeing the result of the education system."
/TGs, representative of Podkrepa Confederation of Labour/

Employers believe that during the educational process, an **illusion is created that everyone will find fulfilment in a high-level position**, working in an office and with a computer. As a result, many essential jobs are viewed as "non-prestigious" and applying for them—even as a first job—is dismissed entirely as a viable option.

"The main problem is that our children (the younger generation), the ones we want to attract and the ones every business wants to attract in order to keep them longer, to work longer, to build a relationship with the company (loyalty), have no real idea about real life and life's work, neither at school nor at the university. At least these are my observations. They all imagine that they will work in an office, on a computer. But then who would transport goods, who would load them, who does what? There are a lot of professions that they neglect in their minds, and that are actually the key link for us to be able to get everything we need."
/IDIs, HR Business Partner, Logistics, Retail Industry/

STAFF RECRUITMENT

HAVE YOU RECRUITED ANY STAFF IN THE PAST 12 MONTHS, AT WHATEVER LEVEL?



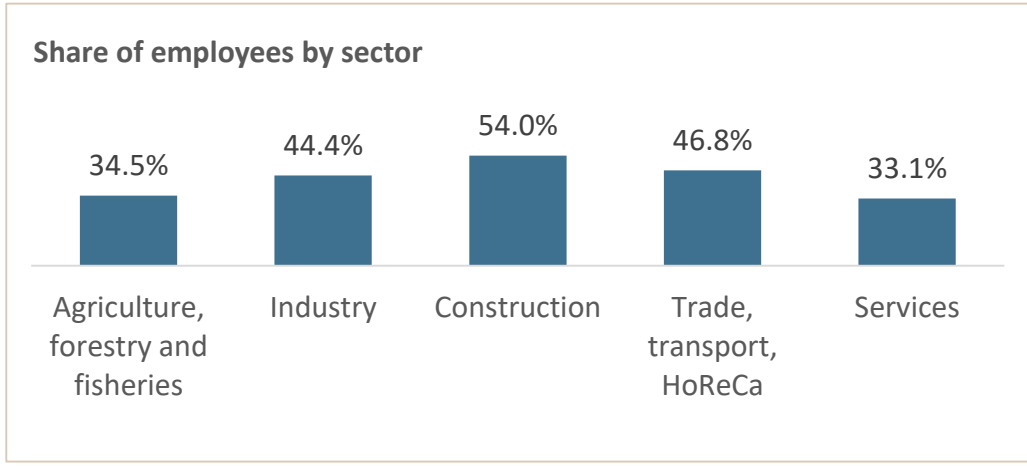
Base: 800

Base: 343 who hired staff in the past 12 months

43% of the companies (~ 198.1 thousand) recruited staff over the past year. Recruitment was primarily for mid-skilled positions, accounting for 51% of new hires.

Most staff are recruited by companies with more than 50 employees—nearly 60% of such companies. Among enterprises with 10–49 employees, 51% reported hiring, while only 20% of the enterprises with 9 or fewer employees did so.

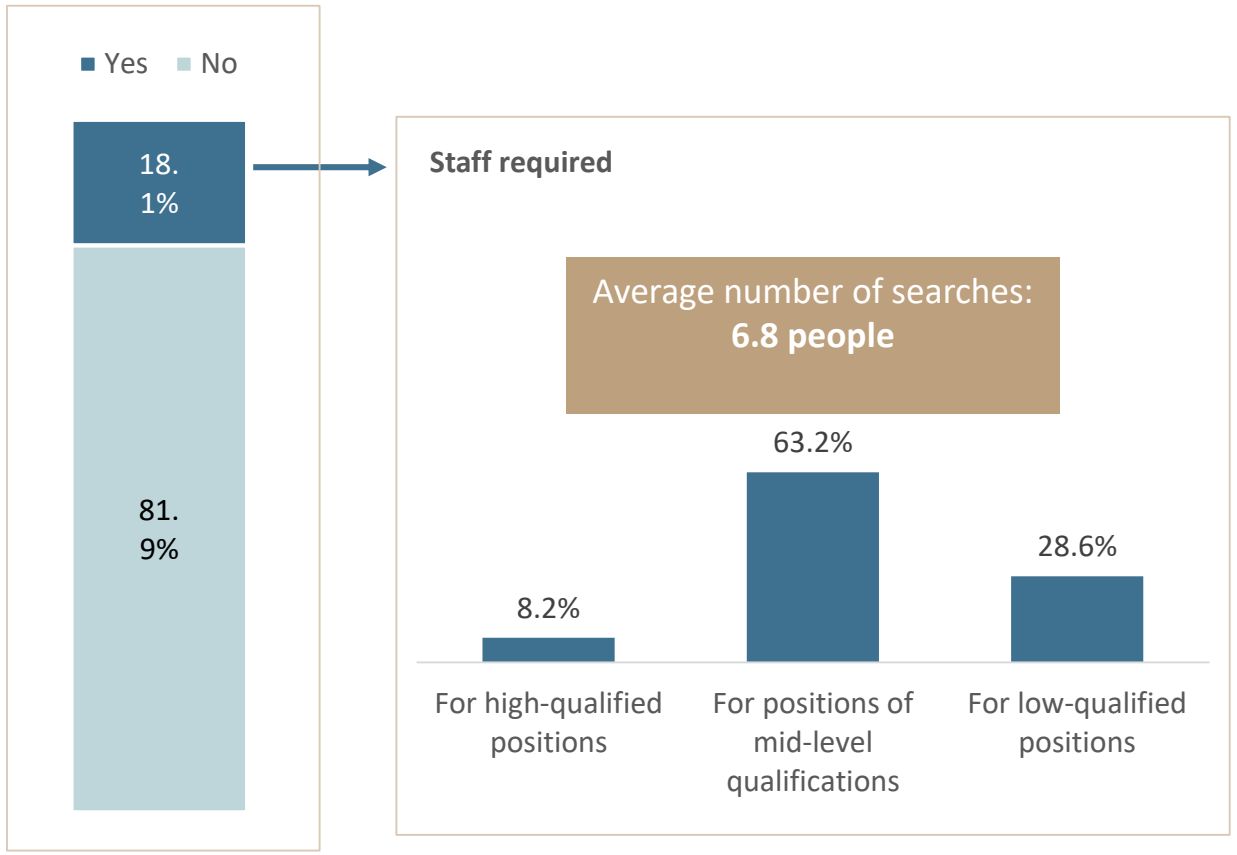
The highest proportion of companies that hired staff in the past year is in the construction sector.



Base: 343 who hired staff in the past 12 months

STAFF SHORTAGES

DOES YOUR COMPANY CURRENTLY EXPERIENCE STAFF SHORTAGES?



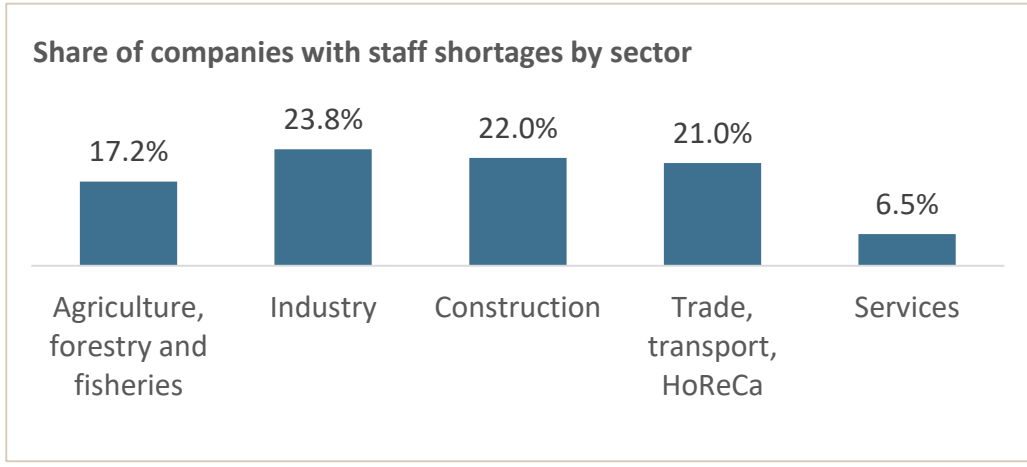
Base: 800

Base: 145 understaffed companies

18% of companies (~ 83.6 thousand) are experiencing staff shortages. The majority of demand is for mid-level positions, accounting for 63%.

While shortages are present across all types of companies, they are most significant in medium and large enterprises (with over 50 employees) where 27% report lack of staff. In small enterprises (10–49 employees) the share is 17%, and in micro enterprises - 11%.

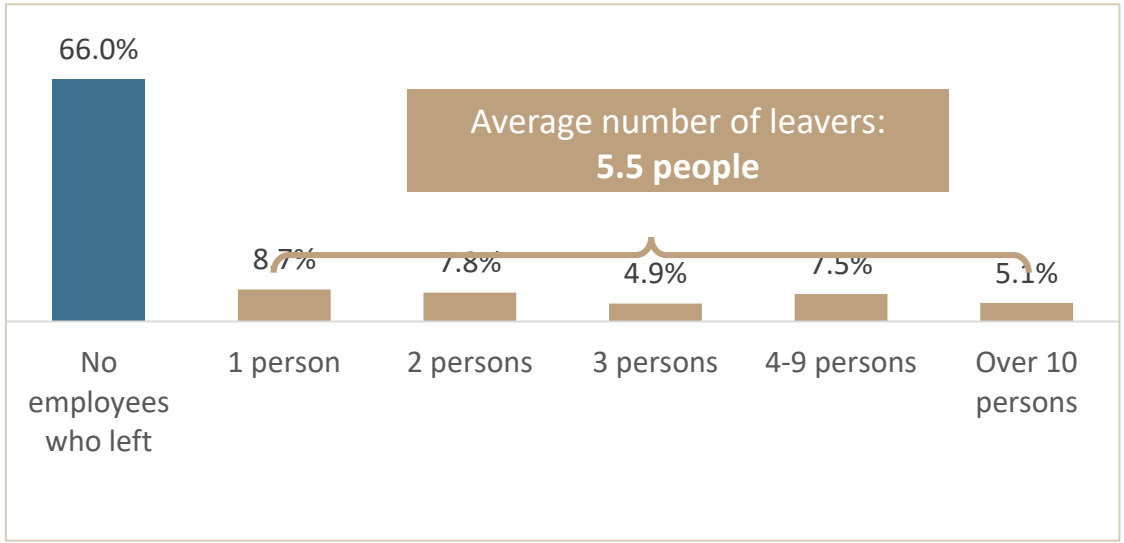
The most pronounced staff shortages are in the industry, construction, and trade sectors.



Base: 145 understaffed companies

PERSONS WHO LEAVE AND LAY-OFFS

APPROXIMATELY HOW MANY PEOPLE HAVE LEFT YOUR COMPANY (EITHER LAID OFF OR WHO LEFT VOLUNTARILY) IN THE PAST 12 MONTHS?



Base: 800

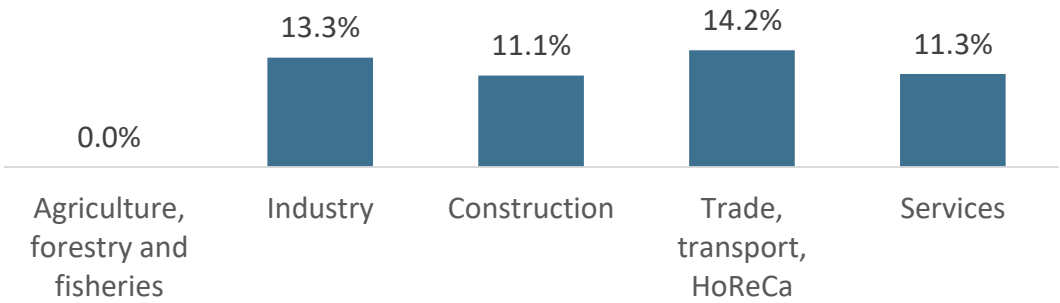
STAFF TURNOVER = $\frac{\text{Number of employees who left}}{\text{Average number of employees}}$ x 100

In 66% of the companies (approximately 304.8 thousand), no employees left or were laid off. In the remaining 34% of the companies, the average staff turnover rate was 13%.

The highest turnover was observed in micro enterprises - 28.0%. In companies with 10–49 employees, turnover stood at 14.1%, while in medium and large enterprises (50+ employees) - 7.5%.

The trade and industry sectors reported the highest levels of employee turnover.

Staff turnover by sector (average)



Base: 254 companies with employees who

UNUSED POTENTIAL

Employers are mobilising all available channels to access the workforce — job boards, social networks, personal contacts, referrals from colleagues, LinkedIn, and others. Campaigns are carried out among high-schoolers and students. Employers work directly with universities—they attend lectures, take part in initiatives, organize career days, distribute gifts at graduation events, and attend academic year openings. They also offer internship and trainee programmes.

Among the short-term strategies is the **focus on existing human resources** by ensuring a better internal working environment, security, respectful treatment, equal rights, and good benefit package.

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"The idea now is how each employer can offer a package that is attractive not only in terms of salary but also in terms of working conditions and benefits. This is a complex challenge—being appealing not only at the start, during selection and recruitment of people, but also later, in retaining people. You may succeed in attracting them initially, but if you can't provide a sustainable model for retention, you ultimately gain nothing."
/IDIs, Project Manager "Import of Personnel", Retail Industry/

Most business representatives state that **there are unused human resources in Bulgaria**—unemployed individuals, people who are neither studying nor working, Roma communities, people with disabilities who have the ability and willingness to work. In practice, however, these groups are small, difficult to reach and require significant investment to activate.

"It's not just about outreach, it's more complex - it's also a matter of infrastructure and the uneven distribution of employers across the country, which we all recognise. Many of these inactive persons, even if they are willing to work, need to be made employable—through investment, at the very least in some form of training. They also need to be brought closer to jobs, whether virtually, through infrastructure and transport, or by relocating entirely. Yes, the potential exists, but the issue of tapping into it and putting it to use is complex."
/FGs, MLSP representative/

According to others, this potential is almost entirely exhausted.

"There are no reserves, if there were some, we wouldn't be importing staff."
/IDIs, Project Manager "Import of Personnel", Retail Industry/

THE ALTERNATIVE

Hiring foreign nationals in Bulgarian companies is defined as "inevitable“, given the demographic crisis and the unfavourable forecasts for the labour market in Bulgaria.

“There must be foreigners, simply because there are not enough Bulgarian staff. The issue we face now is demographic, it’s not about unwillingness.”

/IDIs, Manager, Tour operator and registered intermediary for carrying out job placement activities abroad/

It's been happening **in the past few years in almost all large companies** that need low-qualified staff - some are in the initial phase, with a few people, others with a few dozen. The biggest progress has been in tourism - in some companies the share of foreign nationals among staff exceeds 30%.

“2/3 of our staff are Bulgarian. Naturally, we have our core teams at the sites - these are employees who have been with us for years. [...] Housekeepers, kitchen helpers - these are typically hired for three-month periods. Those hired for six months tend to be more experienced; in these cases, we approach people we've already worked with and are satisfied with, some of them have been with us for three to four years. We maintain our relationships with them.”

/IDIs, HR Manager, Tourism (Resorts)/

Labour migration is seen as both a challenge and an opportunity—a challenge due to the complexity and burdensome nature of the procedures, the difficulty of adjustment, and the many uncertainties surrounding integration; and an opportunity because it broadens perspectives, opens a door to the outside world, and creates potential for attracting investment.

The “import” of personnel is considered a viable alternative primarily in sectors with a need for low-qualified workers—such as tourism, HoReCa, construction, transport, trade, and certain industrial subsectors. In the pharmaceutical sector, however, this approach is largely unfeasible, as most roles require highly specialised professionals and the language barrier presents an almost insurmountable obstacle.

"We handle over 100 vacancies a month. This is something of key significance for us, but at the same time importing staff from outside for these positions is impossible, because the regulations for their diplomas are such that we can only work with pharmacists who have graduated in Bulgaria.”

