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Volume 28 (3), 2019

SOCIAL COHESION (Bulgaria – EU – Western Balkans)

The current study examines the social cohesion between the Western Balkans, Bulgaria and the EU within the context of the labor market. It represents an overview of the more well-known theoretical concepts, relevant to the understanding of the social cohesion, as well as of the tools for its measuring. The achieved level of convergence between the surveyed countries is evaluated, based on the analysis of the indicators related to the labor market dynamics. The main EU strategies and policies are presented for promoting the accession of the Western Balkan countries on the way to their future membership. Critical points are identified for the necessity of key reforms in national policies to strengthen the social cohesion in the labor market context as an important link in the social cohesion policy chain.

JEL: O52; O57; J60; F68; F66; E60

Introduction

The **object** of the present study is the social cohesion of Bulgaria, the EU and the Western Balkans in the context of the labor market. In this sense, the process of convergence and reduction of the imbalances between Bulgaria, the Western Balkans and the EU in terms of the labor market will be studied as the **subject**.

The present study sets out three main **purposes** related to the subject and object of the research:

- **Purpose 1.** To confirm or reject, in the light of the ongoing accession of the Western Balkan countries in the EU, whether there is a **convergence process between them and the EU** during the period under review.
- **Purpose 2.** To confirm or reject, in the light of the current accession of the Western Balkan countries in the EU, whether there is a **convergence process between them and Bulgaria** during the period under review.

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- **Purpose 3.** To assess the position of the Western Balkan countries regarding their forthcoming membership in the EU in the context of the two-speed Europe idea and the possibility of the Balkans becomes second or third periphery.⁴

For the achievement of the targets hereby set, the following **research tasks** are to be carried out:

Task 1. On one hand, by means of a graphical analysis, we will study the key indicators of the *dynamics in real values* between Bulgaria, the EU and the countries of the Western Balkans in the period 2008 – 2016, thus attempting to extract a trend or a dynamic dependence of change in the values analyzed during the period. On the other hand, we will analyze the *dynamics of the change in percentages* of key indicators between the Western Balkan countries and Bulgaria / EU in the period 2008 – 2016. Thus, we will attempt to bring about a trend or dynamic dependence of change in the differences of the values during the period. The aim is to eliminate the confusion brought about by the different dynamics in the real values of all the subjects.

Task 2. By means of graphical analysis, we will compare 2016 with 2008 by *differences in percentages* between the Western Balkan countries and Bulgaria / EU. This presents an opportunity to find a solution to the problem of whether, at the end of the period, the countries are farther or closer to convergence with the EU and to reduction of the regional imbalances.

Task 3. By means of graphical analysis, we will compare 2016 with 2008 on *real values* of the indicators for social cohesion in the Western Balkan countries and Bulgaria / EU. The aim is to find a solution to the question of whether there is a *coincidence* between the decrease or increase of the convergence and the regional imbalances in 2016 compared to 2008. Also, on the basis of the key indicators, we will study the variation and the scope of the indicators over the period under review. Subsequently, we will draw conclusions in which Western Balkan countries the change in *real values* is almost insignificant and which countries undergo substantial *fluctuations* during this period.

Task 4. By means of a two-dimensional and three-dimensional graphical analysis, we will summarize and draw conclusions for the Western Balkan countries by *groups* of indicators. In this way, we will draw out dependencies between the indicators of social cohesion and their dynamics in a time scale. The summaries will be tested, and through rank analysis they will be ordered by country according to their proximity to the EU by years of the survey period, thus giving a clear rank assessment of their convergence with the EU.

The following *assumptions and limitations* are adopted in the study:

- Given the different dynamics of economic activity, both convergence and imbalances between Bulgaria, the EU and the Western Balkan countries will be analyzed not only through their real absolute or relative values, but more attention will be paid to the

⁴ <https://euobserver.com/institutional/138832> / <https://www.politico.eu/article/fast-forward-to-two-speed-europe/> / <https://www.dw.com/en/how-frances-emmanuel-macron-wants-to-reform-the-eu/a-43002078>

relative differences in the Western Balkans values against the respective EU28 and Bulgaria ones;

- The social cohesion is seen in a more general sense as a dimension of convergence through indicators, relevant to the labor market, which have a direct bearing on the well-being and social sustainability.
- All six countries (Serbia, Montenegro, North Macedonia, Albania, Bosnia and Herzegovina and Kosovo) are being analyzed in the Western Balkan countries survey.
- The investigated time period, given the availability of data and allowing an objective assessment, is 2008-2016.
- The indicators for the labor market dynamics used and analyzed are: *Unemployment rate in the 20-64 age group*; *Employment rate (15+)*; *Economic activity of the population aged 25-64*. The selection of indicators is motivated by the available statistical information for the countries concerned.

The methodological toolkit applied aims to reveal the development of indicators – variables in dynamic order through comparison of real and relative values. In this respect, as one of the most applied methods for illustrating changes, dependencies and trends in time order, in the context of dynamic analysis and analysis of differences, are the methods of **graphical analysis** and the methods of **rank analysis**. Through their implementation are achieved the set goals and objectives of the research to reveal peculiarities and dependencies between the Western Balkans, Bulgaria and the EU in the dynamic change of the indicators of the labor market and social cohesion during the period under review.

Over the last few decades, some of the most comprehensive integration processes have been observed in Europe. The countries, covered by the expansion policy of the European Union, are experiencing the effects of the Euro-integration in various aspects – economic, social and political. In addition, they face a number of challenges arising from internal (aging, cultural gaps and others) and external impacts (globalization, emigration pressure, etc.). The expansion opportunities are related to achieving greater prosperity in newly acceded and currently acceding countries. The goal of the EU is to create a united Europe where the links between the different countries in the region are stronger. The social, economic and territorial proximity to a large extent determines the development of the process of coherence between the countries.