/IDIs, Senior HR Manager, Pharmaceutical Industry/

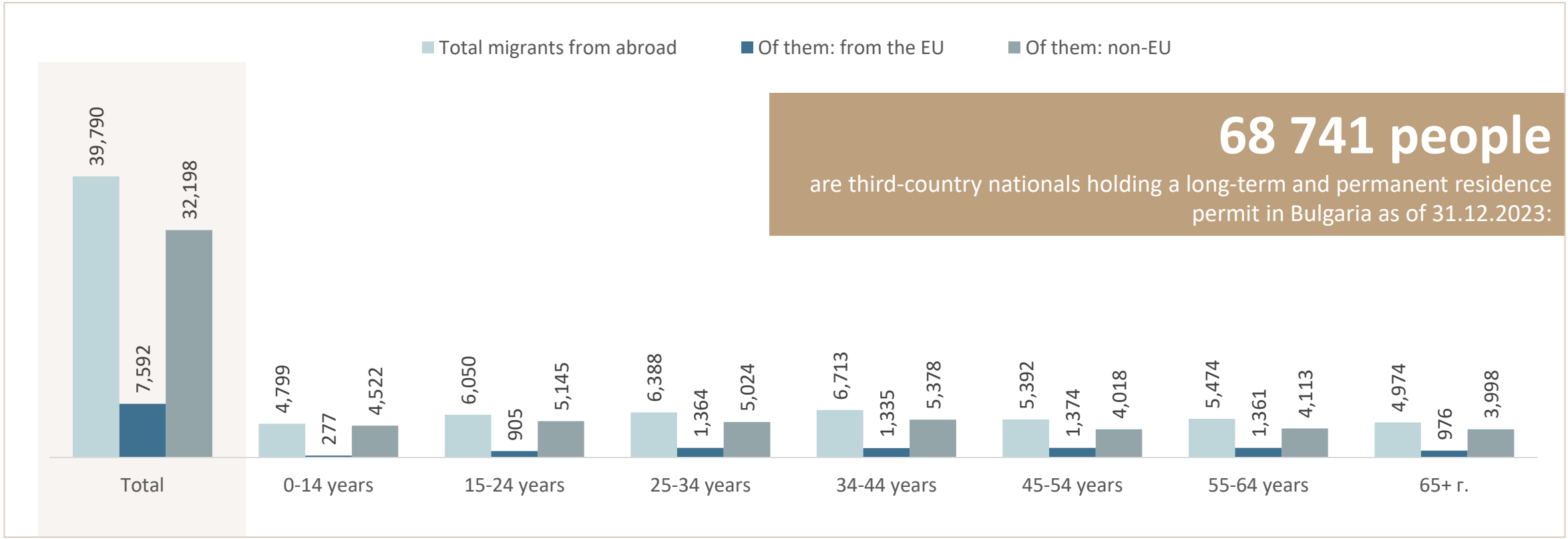
ATTITUDES TOWARDS MIGRATION AND IMMIGRANTS

Perceptions, views on status, acceptance

STATISTICAL DATA

Definition: Migration is the mechanical movement of the population. Migrants are individuals who have changed their usual place of residence (current address). Migration is considered external when a person moves their usual residence from the country to abroad, or from abroad to the country.
(Source: NSI, Methodology)

EXTERNAL MIGRATION FROM ABROAD TO THE COUNTRY (IMMIGRANTS) BY AGE AND CITIZENSHIP OF MIGRANT PERSONS, 2023



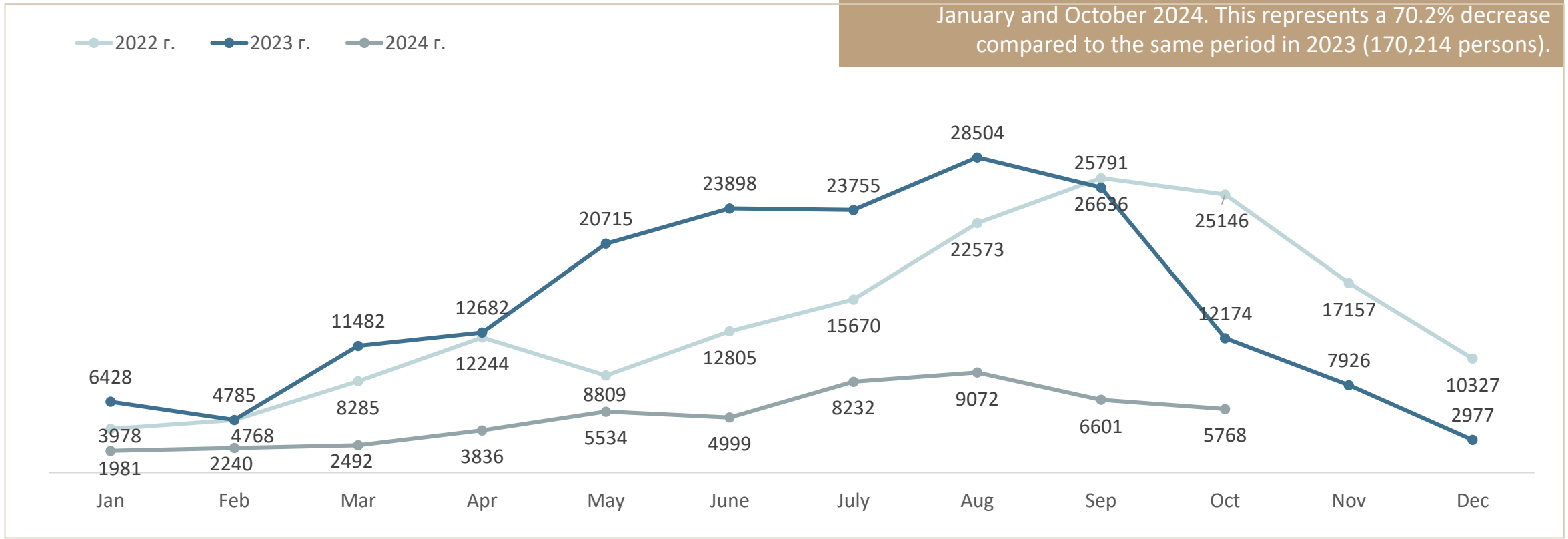
Source:NSI

STATISTICAL DATA

OVERALL MIGRATION PRESSURE (IRREGULAR MIGRATION) BY YEAR AND MONTH, IN NUMBERS, 01.2022-10.2024

50 755 persons

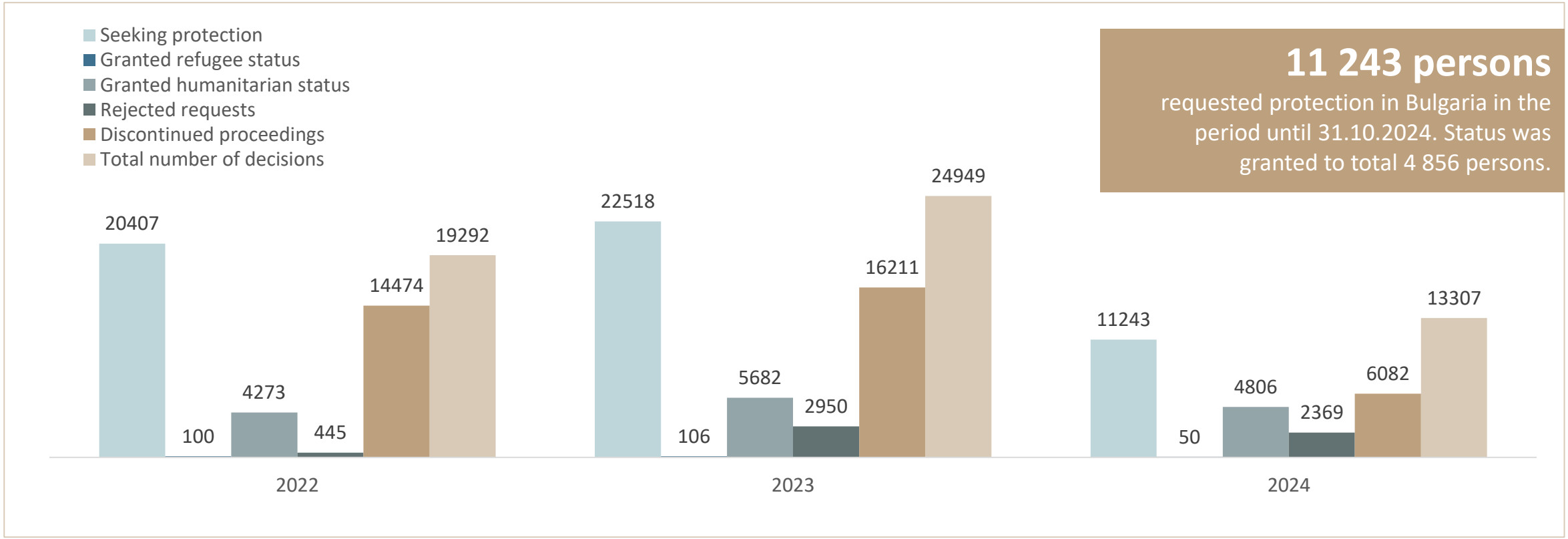
attempted to cross the country's borders at an entry point between January and October 2024. This represents a 70.2% decrease compared to the same period in 2023 (170,214 persons).



Source: MoI, Migration Statistics

STATISTICAL DATA

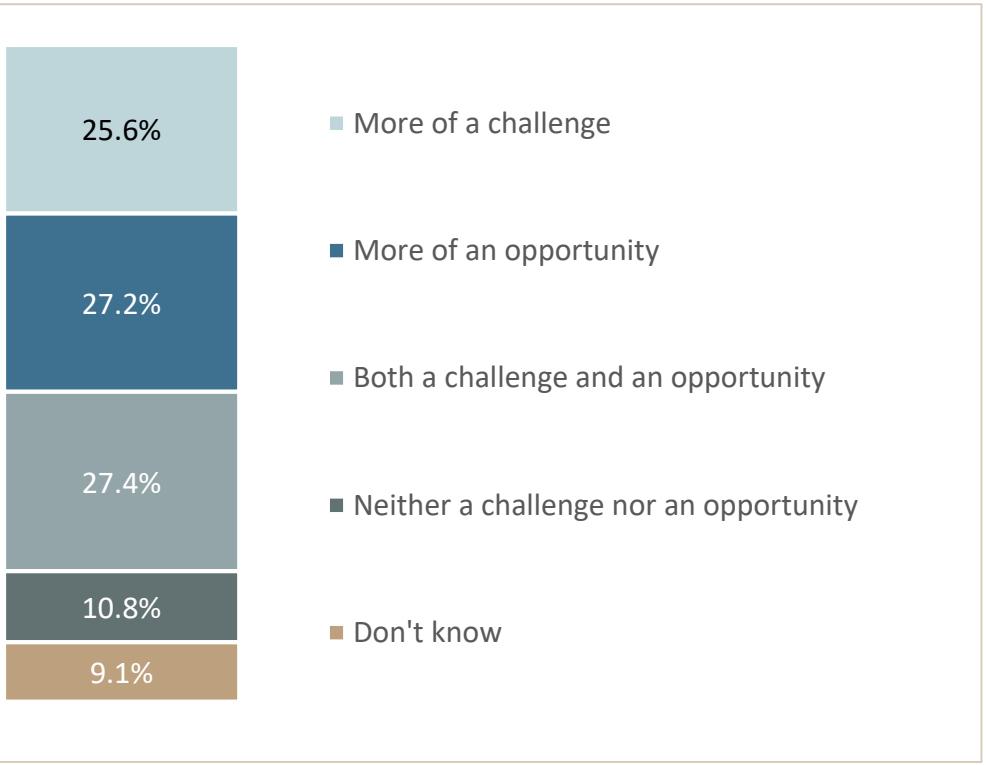
NUMBER OF PERSONS SEEKING PROTECTION AND NUMBER OF PERSONS WHO WERE GRANTED REFUGEE OR HUMANITARIAN STATUS, 2022-10.2024 Г.



Source: State Agency for Refugees

ATTITUDES TOWARDS IMMIGRATION

IN YOUR OPINION, IS IMMIGRATION TO BULGARIA FROM NON-EU COUNTRIES MORE OF A CHALLENGE OR AN OPPORTUNITY FOR THE COUNTRY?



Base: 800

Entrepreneurs are almost evenly split in their perceptions of immigration to Bulgaria, as 26% of them view it as a problem, while 27% see it as an opportunity. An equal share (27%) consider it both a problem and an opportunity.

The largest share of companies that view immigration as an opportunity is found among those experiencing staff shortages — 52%.

The size of enterprises and the area of operation are also decisive factors.

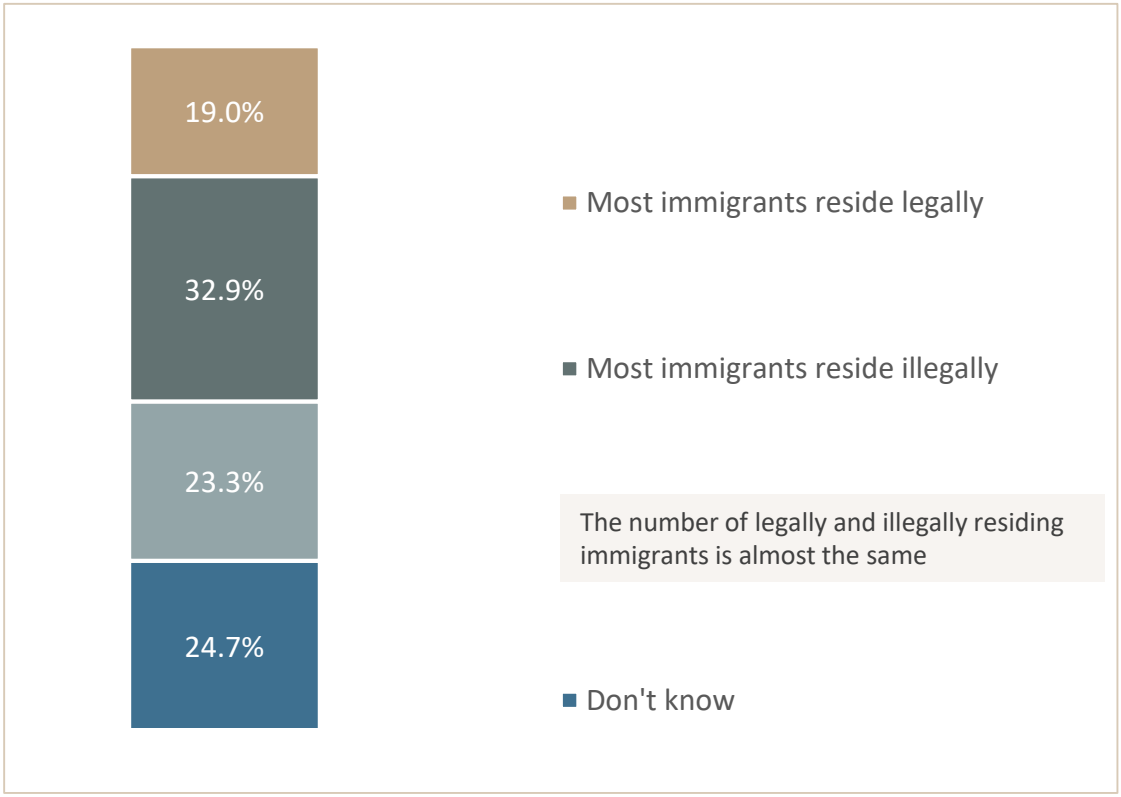
For medium and large enterprises, immigration is more often seen as an opportunity (39%), whereas for micro enterprises - as a problem (35%).

In the economically strongest regions, the South-West (SW) and South-Central (SC), 36% and 29% of entrepreneurs respectively see immigration as an opportunity. However, 29% of entrepreneurs in the SC region and 27% in the South-East (SE) region also perceive it as a problem.

There is no significant sectoral variation in these perceptions.

VIEWS ON THE STATUS OF IMMIGRANTS

IN YOUR OPINION, ARE MOST IMMIGRANTS RESIDING IN BULGARIA LEGALLY OR ILLEGALLY?



Base: 800

One in three business representatives believe that most immigrants in Bulgaria are residing illegally. In contrast, 19% hold the opposite view. According to 23%, the number of legal and illegal residents is roughly equal.

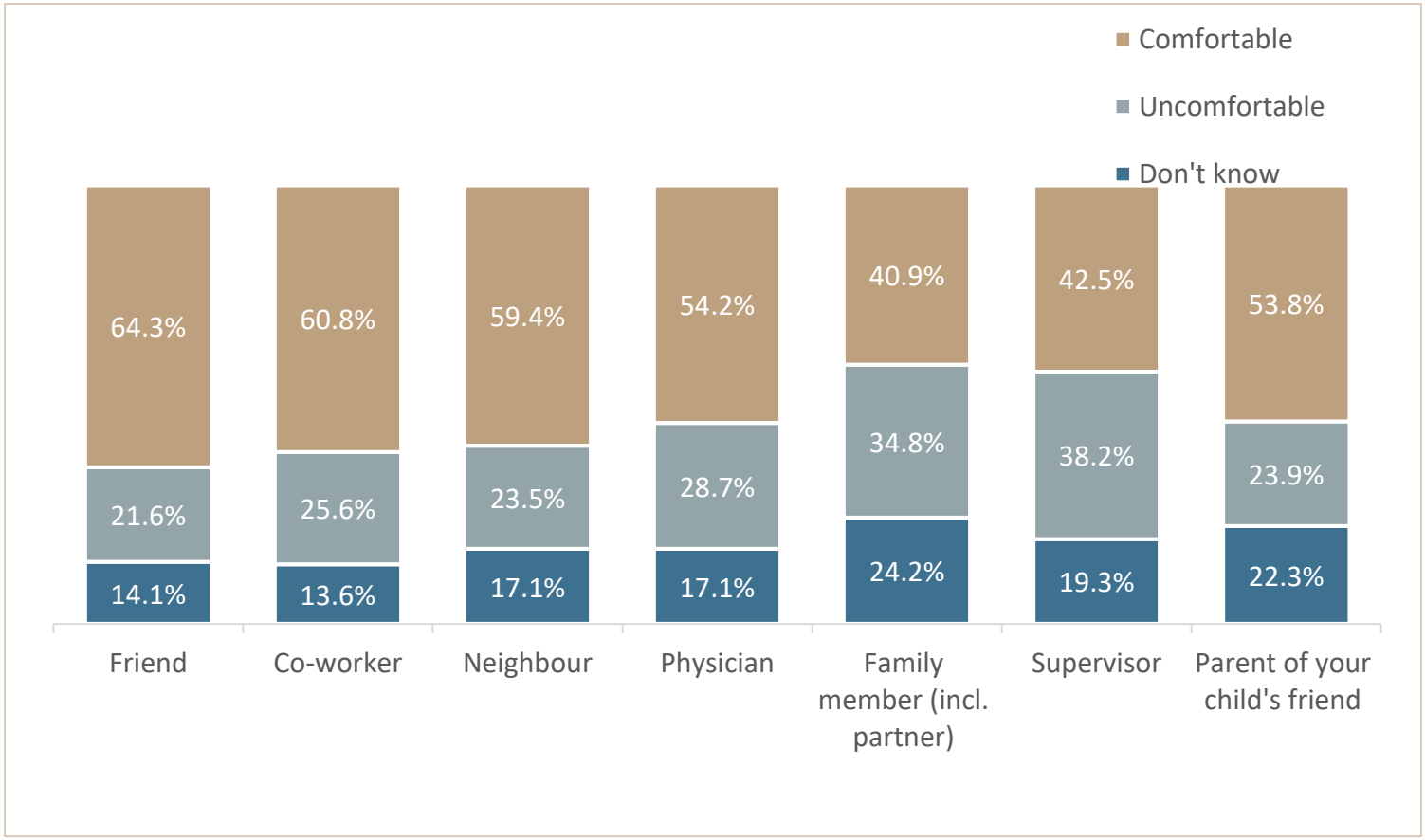
Micro-entrepreneurs are the most sceptical—44% of them believe that the majority of immigrants are residing illegally. Among medium and large companies, this share is significantly lower, at 21%.

More than half of the farmers (52%) claim that most immigrants are residing illegally. In the other sectors this perception aligns more closely with the national average. The largest share of those who believe most immigrants reside legally is found in construction (28%) and in trade and HoReCa (22%).

The highest percentage (49%) of respondents who believe most immigrants are illegal residents is in the SC region which experiences the greatest migration pressure. Elevated levels are also observed in the NC (40%) and NW (39%) regions, both significantly above the national average for this indicator.

ATTITUDES TOWARDS IMMIGRANTS

WOULD YOU PERSONALLY FEEL COMFORTABLE OR UNCOMFORTABLE HAVING AN IMMIGRANT AS YOUR...?



Base: 800

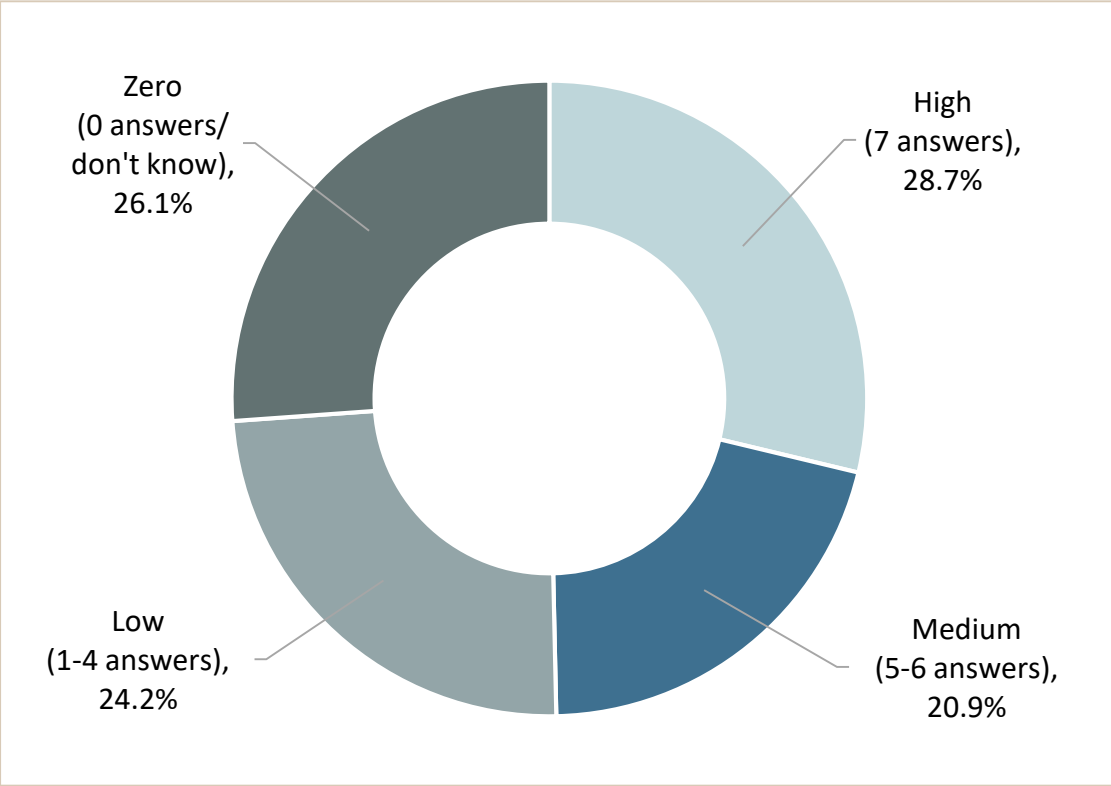
Most employers would be comfortable with immigrants in their close friendship/parenting circle, but not as family members and especially not as supervisors. The highest level of discomfort was reported in relation to immigrants as one's supervisor, with 38%.

The largest share of such people is among those who perceive migration as a problem (up to 73% of them), as well as among those who believe that most immigrants are residing illegally in Bulgaria (62% of them).

LEVEL OF TOLERANCE

LEVEL OF TOLERANCE

Number of respondents for "very comfortable" and “rather comfortable".



Base: 800

The tolerance level was calculated based on the number of respondents who answered "very comfortable" or “rather comfortable" to each option in the previous question.

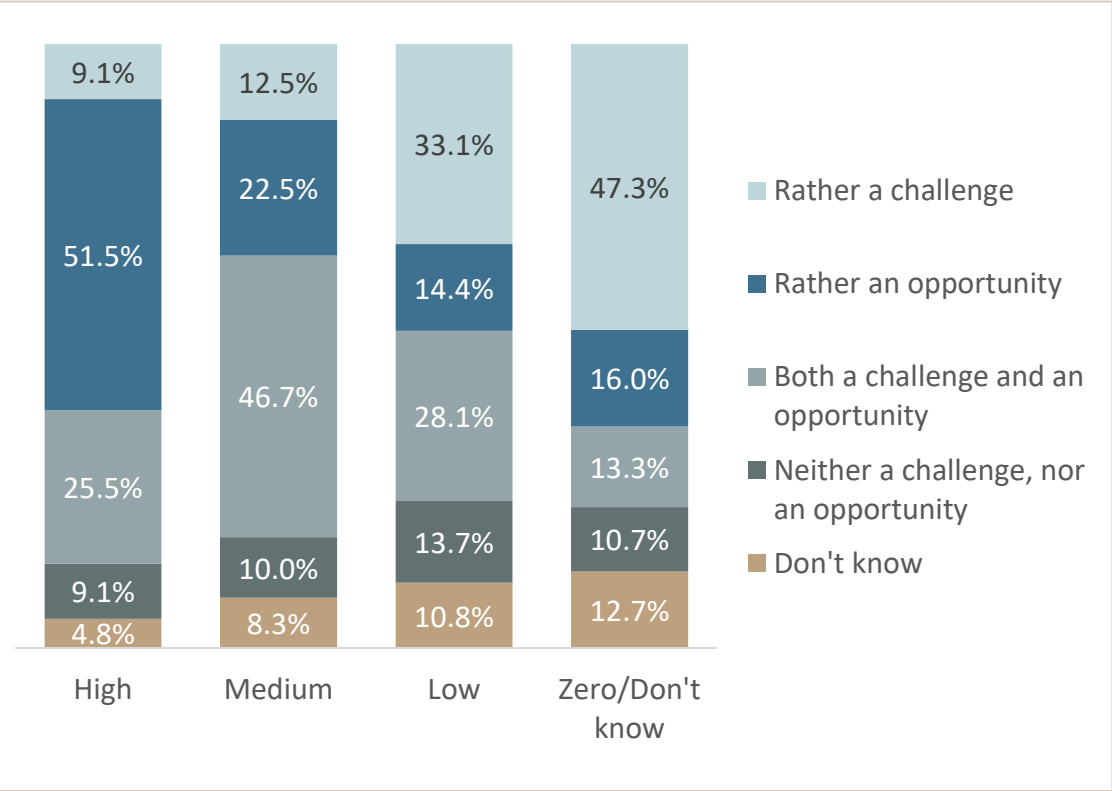
The data shows that 29% of entrepreneurs have a high level of tolerance toward migrants. A similar share demonstrate zero tolerance (26%).

The largest share of employers with high tolerance level is found in the NC and NW regions, among those who view migration as an opportunity, and among those who believe that most migrants are residing legally in the country (*see next slide)*.

The largest share of entrepreneurs with zero tolerance is in the NE region, among those working in agriculture, among those who see migration as a problem, and among those who believe that most migrants are staying in the country illegally (*see next slide*).

LEVEL OF TOLERANCE

IS MIGRATION FROM THIRD COUNTRIES A CHALLENGE OR AN OPPORTUNITY BY LEVEL OF TOLERANCE?



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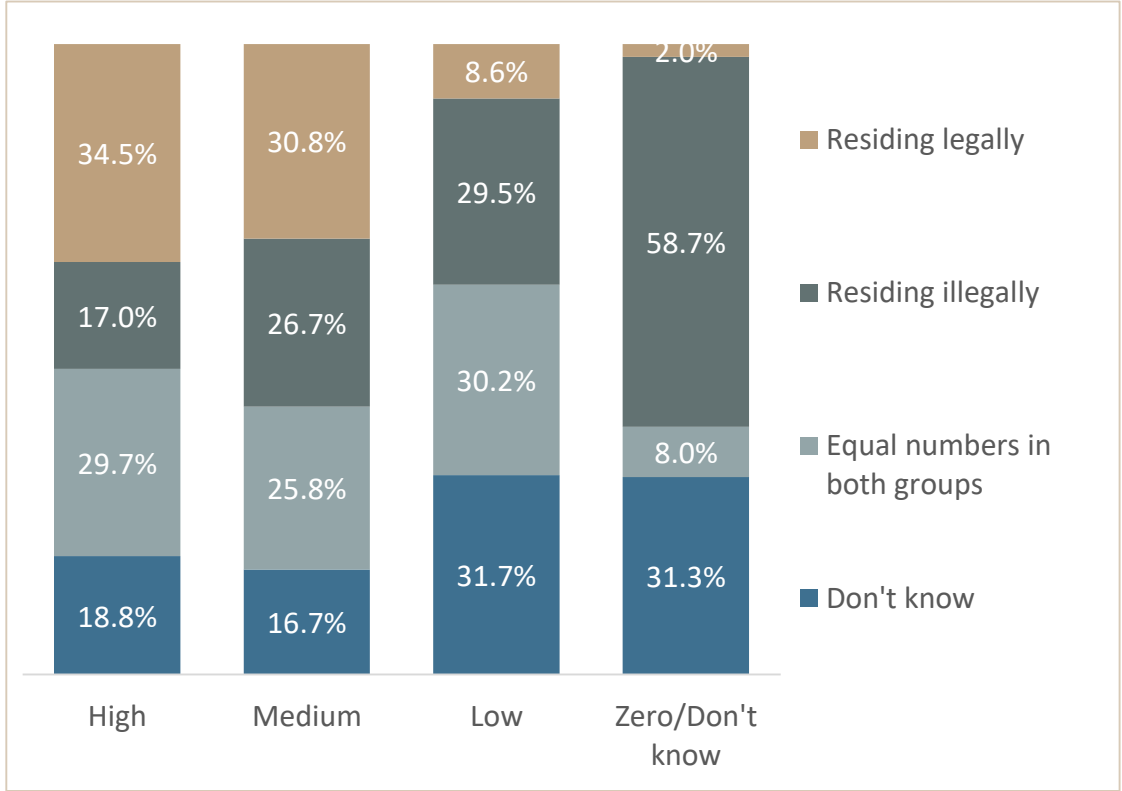
DO THE MAJORITY OF IMMIGRANTS IN BULGARIA RESIDE LEGALLY OR ILLEGALLY BY LEVEL OF TOLERANCE?



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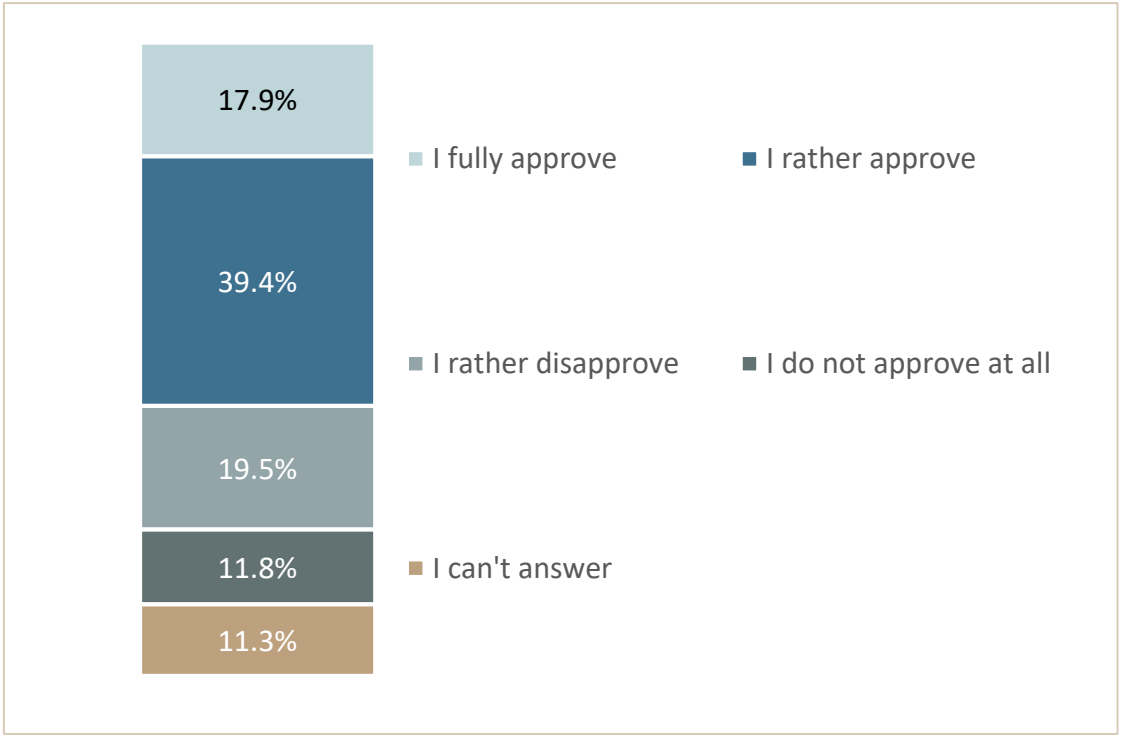
ATTITUDES TOWARDS LABOUR MIGRATION

RECENTLY, MANY COMPANIES STARTED HIRING STAFF FROM ABROAD FOR ACTIVITIES FOR WHICH THEY CANNOT FIND ENOUGH OR SUITABLE EMPLOYEES IN BULGARIA. DO YOU APPROVE THIS PRACTICE?



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57% of employers approve the "import" of staff by companies that are unable to find suitable employees in Bulgaria. Just over 30% disapprove of this practice.

Approval reaches 79% among companies experiencing staff shortages, indicating growing interest in hiring workers from abroad.

Employers with high and medium levels of tolerance toward immigrants also support hiring staff from other countries—90% and 79% respectively—compared to just 22% among those with zero tolerance.

Medium and large enterprises (50+ employees) are naturally more open to this option (68%), as they have the financial and administrative capacity to implement it.

Industry and construction, where the share of low-qualified staff is high, also approve of this practice, with 65% and 68%, respectively.

ADVANTAGES

WHAT ARE THE ADVANTAGES OF HIRING STAFF FROM ABROAD FOR CERTAIN ACTIVITIES?

29.8%	There are more candidates
26.1%	Foreigners are more motivated than Bulgarians
19.0%	It’s ultimately cheaper
18.1%	Selection is easier
17.4%	Commitments to foreigners are firm and clearly fixed
12.4%	We have better control over workers and employees from abroad
8.4%	The work of foreigners is of higher quality than that of Bulgarians
2.4%	Other (please specify)
29.6%	Don't know

Base: 800

The main advantages of hiring staff from abroad are the **large "pool" of candidates (30%) and better motivation to work (26%)**. The latter is confirmed by the qualitative study too.

The qualitative study highlights two additional key advantages. The first is that **foreign workers typically do not make demands regarding the position** they are hired for.

“A clear advantage (of foreign nationals – *author’s note*) is that people from these countries make no demands to the nature of the work or to carrying out the duties of the position, unlike Bulgarians. Another definite advantage is their readiness and willingness to work.”

/IDIs, HR Manager, Retail Industry/

on Bulgarian staff, probably due to the increased competition.

"Those who use external staff are very satisfied because the arrival of a foreign national or a certain number of foreign nationals disciplines the Bulgarian staff a lot."

/IDIs, Manager, Tour operator and registered intermediary for carrying out job placement services abroad/

BARRIERS

WHAT ARE THE DISADVANTAGES OF HIRING STAFF FROM ABROAD FOR CERTAIN ACTIVITIES?

67.2%	Language barrier
31.7%	Cumbersome selection and recruitment procedure
25.1%	High costs to ensure the stay
24.2%	High recruitment costs at the employer's expense - medical examinations, etc.
21.6%	Long waiting period until the arrival of employees
20.7%	Bulgarians find it difficult to work with foreigners
11.7%	Salary costs are the same or higher than for Bulgarians (i.e. the company earns nothing of it)
11.3%	There are restrictions of recruitment periods
10.3%	Customers don't like foreigners
5.2%	It’s necessary to “shed light” on all costs
1.6%	Other (please specify)
12.7%	Don't know

Base: 800

The main issue associated with hiring staff from abroad is the language barrier—67% of business representatives share this view. Other barriers include cumbersome procedures and the high costs of stay and recruitment, though these are cited by significantly fewer respondents.

Different companies use various approaches to address the primary challenge—lack of knowledge of any foreign language. Many HR professionals report that they offer **Bulgarian language courses** for incoming workers. Others seek candidates from countries where Russian is spoken, to enable basic communication. Some companies also aim to include at least two English-speaking persons in every group of 10–15 workers to facilitate internal communication.

“Our requirement is that for every 10 to 15 people, there should be at least two with a very good command of a foreign language. We conducted a video interview with a larger group of candidates from Nepal so we could select the ones we liked and assess their English accordingly. We're not talking about Cambridge-level English here—we’re talking about the level needed for everyday work communication.”

/IDIs, HR Business Partner, Logistics, Retail Industry/

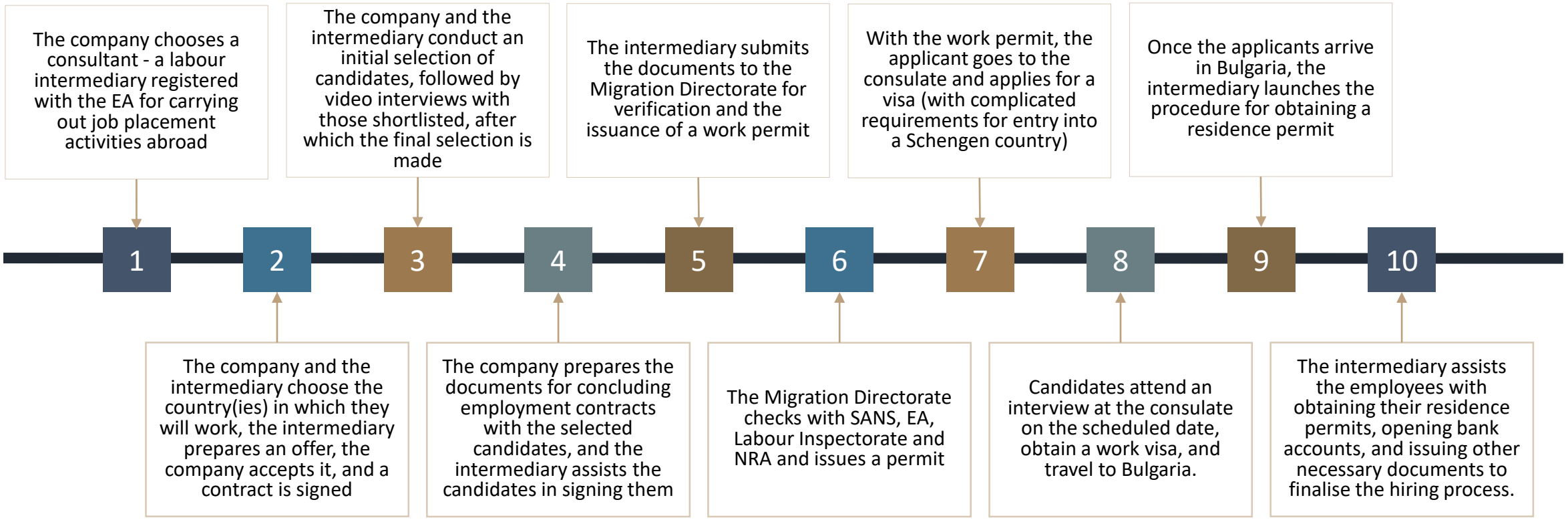
PROCEDURES AND EXPERIENCE WITH HIRING THIRD-COUNTRY NATIONALS

State of play, specifics and problems

STEPS

TOTAL DURATION OF THE PROCEDURE: 8-10 MONTHS

The procedures for recruiting staff from abroad are **laborious, time-consuming, and costly**. The respondents in the qualitative study described the process of obtaining long-term residence rights as involving the following steps:



/IDIs, Project Manager "Import of personnel", Retail Industry/
/IDIs, Manager, Registered intermediary for carrying out job placement activities abroad/

PROBLEMS

ASSOCIATED WITH THE PROCEDURE

1

A complicated procedure in terms of documentary, administrative and legal aspects

The procedure for hiring staff from abroad is complex—administratively, in terms of documentation, and legally, which makes it nearly impossible for companies to manage independently, except in cases where the company itself has a branch in the selected country. This necessitates the use of specialised labour intermediaries, which in turn increases the overall cost of the process.

Selecting a suitable intermediary is also a challenge - these companies are overwhelmed due to the high demand for hiring foreign workers. Some employers report dissatisfaction, as delays occur even when working through intermediaries.

"If a company tries to relocate the person (i.e. the candidate) on its own and handle everything—in administrative, documentary, legal terms—it won't work. Companies usually work with partners who specialise in this area. And that's how we operate too."

/IDIs, Senior Recruiter, IT Industry (Entertainment)/

"It makes the process more expensive as you have to pay a company to hire them. It takes a percentage of their annual salary."

/IDIs, Talent Acquisition Expert, IT industry (airline, B2B)/

"And there's delay on the agency's side too, I have to be honest, due to the fact that the agency works with many other buisnesses, it is not just the institutional delay."

/IDIs, Senior HR Manager, Pharmaceutical Industry/

PROBLEMS

ASSOCIATED WITH THE PROCEDURE

2

Excessively long processing times, especially for long-term residence

The timeframes for completing the recruitment procedure vary and depend on the duration of the candidate's intended stay. The shorter the stay, the shorter the procedure.

With the latest amendments to the Labour Migration and Labour Mobility Act (LMLMA), the processing times for seasonal employment of up to 90 days have been significantly reduced, and workers now arrive on time. This procedure primarily applies to companies in the tourism sector.

However, for seasonal employment lasting up to 9 months, a long-term residence type D visa is required, which significantly extends the timeframe.

Employers in tourism report that, in some cases, the procedure is so slow that workers arrive after the season has ended. This is a serious issue for companies, as the documents cannot be transferred to the following year, resulting in wasted investments of time and resources.

"The procedure in tourism is somewhat simplified. For example, with seasonal employment of up to 90 days - the procedure is as fast as possible, and candidates can arrive on time. However, for the other procedures, which are still seasonal employment but for a longer period - up to 9 months, a type D visa is still required, which means waiting in long lines at the consulate. So even if the procedure itself is quicker, the person still cannot arrive any sooner."

/IDIs, Manager, Registered intermediary for job placement services abroad/

Q: Has it ever happened that the procedure caused such a delay that the workers arrived after the season ended? A: Well, that happened with visas—we submitted the applications in Delhi in March, and they told us the earliest visa appointment was in November. Q: Can it be transferred to the following year? A: No, no, no. Absolutely everything has to start from scratch. All the expenses, the effort, the entire process, all is wasted.

/IDIs, HR Manager, Tourism (Resort activities)/

PROBLEMS

ASSOCIATED WITH THE PROCEDURE

3

Ineffective coordination among the institutions in Bulgaria

The process gets disrupted first in the interaction among the institutions in Bulgaria, and specifically between the Migration Directorate of the Ministry of Interior and the institutions performing verifications: the Ministry of Foreign Affairs, the National Revenue Agency, the Labour Inspectorate, SANS.

There are two possible reasons for this:

- Lack of (or insufficient) process digitization;
- Lack of administrative capacity due to increased interest in recruiting staff from abroad.

Solving both problems requires legal changes.

"The procedure itself takes between 3-4 months at the Migration Directorate alone, until all verifications are performed and all approvals are received.

/IDIs, Manager, Registered intermediary for carrying out job placement services abroad/

"Right now everything is handled on paper, and sometimes there's confusion about where exactly your file is, there are other issues too, which may seem like details at first, but in reality they slow down the entire procedure."

/IDIs, Head of Labour Law Department, Retail Industry/

"It's because previously there were only a few companies (hiring staff from abroad – *author's note*), but in the past year or so, especially in the past months, many businesses were willing to import workers from abroad, which resulted in increased workload for our state institutions and therefore extended processing times."

/IDIs, HR Business Partner, Logistics, Retail Industry/

PROBLEMS

ASSOCIATED WITH THE PROCEDURE

4

Staff shortages and inefficient organisation of work in consular offices

The second disruption in the process occurs at the consular offices. There are two main reasons for this.

The first has to do with understaffed offices. Consulates operate with limited personnel who are unable to handle the volume of documents, especially amid increased demand. This issue is widespread but most severe in locations that serve large regions—such as the consulate in Delhi, which is responsible for both India and Nepal. As a result, there are significant delays and a high rate of application rejections due to the inability to process documents.

The second reason has to do with inefficient organisation of work within the consulates themselves - there are no unified requirements or standardised procedures for issuing visas, and each consulate operates according to its own rules. This creates difficulties for both employers and consular staff.

For the process to run smoothly and without delays, it must be adequately resourced—with equipment, software, and personnel.

"The consular offices are staffed by 1-2 persons. For example, in India we have two persons. I can't imagine how more than 1.5 billion people (meaning the total population covered by the consular office) could be possibly served by two persons. It is impossible - the queues there are never-ending."

/IDIs, Manager, Registered intermediary for carrying out job placement services abroad/

"The visa requirements set by the consulates themselves are an issue too - each consulate has its own set of rules. In my opinion, this process should be standardised, because it concerns workers in our country."

/IDIs, HR Manager, Tourism (Resort activities)/

"If we want to import workers from abroad, this process has to be resourced - with automation, software, people, because, for example, our consulate in Delhi, which is responsible for Nepal, turns out to have only two employees who handle all the applications and although they work on weekends, they can't cope and there are delays."

/IDIs, HR Business Partner, Logistics, Retail Industry/

PROBLEMS

ASSOCIATED WITH THE PROCEDURE

5

Tension related to the renewal of visas for long-term employees

The renewal of visas for long-term employees within a company is also proving to be a challenge.

On the one hand, the employer must begin the renewal process nearly a year in advance to ensure the employee does not end up residing illegally in the country.

On the other hand, the pressure on the employee is significant, knowing that they could lose a good job and stable income due to an administrative issue.

"We have a couple of colleagues from India. With them, it's a question of renewing the visa because, knowing that it expires within a certain period, that's where the big problem starts - in order to renew the visa and the work permit, which will expire within an year, we have to start the renewal process now because it's really very cumbersome."
[...]
"When renewing their visa and work permit, these people are under great pressure. I've seen it with my own eyes, how hard it is to actually know that your visa is expiring and you have to go back to your country because you have no right to stay here without a work permit, without a visa and without a job at all."

/IDIs, Senior Recruiter, IT Industry (Entertainment)/

PROBLEMS

ASSOCIATED WITH THE HIRED PERSONS

1

Lack of flexibility in the use of human resources

Pursuant to Article 7, par. 2 of the Labour Migration and Labour Mobility Act, "workers who are third-country nationals having legal access to the labour market may be hired […] only for the local employer or the local entity providing work to posted or seconded workers or employees, and for the place of work, position and term of employment as stated in the permit granted by the competent authorities."

This creates a problem for employers, since the waiting period for hiring is 8–10 months, and the company's needs may change during this period, or the candidate may be needed in a different role, at another position, or at a different site within the same company structure.

Given that the employment and social security relations of workers are regulated by the provisions of the Bulgarian labour and social security legislation, this issue should be resolved by applying the same rules that apply to Bulgarian employees.

"It's extremely inconvenient because we bring them in for a specific position in a specific company. So, if we want to reassign them from one role to another, we'd have to send them back to Uzbekistan and start the whole procedure all over again. Their visa is tied to a specific position, which is very problematic, as today we might need a general worker, tomorrow a forklift driver. Why can't we certify this person and let them work as a forklift driver? I don't understand the purpose of this restriction."

/IDIs, Senior HR Manager, Pharmaceutical Industry/

"Specifically in our retail chain, what happens? We hire someone at a certain store, at a certain address in Sofia. That address is entered into the residence permit, and this makes the situation completely absurd, because we can't transfer this person to a different location even within the same city."

/IDIs, Head of Labour Law Department, Retail Industry/

PROBLEMS

ASSOCIATED WITH THE HIRED PERSONS

2

Financial and organizational risks associated with unsuitable candidates

The procedure of hiring staff from abroad carries significant risks for employers.

On the one hand, there are financial risks—if a candidate turns out to be unsuitable for the position they were hired for, they must be sent back at the employer's expense. There is no way to replace them, and the LMLMA does not allow transfers to another position for which they may be better suited.

On the other hand, there are organizational risks—the position remains vacant, and the employer must fill it through a new recruitment process, however, among Bulgarian candidates, as the recruitment timelines do not allow for a quick replacement of someone originally hired from abroad. In some enterprises (e.g. large companies in tourism), staff can sometimes be reassigned to other sites to cover shortages, but in other companies such flexibility is not possible.

"And with foreign workers, if it turns out that they're not okay, you've already incurred significant costs. That means the employer has to cover the flight, travel arrangements, transportation [...] With such workers, it's not a good idea to send them back. We do our best to select them carefully in advance, in order to avoid this, but after all, everything may happen. If someone is not appropriate, we have to send them back. There's nothing else we can do with them here."

/IDIs, HR Manager, Tourism (Resort activity)/

ADVANTAGES OF THE AGREEMENTS

The procedure described above, with all its challenges and bottlenecks, could **be significantly simplified if Bulgaria has a bilateral agreement regulating labour migration with the country from which workers are hired.**

Such an agreement allows employers **to avoid working through intermediaries**, as communication occurs directly between the employment services of the two countries. This considerably reduces the cost of recruitment and frees up resources that can be redirected toward integrating the recruited workers.

The agreement also **guarantees the legality and security of employment** in the host country and ensures access to assistance in cases of fraud, for example.

Since national employment services are involved, **large groups of workers can be hired in a way that is both "fast and compact",** which is a major advantage for businesses that rely on seasonal employment.

"Persons who arrive under an agreement need no work permits, they apply at a local Labour Office, i.e. at a state institution that more or less gives them the assurance that once they arrive in Bulgaria they will have a legal and secure job and that, above all, they will have someone to address with any complaints. The very fact that there is a phone number they can dial and say, "This guy here cheated me, do something!" is a real relief for them.
The other advantage of an agreement would be that by applying through the Labour Office - after all, every country has such structures, no matter how they are called – large-scale recruitment may be achieved and if an employer needs 300 people to pick up roses for a period of 20 days, they can be found quickly and compactly."

/FGs, EA representative/

"The advantage of the agreement is that it is much quicker and much easier, because if one has to go through the Labour Migration Act, all foreign nationals who are supposed to arrive must have the patience to wait between 5 and 6 months before they can reach their employer."

/IDIs, Manager, Tour operator and registered intermediary for carrying out job placement services abroad/

STATE OF NEGOTIATION

At present, Bulgaria has signed agreements for the exchange of workforce with:

The State of Israel
- for intermediary services and temporary employment of nationals of both countries

Republic of Moldova
- for regulation of labour migration

Republic of Armenia
- for regulation of labour migration

Republic of Georgia
- for regulation of labour migration

Federal Employment Agency - Nuremberg, Germany
- for job placement of Bulgarian students during the summer holiday

Source: Employment Agency

The website of the Employment Agency (https://www.az.government.bg/pages/spogodbi-i-sporazumenia-za-zaetost/) shows that only three agreements are currently active—those with Israel, Moldova, and the Federal Employment Agency in Germany.

No documents have been developed under the agreements with Georgia and Armenia.

In the opinion of a representative of one of the major retail companies, who referred to a letter of the MLSP, attempts were made to sign agreements with Ukraine and Belarus, but negotiations were suspended due to the war. Draft agreements have been approved with Uzbekistan, Kyrgyzstan, Azerbaijan, Albania, and Turkmenistan, but no official interest in launching negotiations has been expressed by those countries. An official refusal has been received from Kazakhstan.

This information was also confirmed during the focus groups with representatives of the tripartite partners.

STATE OF THE NEGOTIATION

Representatives of the Ministry of Labour and Social Policy acknowledge that **Bulgaria has had limited success in negotiating labour exchange agreements.**

A brief timeline:

In 2008, negotiations began with Ukraine, Belarus, Georgia, Azerbaijan, and Armenia. The 2009 financial crisis brought the talks to a halt. They were resumed in 2017, resulting in the signing of three agreements—with Armenia, Georgia, and Moldova.

"In 2008, as part of the mobility partnerships that the EU has precisely with these countries - Ukraine, Belarus, Georgia, Azerbaijan, Armenia, and others – a round of negotiations began. All countries in this group were initially receptive to the idea of signing such agreements. However, the 2009 financial crisis brought the negotiations to a halt. In 2017, we initiated resumption of talks, which led to the signing of three agreements. That said, we are left with the impression that for two of these countries—Armenia and Georgia, the signing of the agreements served no other purpose than gaining prestige and some political and domestic benefits."

/FGs, MLSP representative/

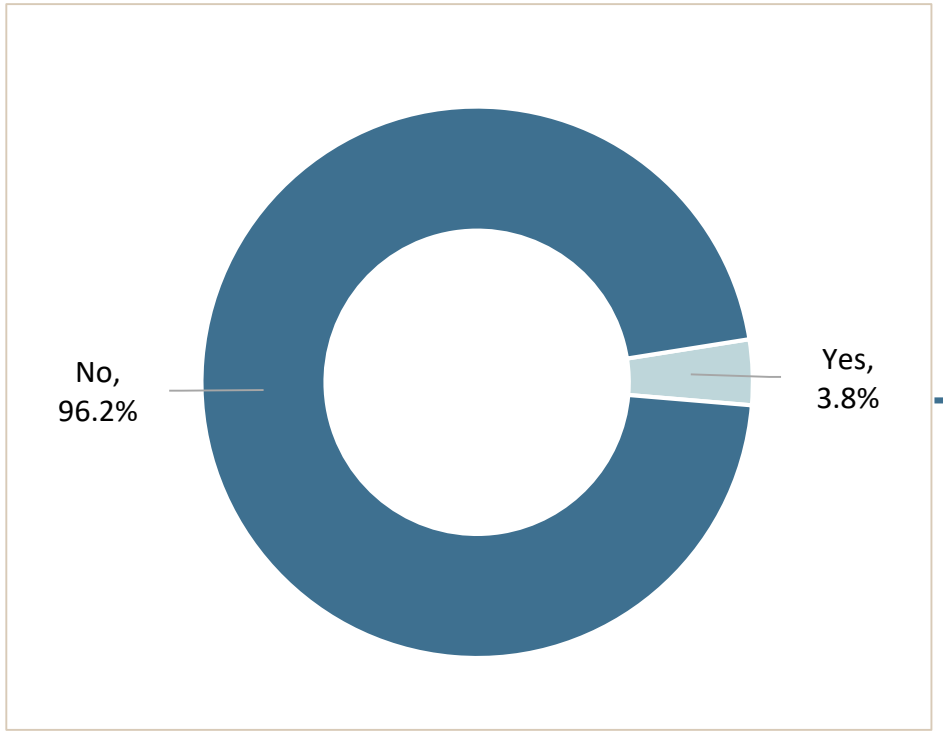
In 2017 and 2019, attempts were made to negotiate with the republics of the former Soviet Union, as they are considered culturally and linguistically closer. However, to date, no interest in signing an agreement has been expressed from their side. A direct refusal was received from Kazakhstan.

"In 2017 and 2019 there were active efforts to establish diplomatic contacts with countries that are culturally and linguistically similar to Bulgaria, with the aim of enabling faster integration and easier access to the labour market. What do I mean? These are the republics of the former Soviet Union. For nearly all of them—except a few—we received a mandate to conduct negotiations, based on a decision by the Council of Ministers. However, I must emphasise that negotiations are a two-sided process, meaning the other party must also express interest in signing such an agreement. Unfortunately, to date, we have received no response indicating such interest, with the exception of Kazakhstan, which explicitly stated that their workers are better paid than ours and have no interest in working in Bulgaria, especially under a bilateral international agreement of this nature."

/FGs, MLSP representative/

EXPERIENCE WITH RECRUITMENT UNDER THE AGREEMENTS

HAS YOUR COMPANY HIRED STAFF UNDER INTERNATIONAL AGREEMENTS ON LABOUR MIGRATION REGULATION IN THE PAST 3 YEARS?



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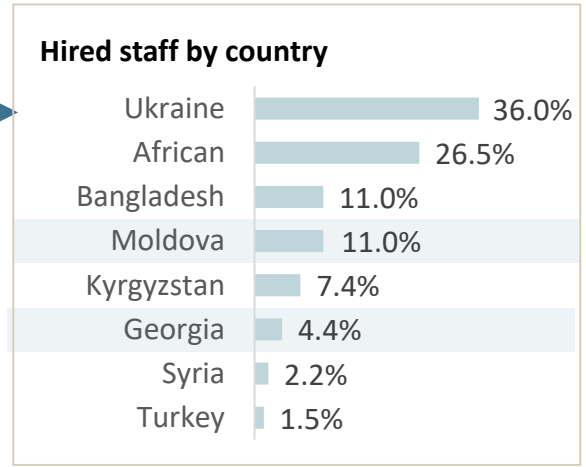
According to the quantitative study, about **4% of companies (~17,700 companies) hired staff** under agreements on regulation of labour migration in the past three years. The largest share of hired persons were nationals of Ukraine (36%) and African countries (27%). Those hired from Moldova accounted for 11%, and from Georgia 4%.

However, the list of hired persons by country shows that **businesses are not aware of the countries with which agreements were signed** and some responses indicated recruitment under the LMLMA.

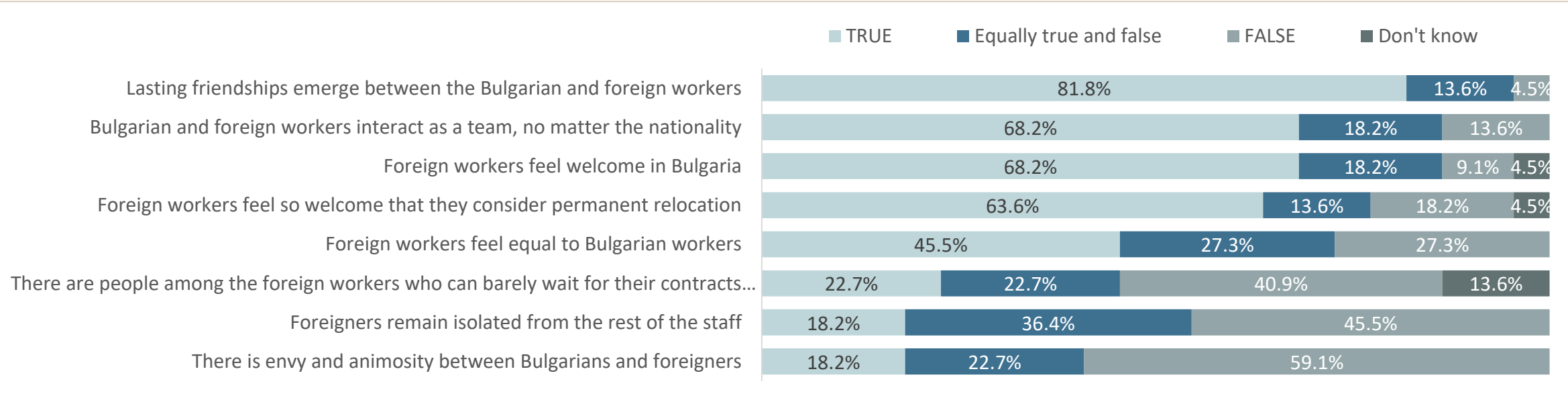


Base: 31, who hired staff under an agreement

The average recruitment period is 14 months, the shortest period is 3 months, and the longest period is 36 months.

RELATIONS WITHIN THE TEAM

TO WHAT EXTENT ARE THE FOLLOWING STATEMENTS TRUE OR FALSE REGARDING THE RELATIONS BETWEEN YOUR OTHER EMPLOYEES AND THE FOREIGN STAFF?



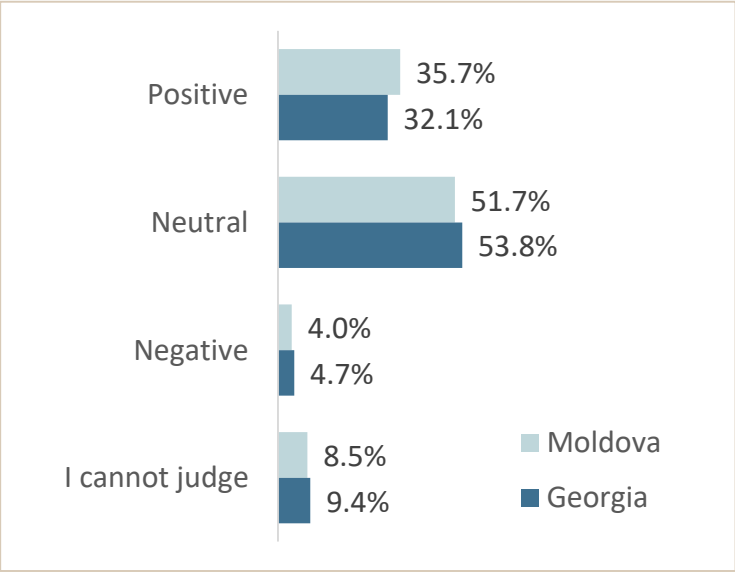
Base: 31, who hired staff under an agreement

Overall, **the relationships between Bulgarians and foreigners in companies employing staff under bilateral agreements are excellent** - lasting friendships emerge, there is teamwork. Newcomers feel welcome in Bulgaria, and many start to consider permanent emigration. Against this positive backdrop, it is still worth noting that in 18% of the companies, foreign workers remain isolated and are met with envy and animosity, while in 27% of the companies, foreigners do not feel equal to the Bulgarians.

ATTITUDES TOWARDS MOLDOVA AND GEORGIA

Bulgarian employers generally have a positive or neutral attitude toward Moldova and Georgia - around one-third express a positive view, while just over 50% are neutral. 10% and 7% of employers have visited Moldova and Georgia, respectively. In total, 3.6% have had or currently have business relations with Moldova, and 3.3% with Georgia.

WHAT IS YOUR ATTITUDE TOWARDS GEORGIA AND MOLDOVA AS COUNTRIES?



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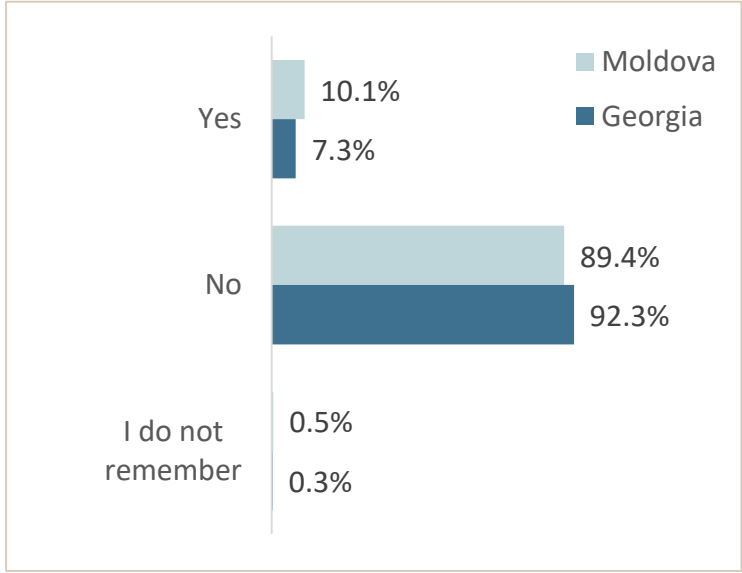
HAVE YOU EVER VISITED GEORGIA AND/OR MOLDOVA FOR BUSINESS OR PLEASURE?



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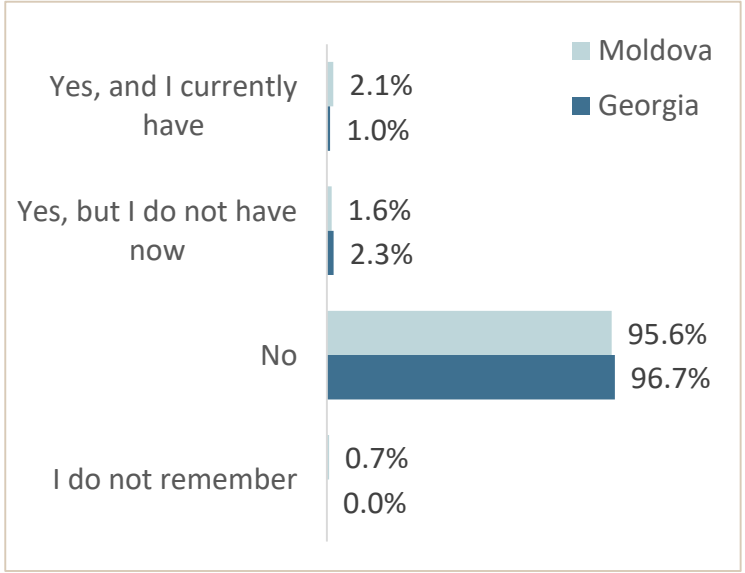
HAVE YOU EVER HAD BUSINESS RELATIONSHIPS WITH COMPANIES FROM GEORGIA AND/OR MOLDOVA?



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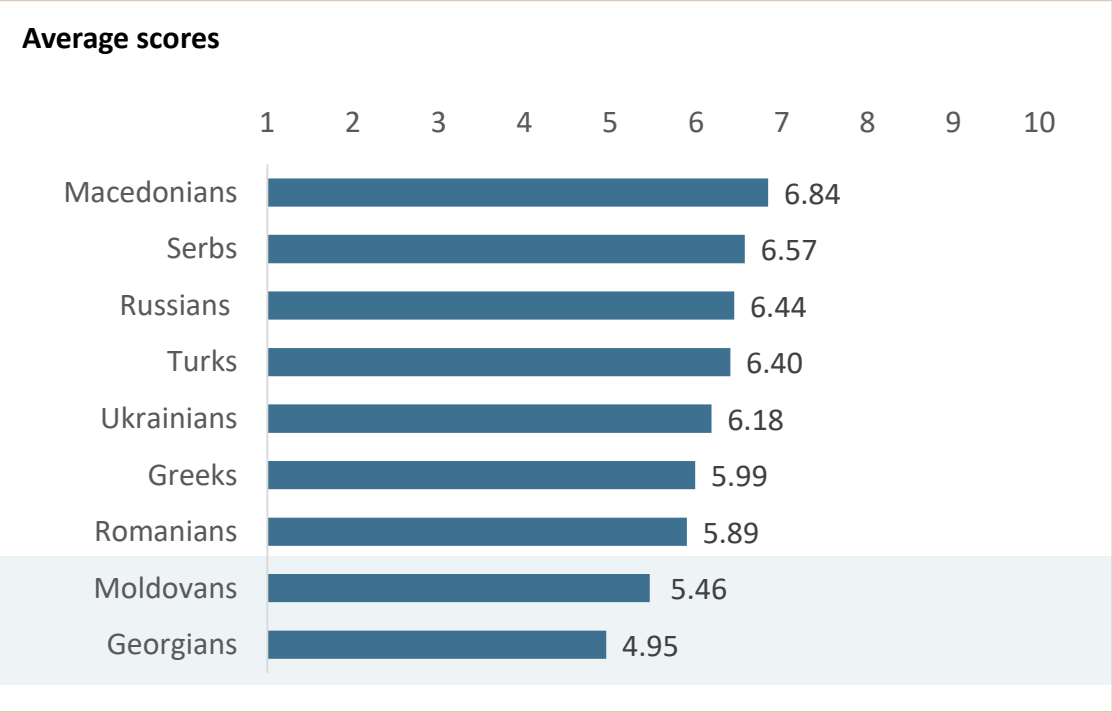
CULTURAL PROXIMITY

HOW CLOSE OR DISTANT DO YOU CONSIDER THE FOLLOWING NATIONS IN TERMS OF MENTALITY? PLEASE ANSWER ON A SCALE OF 1 TO 10, WHERE 1 IS VERY DISTANT AND 10 - VERY CLOSE IN MENTALITY.



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According to employers who participated in the quantitative survey, **Moldovans and Georgians are perceived as the most distant nations, in terms of mentality, from Bulgaria among the nine tested nationalities**.

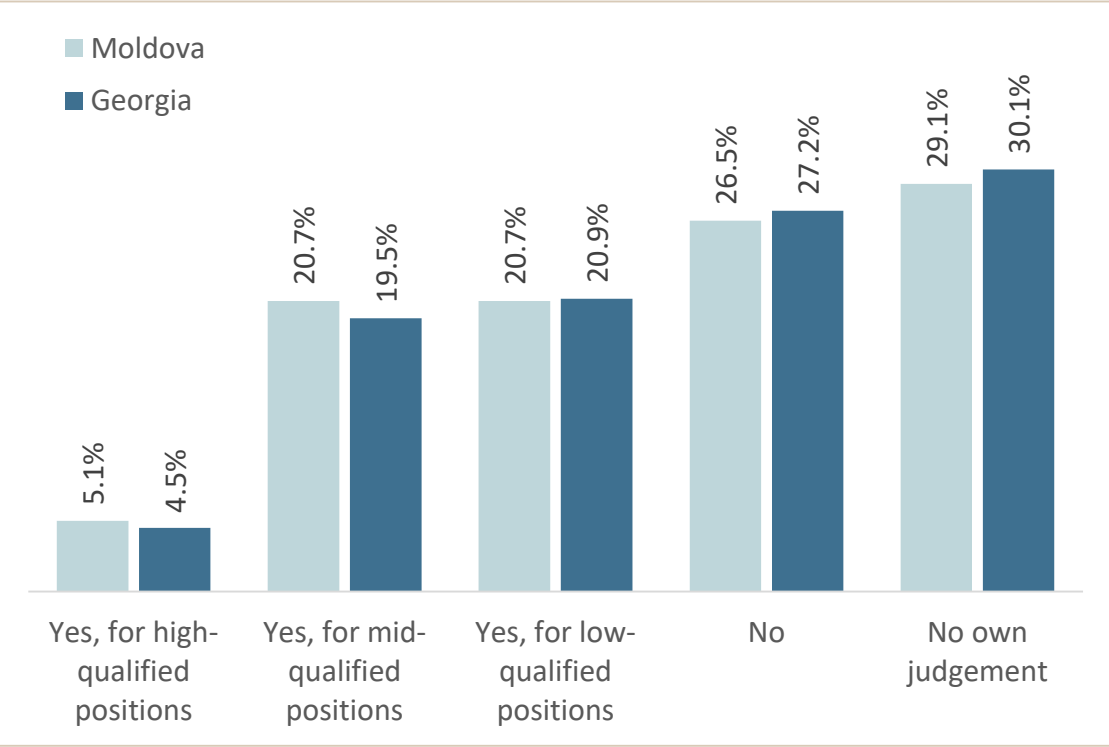
On a proximity scale from 1 to 10, the average score for Moldovans is 5.46, and for Georgians – 4.95. Macedonians are seen as the closest, with an average score of 6.84, followed by Serbs with 6.57.

The share of responses rating Moldova between 1 and 3 (i.e. distant in terms of mentality) is 16%, and Georgia – 21%. Ratings from 7 to 10 (i.e. close in terms of mentality) account for 15% for Moldova and 10% for Georgia.

For comparison, 8% of respondents consider Macedonians distant in terms of mentality, while 40% rate them as close. The corresponding figures for Serbs are 9% and 35%, respectively.

HIRING WORKERS FROM MOLDOVA AND GEORGIA

WOULD YOU HIRE NATIONALS FROM MOLDOVA AND/OR GEORGIA UNDER THE LABOUR MIGRATION AGREEMENTS TO FILL STAFF SHORTAGES AT VARIOUS LEVELS?



Base: 800

The declared willingness to hire nationals of Moldova and/or Georgia is relatively high - around 44% for all types of positions for Moldova and 43% for Georgia. One in five employers would hire staff for mid-level positions, and a similar proportion would hire staff for low-qualified jobs.

However, the experience of registered labour intermediaries and data of the Employment Agency indicate that these countries are not preferred sources of import of staff, and the number of hires is very low. Given this, **the data more likely reflect a general openness rather than actual intent to take action and cannot serve as grounds for activities under the agreements.**

The highest willingness to hire low-qualified workers from Georgia and Moldova is observed in the construction sector. However, earlier responses suggest that this sector is generally in need of workers, and similar answers would likely apply to other countries as well.

Companies currently experiencing staff shortages would also hire workers for mid- and low-qualified positions. Their situation mirrors that of the construction sector.

REASONS FOR REFUSAL TO HIRE

WHY WOULDN'T YOU HIRE NATIONALS OF MOLDOVA AND/OR GEORGIA?

27.4%	Prefers to hire Bulgarians
26.7%	No need for staff
15.8%	Language barrier, the job requires very good Bulgarian language proficiency
15.1%	Job specifics/qualifications/training and customer expectations
12.3%	Doubts about skills and qualities to perform duties
4.1%	Difficulties for the team
4.1%	Administrative obstacles/cumbersome procedure
3.4%	Unwilling to answer

Base: 203 who indicated that they would not hire staff from Moldova and/or Georgia

Most of the employers who would not hire staff from Georgia and Moldova prefer Bulgarians (27%) or do not need staff (27%).

Significant reasons for not hiring are also the language barrier when the job requires very good Bulgarian language proficiency (as for example in the pharmaceutical industry and work in pharmacies), job specifics and customer expectations.

AGREEMENTS WITH MOLDOVA AND GEORGIA

The agreements with Moldova and Georgia are unfamiliar to businesses – a large share of the respondents in the qualitative survey learned about them during the project presentation.

The EA representatives in the focus group with tripartite partners shared that **only the agreement with Moldova is functioning, and even then with limited results**. “The agreements with Armenia and Georgia – they are dormant”. The question was raised as to why such agreements were signed with these particular countries in the first place.

"I don't know, and I don't want to comment on whose vision it was to sign these agreements. In personal meetings with colleagues from Moldova and Georgia during international events we have commented on why the agreements are inefficient – the remuneration in those countries is by now almost equal to that in Bulgaria. Workers would naturally seek to go to a country that offers higher remuneration, and not almost equal to what they can get in their own country."

/FGs, EA representative/

"Q: In other words, we have signed agreements with the wrong countries? A: Well, in my opinion, yes. But you should keep in mind that the agreement with Moldova was signed back in 2017 or 2018, I think, and it may have been correctly selected as a destination at that time."

/IDIs, Manager, Tour operator and registered intermediary for carrying out job placement services abroad/

Hires under the agreement with Moldova are few and declining. In 2018–2019, right after the agreement was signed, there were 245 job offers. By 2024, this number dropped to just 38. The “plateau” is maintained by a few regular clients, but the overall interest in the agreement is low. Moldovans coming to Bulgaria typically work as seasonal workers during the summer.

“The interest in the Moldovan agreement is definitely going down. I will give you just a few figures. So it was signed in 2018. In 2018 and 2019 we had 245 offers, in 2020 - 93 offers from Bulgarian employers, then we had Covid, then in 2021 the offers became 52, in 2022 there was a small peak - 69 offers, in 2023 - 35 offers. So far we have 38 offers. This means there's a plateau that's been reached, but we also have a couple of regular clients, let's call them companies, which periodically put out recruitment notices. Very few companies dare to act under this agreement. I have no idea why. It's not restrictive, apart from a few financial restrictions for Moldovan nationals, which they have to sort out on the spot, but on the side of employers and documentation, the agreement is quite simplified compared to other mechanisms."

/FGs, EA representative/

AGREEMENTS WITH MOLDOVA AND GEORGIA

The limited outcome for Bulgaria under the Moldova agreement is due to several reasons.

The first reason: **the Romanian market is a natural choice for Moldova** - the two countries are economically and culturally connected, they speak the same language, and the Romanian market offers better working conditions than the Bulgarian one.

"I definitely disagree with my colleague that the wages are equa. I follow them, I know them - they are worse off than we are. However, the Romanian market offers better working conditions. Accordingly, Moldovans have no language barriers."

/FGs, EA representative/

“In reality, Romania seems to have “acquired” Moldova – the countries are economically and culturally connected. Romanian is now the dominant language in the country - there’s no Russian, not to mention Bulgarian. Romania will never let Moldovans get round Romania. This policy started 10 years ago and it produced results before the war."

/IDIs, Manager, Registered intermediary for carrying out job placement services abroad/

The second reason: **Moldovans, like Ukrainians, have the opportunity to work throughout Europe.** In this context, Bulgaria - with its low remuneration levels, political instability, and absence of consistent and active integration policy becomes an unattractive destination for labour migration.

“Moldovans actually gained the opportunity, since no visas are required, just like Ukraine at present, to work across the whole of Europe, not only in Bulgaria. And European working conditions are much more appealing than those offered by our employers. As you know, salaries in the West are significantly higher. That’s what attracts them there more, and that’s why they willingly head to Western countries.”

/IDIs, Manager, Tour operator and registered intermediary for carrying out job placement services abroad/

“The disadvantages of the Moldovan market are that it is too small, strongly influenced by the Russian culture and system of values, and that recently the country’s standard of living has been improving, so Moldovans are eyeing the West. Income levels in Bulgaria are too low to be of interest to them.”

/IDIs, Manager, Registered intermediary for carrying out job placement services abroad/

AGREEMENTS WITH MOLDOVA AND GEORGIA

The third reason: the provisions of the agreement with Moldova stipulate that **some of the essential costs related to organizing the trip must be borne by the candidates.** This, combined with the expenses during their stay, makes the final financial outcome of the employment unacceptable.

“There are many expenses that candidates have to cover out of their own pocket, and the financial pressure and the potentially irrecoverable money already invested deters a large share of those who would otherwise come to work in Bulgaria. In this case, I am specifically referring to the agreement with Moldova. We have repeatedly received inquiries and requests from Moldovan colleagues – why doesn’t the employer cover, if not all, then at least part of the medical expenses, which are mandatory under this agreement. They are quite expensive there, but this simply cannot happen. It is not regulated.”

/FGs, EA representative/

A labour intermediary shared that they do not actively work with the Moldovan market because the **percentage of workers returned by employers is too high compared to other markets.**

"Out of 50 Moldovan workers, 10-15 turn out to be alcoholics. I walk into a snack bar with them, I buy a cup of coffee, and they buy vodka. Tell me, can such a person work effectively? We send them back, but that also takes efforts and resources. These problematic workers are usually the ones who first get kicked out of Germany, and that happens immediately, then they come to us and stay here longer, and eventually, we also send them back."

/IDIs, Manager, Registered intermediary for carrying out job placement services abroad/

AGREEMENTS WITH MOLDOVA AND GEORGIA

The agreement with Georgia does not work, on the one hand due to a lack of candidates, and on the other – due to unresolved documentation issues.

"Regarding the Georgian agreement, everything is at zero, just like with the Armenian one. At the last meeting we had with our Georgian colleagues, they clearly stated that there's simply no point, no interest, and no one who would apply under this agreement, because the pay in Georgia and Bulgaria is essentially the same. Additionally, several technical issues related to documentation remain unresolved. We've raised the matter with the Georgian colleagues two or three times, but we've received no feedback, which to me means they simply don't want to deal with it. And as already mentioned – the agreement was signed just for the sake of prestige."

/FG, representative of the EA/

IN CONCLUSION

The agreements with Moldova and Georgia have low (Georgia – no) effectiveness and very low potential.

Although business representatives claim to have a general interest, these destinations for the "import" of personnel are not recommended by intermediaries due to the weak interest in positions in Bulgaria. As a result, **the chances of actually hiring candidates from these countries are minimal.**

The most optimistic expectations regarding Moldova are that the plateau of 35–40 offers per year will be maintained.
The potential of Georgia is zero unless the documentation issues are resolved. However, the likelihood of this happening is very low, as there has been no feedback from their side.

CRITERIA FOR SELECTION OF TARGET COUNTRIES

The selection of target countries towards which Bulgaria should direct its diplomatic efforts in relation to labour migration is **complex**. Several basic criteria need to be met:

1. Population

- The target country should have a large population to have the physical potential to send human resources abroad

2. Standard of living

- The standard of living in the target country should be lower than in Bulgaria in order to be financially beneficial for applicants

3. Access to the EU

- The target country should not have free access to the EU for Bulgaria to be attractive as an access point to the Union

4. Potential for cooperation

- The target country should either be interested in concluding this type of agreement or no cooperation should have been attempted so far

When selecting target countries, it must be taken into account that Bulgaria is a member of the EU and, as such, must follow the Union's policies, including, where necessary, refining its own approach.

"If any agreements are to be drafted, it should be considered that they are possibly of the type currently encouraged by the European Union. These are the so-called talent partnerships. […] Bulgarian employers should accept workers from those countries identified by the European Commission as partner countries. Unfortunately, as far as I know, we are not showing particular interest in these countries - I'm referring to Pakistan, Tunisia, Morocco, Egypt and others like them. But there is a trend toward expanding the circle of countries, and the idea is for employers to use nationals of these countries for a certain period, train them professionally, and then have them return to their country of origin and contribute to its economy. The main goal is to put an end to this migratory flow toward Europe."

/FGs, MLSP representative/

COUNTRIES WITH POTENTIAL

Business representatives and labour intermediaries work with and identify the following countries as markets with potential:


Uzbekistan


Vietnam *


Sri Lanka


India **


Kyrgyzstan


Nepal


Indonesia

* For specific activities
** Keeping in mind that the procedure is extremely slow

"Uzbekistan and Kyrgyzstan are currently the markets with potential, especially Uzbekistan. They are poorer, three times as hard-working, and they are Muslims, which is a big plus. I have 300 Uzbeks, each of them has between 2 and 4 children, they are now 30 million, can you imagine how many they'll be in 10 years? The employer, the supervisor there is respected and that's taught in school, in the family, it's part of their culture, they're excellent workers. But if Germany opens its doors to the Uzbeks, then we'll be left with only Kyrgyzstan."

/IDIs, Manager, Registered intermediary for carrying out job placement services abroad/

"In Sri Lanka and Nepal, people are very good and very well trained for service roles, in tourism, at restaurants. For example, we have a very large number of people in nursing homes who take care of the elderly, and again, they are from Nepal and Sri Lanka. They look after and care for people, which for them is a kind of national positive trait."

/IDIs, Manager, Tour operator and registered intermediary for carrying out job placement services abroad/

"In response to the question which countries the respondent works with: Kyrgyzstan, Uzbekistan, Indonesia, Nepal, and a few from Ukraine. These are workers from third countries, also from Turkey. In total, they make up about 1/4 of the resort's staff. […] There are no agreements for the countries we work with."

/IDIs, HR Manager, Tourism (Resort activities)/

DATA ABOUT THE MAIN MARKETS

The table below offers a snapshot of how the countries of interest compare to Bulgaria based on the four key criteria. If a country does not meet one/more of these criteria, its overall assessment is considered negative.

Indicator	Bulgaria	Moldova	Georgia	Armenia	Kazakhstan	Kyrgyzstan	Uzbekistan	Nepal	India	Sri Lanka	Vietnam
Total population	6.4 mln.	2.5 mln.	3.8 mln.	2.8 mln.	19.9 mln.	7.1 mln.	36.4 mln.	30.9 mln.	1.4 bln.	22.0 mln.	98.8 mln.
Average age	45.1 ys.	39.9 ys.	38.3 ys.	38.9 ys.	31.9 ys.	28.3 ys.	28.9 ys.	27.7 ys.	29.8 ys.	34.1 ys.	33.1 ys.
Population criterion	--	**NO**	**NO**	**NO**	**YES**	**YES**	**YES**	**YES**	**YES**	**YES**	**YES**
Average income/year	14 460 $	6110 $	6 680 $	7 330 $	10 940 $	1 700 $	2 360 $	1 370 $	2 540 $	3 540 $	4 180 $
Unemployment rate	4.3%	1.6%	11.6%	8.6%	4.8%	4.0%	4.5%	10.7%	4.2%	6.4%	1.6%
Standard of living criterion	--	**YES**	**YES**	**YES**	**YES**	**YES**	**YES**	**YES**	**YES**	**YES**	**YES**
Access to the EU	Member	Yes	Yes	No	No	No	No	No	No	No	No
Access to the EU criterion	--	**NOT**	**NOT**	**YES**	**YES**	**YES**	**YES**	**YES**	**YES**	**YES**	**YES**
Agreement on labour migration	--	Yes	Yes	Yes	Draft	No	Draft	No	No	No	No
Specific activities/Negotiations	--	Yes	No	No	No Refusal	No	No	No	No	No	No
Cooperation criterion	--	**YES**	**NO**	**NO**	**NO**	**YES**	**NO**	**YES**	**YES**	**YES**	**Yes**
TOTAL ASSESSMENT	--	☒	☒	☒	☒	☑	☒	☑	☒	☑	☑

Source: https://www.worlddata.info/ and MoI

EMPLOYERS' INTEGRATION CAPACITY

Relationships, support and acceptance

THE EXPERIENCE FROM THE WAR IN UKRAINE

The war in Ukraine allowed companies (as well as the state and citizens) to test how they would manage the employment and integration of foreigners in practice. On the one hand, **this gave management teams the confidence that they could successfully handle a targeted controlled by them import of workforce.**

"We have many Ukrainians who, once the war broke out, came here with their families, who succeeded to settle down and whose children now go to school here. Q: Did you take part in this relocation in any way? Was there any support provided? A: Yes, absolutely. The company responded extremely well. I was deeply impressed. It found them apartments and paid for the first few months' rent. We arranged transportation to pick them up. It was a really great effort. For the people who stayed behind, we invested in Tesla's satellite service so they could have internet access, because they didn't even have electricity. Honestly, I was deeply touched by how the company handled the situation."

/IDIs, Talent Acquisition Expert, IT industry (aviation sector, B2B)/

On the other hand, **the situation brought to the forefront the issue of Bulgaria's capacity to retain foreign nationals and their families in the long term.** The small percentage of Ukrainians who chose to stay shows that additional efforts are needed to strengthen the country's integration capacity.

"The very fact that only few people chose to stay here indicates how difficult it is for entire families to find their fulfilment in Bulgaria. When it comes to integration policy and capacity – in my opinion, the possibilities are there, but we are not prepared to welcome and offer conditions for entire families to come, and that's a logical step. […] My conclusion is that we are still at an early stage and we need to reflect on this process and prepare for it. It should not only be aimed at countries we consider to be at our level or economically weaker, but at all European nationals whom we should be able welcome to Bulgaria – through any form of employment and professional relationships with our employers."

/FGs, representative of the Confederation of Employers and Industrialists in Bulgaria (CEIB)/

PREPARATION FOR STAFF INTEGRATION

Employers are aware **that hiring workers from abroad is a process filled with challenges at many levels**, among which the procedure for securing their residence in the country, although slow and cumbersome, is actually the easiest to overcome.

For this reason, preparations for ensuring a smooth work process begin with the selection of candidates.

"We really insisted that they knew where they were going, that they knew they were coming to Bulgaria. Accordingly, that they knew they were coming to our company, and each candidate was asked, 'Do you know where you're going? Do you know where Bulgaria is? Do you know who we are and what we do?' In other words, we wanted to make sure that people were truly informed, so we could avoid any situations where something had been told or promised to them and then, upon arrival, they saw something different. Further to this, we recorded short videos in the warehouse to show the working process."

/IDIs, HR Business Partner, Logistics, Retail Industry/

Efforts are made to overcome the language barrier. Most companies provide Bulgarian language courses. Some also appoint coordinators, especially when larger groups of workers are recruited.

They provide so-called **onboarding training** to introduce the new hires to the work processes, as well as training aimed at aligning and learning key terminology in Bulgarian in the respective field of activity.

"We will have this type of training, we call it onboarding. […] We will offer Bulgarian language courses in which we will teach them the most basic terms in English, and their corresponding translations in Bulgarian, used in logistics work. This way, they will at least get used to the words and be able to draw parallels with English."

/IDIs, HR Business Partner, Logistics, Retail Industry/

In practice, the process is significantly smoother in companies that already have established training standards for their staff.

"Companies with larger workforces have established personnel standards, regardless of whether the employees are Bulgarian or foreign nationals. They have a standard for onboarding new hires into their production processes. In such cases, integration is easy because they know how to do it, whereas in smaller companies there are sometimes conflicts because they are not prepared to accommodate and integrate such personnel quickly."

/IDIs, Employer, Tour operator and licensed intermediary for carrying out job placement services abroad/

PREPARATION FOR STAFF INTEGRATION

The preparation for integrating the staff continues with the development of strict plans indicating where the newly recruited personnel will be used. This process begins as early as the document submission stage, due to the regulatory requirements for specifying an exact position and workplace for each candidate.

"We're aware that the situation in the warehouse requires extremely close and ongoing attention. Careful planning is needed, who will work with whom, and how, in order to make this integration possible and the onboarding is smooth not only in terms of the work itself, but also within the team. We believe we've planned it well, but whether we really have, and how it will turn out—is still uncertain."

/IDIs, HR Business Partner, Logistics, Retail Industry/

One of the main issues that needs to be addressed is **the support provided to the workers after their arrival in Bulgaria**. This support must take place on several levels – administrative (issuance of documents, opening bank accounts, and finalizing the hiring process), residential (accommodation and organizing daily life at the place of residence), and social (socializing and daily support).

The strategies of the companies differ, but **all are motivated to provide the necessary support to newly hired employees** and to retain as many of them as possible at least until the end of the agreed employment period.

"We cover the costs for rent and for utility bills up to BGN 75, VAT inclusive, per month. Further to this, the Bulgarian language course at the beginning is free of charge. We also cover all expenses related to the job application - documents, legalizations, and translations, as well as transport costs from Uzbekistan to Bulgaria and back, provided the employment contract is fulfilled. In the accommodations where they live, if there is a need to purchase items such as bedsheets, frying pans, pots, basic necessities for living, we make sure they are available at the beginning."

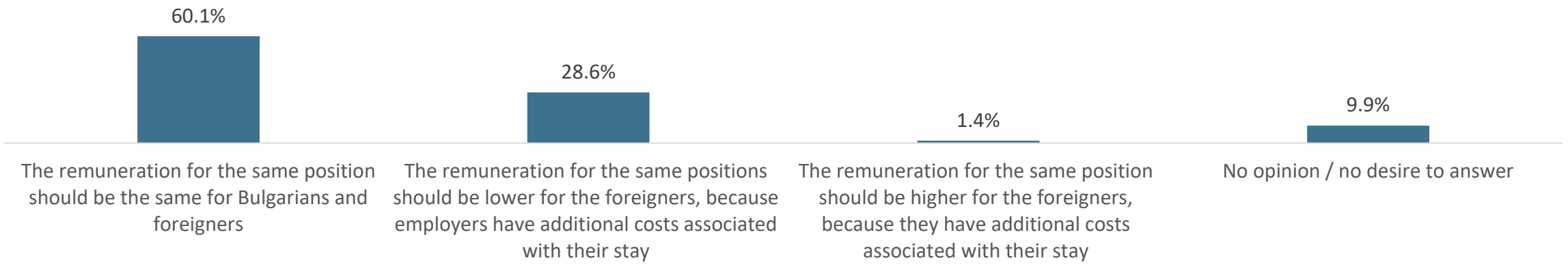
/IDIs, Project Manager, Import of Personnel, Retail Industry/

"The agency we work with also has responsibilities. We've agreed on that - they should be in constant contact with the workers in case of issues outside working hours. In other words, if the workers need assistance with information or anything else, the agency has committed to guiding them at least during the first few months, until they get used to the environment in Bulgaria. Of course, that doesn't relieve us of our responsibility to care for them, but realistically, we can't be available 24/7 if something happens."

/IDIs, HR Business Partner, Logistics, Retail Industry/

REMUNERATION

WHICH OF THE STATEMENTS REGARDING THE REMUNERATION OF BULGARIANS AND FOREIGNERS BEST REFLECTS YOUR OPINION, REGARDLESS OF WHETHER YOU WILL HIRE STAFF FROM ABROAD OR NOT?



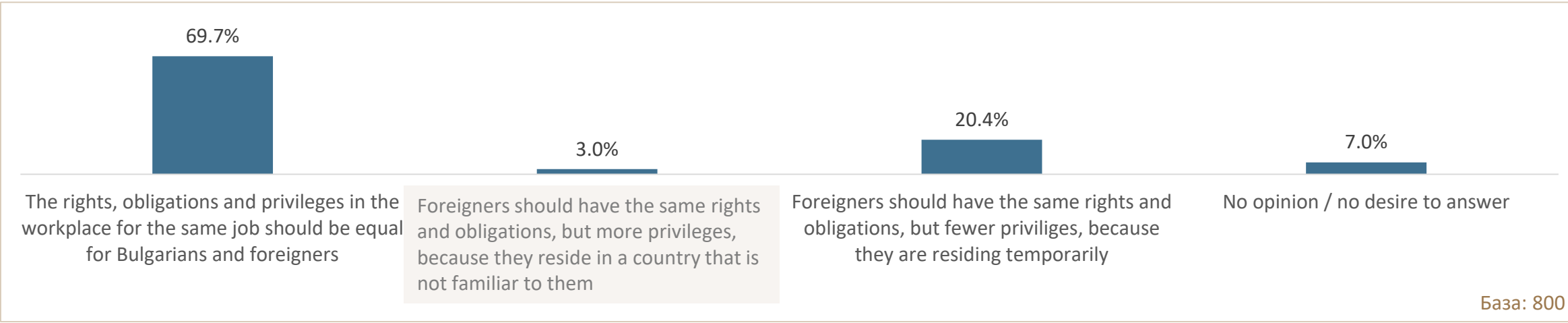
База: 800

Although employers in the qualitative study claim that they provide equal remuneration to Bulgarians and foreign nationals (which is also a requirement under the Labour Migration and Labour Mobility Act), 29% of the companies participating in the quantitative study believe that the remuneration for the same position should be lower for foreign nationals, since employers incur additional costs related to their stay.

Agreement with this statement is more pronounced among micro-enterprises (35%), companies that do not experience staff shortages (32%), among employers with zero tolerance toward immigrants (44%), and those who entirely disapprove of hiring foreign nationals whenever there is a shortage of Bulgarian workers (57%).

RIGHTS, OBLIGATIONS AND PRIVILEGES

WHICH OF THE STATEMENTS REGARDING RIGHTS, RESPONSIBILITIES, AND PRIVILEGES IN THE WORKPLACE BEST REFLECTS YOUR OPINION, REGARDLESS OF WHETHER YOU WILL HIRE STAFF FROM ABROAD OR NOT?



The discrimination pattern is also evident with regard to the rights, responsibilities, and privileges. One in five business representatives believes that foreigners should have the same rights and responsibilities, but fewer privileges, because they are temporarily residing in the country.

Again, this opinion is more pronounced among micro-enterprises (26%), companies not experiencing staff shortages (23%), among employers with zero tolerance toward immigrants (42%), and those who completely disapprove of hiring foreign nationals in the case of shortage of Bulgarian workers (57%).

CONCERNS OF THE EMPLOYERS

The process of ensuring proper living conditions in Bulgaria for newly hired employees **requires a high level of commitment from the human resources departments**. Although they appear enthusiastic, they are also quite concerned - about the logistics before arrival, about the accommodation and integration, and about the overall success of the initiative - what kind of people will actually come, whether they will fit into the work environment, and whether they will be able to fulfil their duties for the duration of their contract.

„Right now, we're in the process of looking for housing and we've actually been in that process for quite some time. It's very difficult, because a large number of landlords just don't want such people to live in their apartments. […] We found a suitable apartment in the central area, we contacted the landlady, but later she said, 'Well, I'd rather not do this, because I'm worried there will be a lot of turnover – they'll be coming and going, and the neighbours will cause problems, I give up on this idea.' It will be very hard for us to find them a place to live. At this point, we've started looking into some kind of dormitories, even though we really don't want to house them in such a place, because there are literally all kinds of people there, including Roma, and I know that there's quite a bit of theft. After all, we're responsible for these people, we brought them over here from the other end of the world."

/IDIs, HR Senior Manager, Pharmaceutical Industry/

"Our competitors are already working with foreigners, also in the warehouse sector though. The feedback is mixed. Some companies say the people are very diligent and have come here to work. They are ready to overperform, to have higher productivity in order to earn more money, to take on weekend and holiday shifts, etc. Others say their adaptation is very difficult and the language barrier is a serious challenge. They don't feel comfortable here. Apparently, it really depends on the kind of personality you come across."

/IDIs, HR Senior Manager, Pharmaceutical Industry/

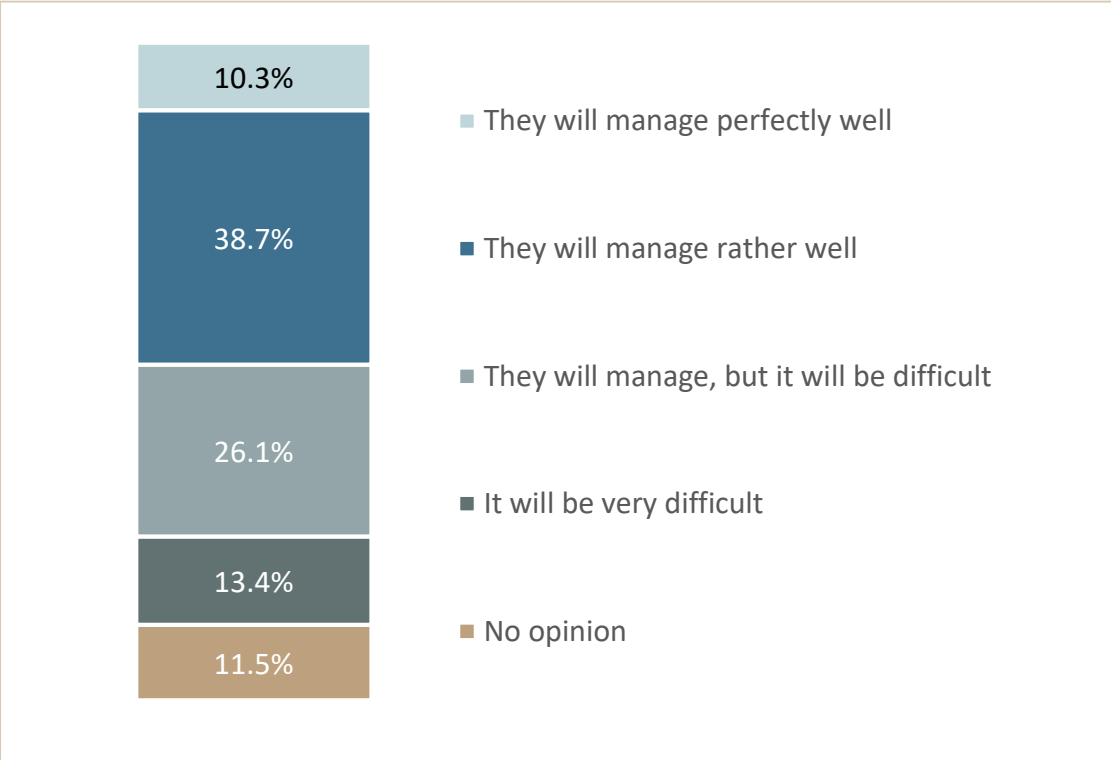
Employers are fully aware that by initiating the recruitment procedure, they **assume responsibility for the well-being and development of the foreign workers arriving in Bulgaria.** At the same time, they recognize that planning is easier than practical implementation. Their motivation is strong, but it is worth monitoring what reality will bring.

"In my opinion, the role of employers here is more about how we integrate these people, how we make sure that Bulgaria, and specifically the job position for which we have decided to attract people from third countries, becomes a long-term solution both for them and for us."

/IDIs, HR Manager, Retail Industry/

CONCERNS OF THE EMPLOYERS

DO YOU THINK YOUR EMPLOYEES WOULD MANAGE THEIR INTERACTION WITH THE FOREIGN COLLEAGUES WELL (SO THAT WORK IS NOT AFFECTED)?



Base: 800

The quantitative study highlights another concern of employers – **whether their employees will manage to interact with colleagues from abroad in a way that does not affect work performance.**

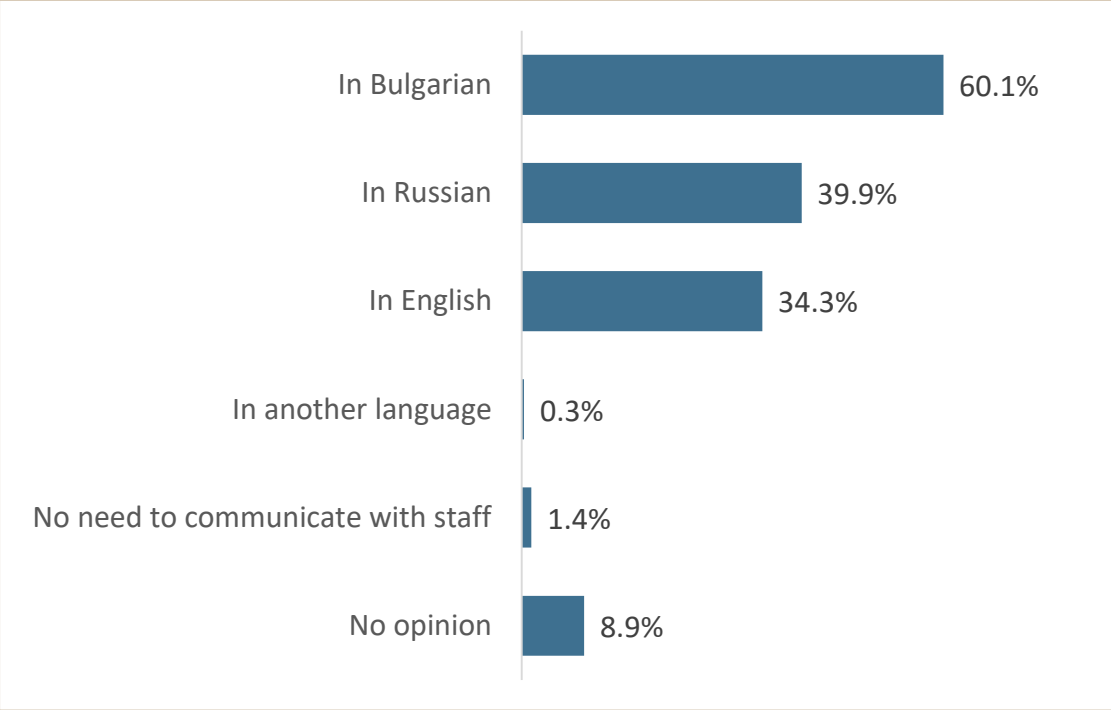
In nearly half of the companies (49%), expectations are optimistic – they believe their employees will manage perfectly well or rather well. 26% expect they will manage, but with difficulty, and 13% think it will be very difficult (a total of 39%).

A higher share of those who think it will be difficult or very difficult is observed among small companies – 10–49 employees (47%), among those who entirely disapprove of the practice of hiring foreigners when there is shortage of Bulgarian staff (62%), as well as among those who have not hired staff through bilateral agreements in the past 3 years (41%).

An interesting fact is that among **those who have hired personnel through such agreements, only 14% say it is difficult, while 86% say they manage. This data offers considerable reason for optimism for all companies that are about to hire staff from abroad.**

CONCERNS OF THE EMPLOYERS

IF YOU HIRE NATIONALS FROM MOLDOVA AND/OR GEORGIA UNDER THE AGREEMENTS ON REGULATION OF LABOUR MIGRATION (REGARDLESS OF WHETHER YOU ACTUALLY INTEND TO DO SO), IN WHAT LANGUAGE WOULD YOU EXPECT THEM TO COMMUNICATE WITH YOUR STAFF?



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As noted above, one of the reasons for refusing to hire personnel from abroad is the language barrier. This is due to the fact that in low-qualified positions, neither foreign workers nor Bulgarians speak languages other than their native languages.

> "Here we come again to the issue of language proficiency – as much as we want them to have an intermediate level of language proficiency – English, so we can communicate, the fact is that the workers are not like that."
> /IDIs, HR Business Partner, Logistics, Retail Industry/

Given this, **the expectations of employers to communicate with nationals of Moldova and Georgia (and possibly with representatives of other countries too) who are employed in Bulgaria mainly in Bulgarian (60%) seem justified.**

To meet this requirement, measures include Bulgarian language courses, selection of language-proficient individuals among incoming groups, employment of coordinators in Bulgaria, or a combination of these measures.

This requirement is more of a goal, and practice will show how quickly and to what extent it can be met, especially for short-term employees.

THE ROLE OF THE STATE

Policy, positioning, support, legislation

POLICY AND STRATEGY

The representatives of the institutions pointed out that the **absence of a comprehensive state policy and strategy in the field of labour migration is a major issue.**

A review of the National Migration Strategy of the Republic of Bulgaria (NMSRB) in 2021–2025 shows that the **phrase "labour migration" is mentioned only twice** – once in relation to the Employment Agency's website (p.16) and once referring to the role of the National Council on Labour Migration and Labour Mobility (p.51).

The strategy includes **three (3) paragraphs related to attracting third-country nationals** (pp.14–15).

The 2022 plan (the only one available) for the implementation of the NMSRB priorities in 2021–2025 foresees measures concerning labour migration, but the expected outcomes are formulated too generally, e.g., "Smooth and timely implementation of the procedures for reviewing applications, coordination and admission of third-country nationals," with the performance indicator being "Optimization of procedures for reviewing applications, coordination and admission of third-country nationals, number of meetings held."

"The problem is that Bulgaria has no migration strategy whatsoever. If you open the Strategy of the Republic of Bulgaria in the field of migration for 2021–2025, labour migration is covered in just a page or so, and even there it is just stated, with a few bullet points, how procedures will be simplified and so on. We have not identified countries that are of interest to Bulgarian employers, we have no idea about the current state of bilateral relations with those countries, and we have no concept of the needs of Bulgarian businesses—I'm referring to this strategic document, but I don't mean just the document itself. In the minds of our political leadership in this country, there is no idea where this policy should be heading—no idea at all."

/FGs, MLSP representative/

The lack of an overall vision for attracting workers from abroad to address labour market shortages on the part of the state **shifts the entire responsibility for this process onto employers**. They, as is evident from everything presented so far, manage to cope, but bureaucracy, the length of procedures, and ultimately their cost significantly slow down progress for sure.

POLICY AND STRATEGY

Representatives of institutions and businesses criticize the state for the **lack of consistency and proactive attitude in the policy concerning labour migration and Bulgaria's positioning as a labour destination.**

"In order to position itself better (as a labour destination – *author's note*), Bulgaria needs to be proactive, to have a lasting policy, while our state institutions, I would say, are in a rather passive and restrained role. And I mean all institutions involved in this process - the Employment Agency, the Ministry of Interior, the SANS, the Ministry of Social Affairs, the Ministry of Foreign Affairs, as leading in this activity."

/FGs, representative of the National Tourism Board and the Bulgarian Industrial Association/

They believe that it is necessary to think big and long-term about these processes, taking into account all their aspects - from the recruitment procedure to the integration of families and the long-term retention of workers. **However, the conclusion is that Bulgaria has not yet reached the maturity and readiness to implement long-term policies**.

"If we talk about workers who are already in Bulgaria and who are employed in the tourism sector, from very distant countries like Nepal or India in terms of culture, mentality and general mindset, I can say that in the opinion of my colleagues, they are excellent workers, they do a great job. In general, the dynamics of relationships is very disciplined, very adequate. But at this stage I am not sure that there is really a clear, defined opportunity for them to integrate, along with their families, in the longer term, an opportunity to work and live in Bulgaria. All key processes in the state can only be a function of state policies, meaningful state policies. In terms of society and state policy, we do not yet seem to have the necessary degree of maturity and readiness to implement long-term policies."

/ FGs, representative of the National Tourism Board and the Bulgarian Industrial Association /

POLICY AND STRATEGY

The representatives of institutions are of the opinion that **Bulgaria lacks priorities and a clear position regarding the countries it wants to cooperate with and, accordingly, does not advocate for solutions that are in its favour at the EU level**. As a result, it must comply with policies that do not reflect its own needs.

"Until a decision is made at the national level as to the priorities of Bulgaria, which countries are a priority and which are not, and until this is subsequently defended in Europe, what does Bulgaria have in common with Egypt, Tunisia, and Morocco to justify mobility partnerships with them? The countries that have identified their problems have succeeded in asserting them at the European level. And we, since we have no position on these issues concerning migration, remain on the sidelines. We (EA and MLSP representatives – *author's note*) have no stake and do not participate, because these processes again go through the Ministry of Interior, as it is the institution responsible for ensuring access of these individuals to Bulgarian territory, whether as workers, interns, or in any other form. We are participants in the process."

/FGs, MLSP representative/

A serious obstacle to concluding agreements for regulating labour migration is **the unstable political situation in the country.** The absence of a regular government blocks international negotiations.

"Another obstacle to the development of this process is the unstable political situation in our country. The absence of a stable, regular government prevents the institutions from committing to an international agreement, even if there is a desire from those countries to proceed with such an initiative. This is understandable, because ultimately every country takes care of the rights of its own citizens."

/FGs, MLSP representative/

NEED OF LEGISLATIVE AMENDMENTS

The amendments made to the Foreigners Act and the LMLMA are a good starting point, but **in the opinion of the businesses and institutions, more work is needed**. It is important for the changes to be consistent and implemented as elements of a comprehensive vision for promoting labour migration.

"State institutions must establish a better functioning mechanism for the import of personnel from third countries – more efficient, more flexible."
/FGs, representative of the National Tourism Board and BIA/

One of the main priorities in this regard should be the **digitalization of all procedures** related to the employment of foreign workers – from applications to the issuance of visas.

"The entire procedure should be digitalized. Right now everything is done on paper, and sometimes there is confusion about where exactly your file is, among other things that may seem like minor details at first glance, but in reality, they slow down the procedure."
/IDIs, Head of Labour Law Department, Retail Industry/

hiring under bilateral agreements, instead of under the LMLMA, would also be a significant relief for businesses.

It is necessary to **significantly reduce the administrative burden** for companies applying for personnel.

"Under the existing legislative framework concerning the single permit for residence and work (which is the regime under which we actually bring in personnel), there is a possibility for simplification. For example, in order to even apply for this procedure, one must already have an employment contract signed. This employment contract is in reality received once the employment contract has been sent. In our case, the employment contract is sent to Uzbekistan, where it needs to be signed, then returned to us, and if we have to follow the law, it must then be returned to Bulgaria to be signed by the employer, or the other way around, but in any case, it must be registered within three days of being signed by both parties. To register it with the National Revenue Agency (NRA), we need the official registration number, which is the identifier for foreigners, since they do not have a personal identification number like Bulgarians. So this is one such administrative burden, which leads to the requirement that we must have this official number in order to even register the contract, and the contract itself takes effect about four or five months after that. And this is something that could be simplified by introducing some sort of exception for registering such contracts."
/IDIs, Head of Labour Law Department, Retail Industry/

NEED OF LEGISLATIVE AMENDMENTS

Consular services are in urgent need of attention. The increased interest in hiring personnel from abroad, especially from large countries like India, has intensified the pressure on them to a great extent. In addition to their increased workload, the staff's inability to process documents results in many visa denials, which in turn leads to the loss of resources invested in the recruitment of staff by Bulgarian companies.

It is also necessary to standardize, as much as possible, the methodology for issuing visas. This would ease the process of preparing candidates' documents.

These actions must be implemented urgently, as expectations are that Bulgaria's full accession to the Schengen area will further stall the processes.

"The requirements of the embassies themselves for issuing visas also vary - each embassy has different requirements. In my opinion, this methodology should be standardized, since it concerns workers in our country. And now I have no idea, with the opening of the Schengen area... [...] But I suppose this will likely intensify next year."

/IDIs, HR Manager, Tourism (resort activities)/

"A major appeal to the state administrations, since there's always talk about how expanded it is, how people are being laid off, etc., but clearly this process, if we want to import workers from abroad, needs to be supported in terms of resources, whether through some kind of automation, software, or more people. [...] It's not enough to have such agreements on paper, but to actually assess the resources needed to meet the deadlines and to know what's really required."

/IDIs, HR Business Partner, Logistics, Retail Industry/

IN CONCLUSION

Bulgaria needs a **clear vision, policy, and strategy** regarding labour migration, and businesses need the state to intervene in order to ease the administrative and financial burden of the procedures.

The involvement of all institutions and good coordination among them is essential, as shifting responsibilities ultimately impacts businesses.

Digitalization is a must. **Reorganization of the work of consular services** in the countries that send the most workers to Bulgaria is also needed.

MOST IMPORTANT TAKEAWAYS

Key findings and recommendations

KEY FINDINGS

ENTERPRISES, EMPLOYEES, WORKFORCE

In Bulgaria, there are nearly 462,000 non-financial enterprises. 40% of them operate in the fields of trade, transport, hospitality (HoReCa - 186,000), and 36% in the services sector (165,000). 432,000 of the companies have up to 9 employees (micro-enterprises).

More than 2.2 million people are employed in non-financial enterprises. 25% of them work in companies with more than 250 employees, and 33% are employed in micro-enterprises. The largest share of employees work in trade, transport, HoReCa – 35%, followed by services – 27%, and industry – 25%.

The total number of employed persons in the economy aged between 15 and 64 is over 2.8 million. There are 108,000 unemployed persons.

People outside the workforce, i.e. neither employed nor unemployed, account for over 1 million. About half of these persons are in education or training.

RECRUITMENT, SHORTAGES, TURNOVER

Data from the quantitative study shows that 43% of companies (~198,100) hired personnel in the past year. Hiring is most common among companies with more than 50 employees. The largest share of companies that hired personnel over the past year is in the construction sector.

18% of companies (~83,600) are experiencing staff shortages. The highest demand is for employees for mid-level qualification positions. There is a shortage of personnel across all types of companies, but it is most pronounced in medium and large enterprises. Staff shortages are most prevalent in industry, construction, and trade.

In 66% of companies (~304,800), there were no employees who resigned or were dismissed. In the remaining 34% of companies, the average turnover rate is 13%. The highest turnover is in micro-enterprises – 28%. The trade and industry sectors report the highest employee turnover.

KEY FINDINGS

STATE OF PLAY, MOTIVATION, ROLE OF EDUCATION

The state of the labour market is critical. The demographic crisis and opportunities for better fulfilment abroad have a "depopulation" effect on low-level positions in key economic sectors. The problem is particularly severe in large cities, where the unemployment rate is very low.

The motivation of Bulgarians to work is weak, while expectations are high. Physical labour and shift work are considered "non-prestigious" and therefore not preferred, regardless of the working conditions.

The education system fails to meet the business sector's need for specific staff. Companies do engage regularly with educational institutions, but these efforts are fragmented and focused on their own needs. Current graduates lack sufficient knowledge and skills, requiring employers to make significant additional investments to meet even basic job requirements. The education sector lacks a comprehensive strategy to address labour market challenges in the coming years.

GEN Z, MOBILIZATION, ALTERNATIVES

Generation Z is entering the labour market – significantly different from previous generations, "digitalized," preferring written communication, with specific demands and high expectations that diverge significantly from the realities of the labour market.

The shortage of workers pushes HR departments to be as creative as possible – using every available tool (remuneration, work environment, benefits), all possible channels (job boards, social networks, LinkedIn, colleague referrals), and all resources with potential, including Roma, youth from institutions, refugees, prisoners, and people with disabilities. The investments in attracting, training, and retaining staff are considerable, yet ultimately part of the needs remain unmet.

The "import" of staff from abroad is becoming inevitable. Companies have already taken action in this direction. Some are expecting their first arrivals next year, while others have been working with a steady contingent of foreign workers for several years.

KEY FINDINGS

PROCEDURES FOR "IMPORT" OF PERSONNEL

The procedures for hiring personnel from abroad are labor-intensive, slow, and expensive.

The overall duration of the procedure for long-term employment (over 90 days) can reach 8–10 months. Seasonal employment under 90 days follows a simplified and significantly faster process.

There are two main weak points – in the interaction between the Migration Directorate and other institutions (slow, paper-based and understaffed); and in the processing of documents and issuance of visas at consular services (lacking a unified methodology and facing severe staff shortages). In order to have a quick and seamless process in place, it should be adequately resourced – with equipment, software, and personnel.

Employers consider the current restrictions on using newly hired workers for other positions, as well as the inability to second them or transfer them to other company structures, to be a serious obstacle to their effective utilization.

STATE OF NEGOTIATIONS

Bulgaria has had limited success in negotiating labour exchange agreements. Currently, there are five active agreements, but actual cooperation takes place under only three of them.

Around 4% of companies (~17,700) report having hired staff under labour migration regulation agreements in the past three years. The largest share of those hired are nationals of Ukraine and African countries. Hires from Moldova account for 11%, and from Georgia – 4%. However, the breakdown by countries reveals that businesses are often unaware of which countries Bulgaria has agreements with, and some of the reported hires were actually made under the LMLMA.

Overall, the relations between Bulgarian and foreign workers in companies that have hired staff under these agreements are excellent. Still, in 18% of the companies, foreign workers remain isolated and face envy or resentment, and in 27% they do not feel equal to their Bulgarian co-workers.

KEY FINDINGS

ATTITUDES TO MOLDOVA AND GEORGIA

Bulgarian employers have a positive or neutral attitude toward Moldova and Georgia. A small share of employers have visited or have had business relations with these countries.

Moldovans and Georgians are considered the most distant nations from Bulgaria in terms of common mentality.

The declared willingness to hire nationals from Moldova and/or Georgia is very high – around 44% for Moldova and 43% for Georgia. However, the experience of registered labour intermediaries and data of the Employment Agency indicate that these countries are not preferred sources of imported staff, and the number of hires from them remains very low. Given this, the data cannot be taken as a basis for initiating activities under the agreements.

The majority of employers who stated they would not hire staff from Georgia or Moldova prefer Bulgarian workers or currently have no staffing needs.

THE AGREEMENTS WITH MOLDOVA AND GEORGIA

The business sector has no information on the existence of labour migration regulation agreements with Moldova and Georgia.

The agreements with Moldova and Georgia are of low effectiveness (in the case of Georgia – none) and have very limited potential.

Although business representatives claim to have a general interest, these destinations for "import" of staff are not recommended by intermediaries due to the weak interest in positions in Bulgaria. Given this, the chances of actually hiring candidates from these countries are minimal.

The most optimistic expectations regarding Moldova suggest that the plateau of 35–40 offers per year will remain steady.

Georgia’s potential is zero unless the documentation issues are resolved. However, the likelihood of that happening is extremely low.

KEY FINDINGS

SELECTION OF TARGET COUNTRIES

Selecting target countries toward which Bulgaria should direct its diplomatic efforts regarding labour migration is a complex task. A number of baseline criteria must be met—such as population size, standard of living, access to the EU, and potential for negotiation. Based on these factors, as well as the current experience of labour intermediaries and employers, the markets with the greatest potential include Kyrgyzstan, Nepal, India, Sri Lanka, and Vietnam.

In identifying target countries, it should also be taken into account that Bulgaria is an EU Member State and as such, it should follow the EU policies—even if this requires to finetune its approach.

INTEGRATION CAPACITY

The experience with Ukrainian refugees has given businesses the confidence that they can manage incoming migrants and provide suitable conditions for work and living, at least in the short term. However, the small number of Ukrainians who choose to remain in Bulgaria raises the question about the country's ability to retain staff and its overall integration capacity.

Employers' engagement with newly hired workers is strong, both before and after their arrival. The process is often approached emotionally, especially when it involves the arrival of the first groups.

Company strategies vary, but all are motivated to provide the necessary support (administrative, housing, social, and in some cases even financial) to recently hired employees and retain as many of them as possible at least until the end of their contract term, ideally even beyond.

The main concerns among employers relate to pre-arrival logistics, accommodation, integration, and the overall success of the effort - what kind of people will arrive, whether they'll fit into the work environment, and whether they'll be able to meet performance expectations.

Strict government oversight is needed to ensure compliance with equal treatment standards for Bulgarian and foreign workers in terms of pay and benefits. There are indications that this may be an issue in certain companies.

KEY FINDINGS

POLICY AND STRATEGY

The absence of a comprehensive national policy and strategy in the field of labour migration is a fundamental issue, giving rise to numerous organizational, procedural, administrative, and legal barriers. The entire responsibility for the successful completion of the process of hiring foreign workers has been shifted onto businesses, along with the financial responsibility. The combination of these factors significantly slows the progress in this area.

Bulgaria remains passive and inconsistent in its labour migration policy, and its positioning as a labour destination lacks clarity. There is a lack of scale, coherence, and long-term vision in managing the process - from recruitment procedures to family integration and long-term employee retention. Institutional representatives conclude that Bulgaria has yet to reach the maturity and readiness required to implement long-term policies.

Bulgaria lacks priorities and clear stance on which countries it wishes to partner with - as a result, it does not advocate for solutions that serve its national interests at the EU level. This leaves the country with limited choice options, which are unfavourable for both businesses and the population.

Political instability also remains a significant barrier to international agreements in any domain.

NEED OF LEGISLATIVE AMENDMENTS

Additional legislative amendments are needed to further streamline the procedures. It is essential for these amendments to be consistent and implemented as part of a broader vision for promoting labour migration.

Digitalization is a must.

Restructuring the activities within the consular services in the countries that send the most workers to Bulgaria is also necessary.

SOME FINAL WORDS

Businesses are faced with an unprecedented challenge - a combination of demographic crisis, emigration, weak education system, and the emergence of Generation Z - young people who exist largely in a virtual world, who act and communicate differently, and for whom physical labour is both an undesirable and unmanageable task. The creativity of the HR community is under immense strain — all ideas have been realised, all possibilities explored and activated, and resources are nearly exhausted. The only alternative that remains is the “import” of staff—a slow, cumbersome, and expensive procedure burdened with numerous requirements and restrictions.

The state makes attempts to support businesses in this endeavour, but its efforts are fragmented and lacking a clear vision, policy, strategy, or diplomatic engagement. Institutions shift the responsibility among themselves, yet ultimately it falls on the companies, along with all the accompanying administrative, financial, and social burden. Employers have long managed most of these challenges on their own, but the long-term integration of entire communities is a task beyond their capacity. The state must step in with a clear vision, policy, strategy, and defined priorities that it consistently upholds and actively advocates for. The state of the labour market clearly shows that the time for action is quickly running out.

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