The opportunities for expanding the union are revealed with the European perspective for the accession of the Western Balkans ⁵ to the EU. Our country has undertaken a key role when this issue was highlighted as a priority during the Bulgarian Presidency of the EU- at the Western Balkans summit.

The EU is implementing a policy of gradual integration of the Western Balkan states into the community, by which it promotes the cooperation of the countries in the region in different areas. The level of the social connectivity achieved in the context of the labor

⁵ Montenegro, Serbia, the Republic of North Macedonia, Albania, Bosnia and Herzegovina, and Kosovo

market is investigated for the purposes of this article. This is reflected in the assessment of the employment policies as an opportunity to achieve cohesion objectives such as: reduction of inequality, social exclusion, poverty, etc.

The evaluation of the achieved level of integration of the Western Balkan countries with the EU and Bulgaria, and in particular, the achieved cohesion regarding their labor markets, is a complicated and difficult to measure process. This is due to the lack of a commonly accepted definition of the term *social cohesion*, both at a national and international level, which makes its research complicated. Another reason is that the period under examination includes the global economic crisis from 2007 to 2008 and its repercussions have an impact on the development of the economies of the countries concerned.

Theoretical Concepts of the Term *Social Cohesion* and Toolkit for its Research

The development of the concept of *social cohesion* is linked to numerous definitions and indicators for its measuring and application which, on the one hand, depend on defining the elements of the social cohesion and, on the other hand, on the area in which the concept is applied.

Based on the purpose of this work, namely to assess the level of integration of the Western Balkan countries into the EU in the context of the labor market, it is first and foremost necessary to clarify the concept of *social cohesion* within the EU. In view of this, we have reviewed the more widely-adopted concepts of social cohesion. This will serve as the basis for coining the most appropriate definition.

In the overwhelming majority of European documents and strategies, the social cohesion is viewed as a political concept which is a prerequisite for political security and stability. It should be noted that the *Council of Europe* perceives social cohesion as ‘*the ability of a society to guarantee the well-being of all its members – to minimize inconsistencies and to avoid marginalization – to manage differences and gaps and to provide the means for the well-being of all members*’ (Council of Europe 2010). It is clear from the definition that the essence of the social cohesion is to overcome inequality and gaps in society or, ultimately, social cohesion becomes a function of the politics. In this case, the assessment of the social cohesion is possible by measuring the results of the cohesion policy aimed at reducing social exclusion by increasing the access to the labor market.

The *Social Cohesion Strategy* (Council of Europe 2000) adopts an approach through which the essence of the social cohesion is clarified by examining its constituent parts. The elements directly related to the achievement of social cohesion in the context of the labor market are: *promotion of employment through the implementation of appropriate economic policies and through adequate labor remuneration; support of entrepreneurship and search for employment; conducting of interconnected economic and social policies; building of a stable social system which limits the social exclusion*. Hereby again, policies play a leading role in achieving the social cohesion.

The same approach to defining the social cohesion is applied in the OECD (OECD 2011) – it explores the impact of leading employment, education and environmental policies on

improving the social cohesion and thus clarifying its essence. Initially, however, the organization identifies the social cohesion through social inclusion, social capital and social mobility.

Dayton-Johnson (2003) consider the social cohesion in the context of the social capital, being a feature of society, and also the flow of investment by individuals.

From the written-sources review of the more well-known concepts for social cohesion, we can conclude that it can be considered in several respects: the social cohesion as a function of the social inclusion, the social cohesion as a function of the social capital; and the social cohesion as function of the policies.

For the purposes of the present study, social cohesion is seen as a function of the social inclusion, expressed through the access to the labor market. On the other hand, the social cohesion is also perceived as a function of the policies pursued in the labor market.

The conceptual clarification of the social cohesion is also possible by investigating the indicators for measuring the social connectivity. As a result, in this study, emphasis is placed on the indicators used in the Union.

A system of indicators has been developed within the EU to make it possible to assess the effectiveness of the policies pursued to achieve social cohesion. These indicators ⁶ cover four thematic areas – employment, education, health and income.

According to ECLAC (2007), the measurement of the social cohesion in the labor market is based on the indicators: *regional cohesion; long-term unemployment rate; very long-term unemployment rate; members of households of unemployed; difference in the employment of immigrants; workers at risk of poverty*.

The indicators *long-term unemployment rate; very long-term unemployment rate; members of households of unemployed* and *workers at risk of poverty* provide information on the risk of persistent social exclusion and the risk of falling into poverty.

The specific indicator of *workers at risk of poverty* shows that employment is not the best prevention against poverty risk. The more significant prerequisites for the emergence of this category in the labor market are related to: '*the economic growth; the minimum wage; the educational level of the employees; the size of the household; the type of working hours and the labor contract, and the low labor intensity*' (Raichev, Stoyanova, Madzhurova, 2017).

The *regional cohesion* indicator serves to assess the achievements of the policy regarding the social cohesion between the regions.

The examination of these indicators enables the elaboration of an approach to assess and analyze the social cohesion in the context of the labor market as well as of the cohesion policies. The analysis of indicators helps to measure the progress of the EU Member States in the process of the social cohesion in the labor market. It is possible to assess the extent to

⁶ The indicators are 21 in number, ranked according to their importance and divided into 12 primary and 9 secondary indicators. They are more familiar as Laeken indicators of social cohesion in the EU, as they were adopted at a meeting of the European Council at Laeken Castle, Brussels.

which the objectives of the EU social policy, and in particular – the common employment policy, have been achieved through the results achieved.

Following a literature sources review of the social cohesion concepts and the toolkit for its research, Jenson (2010) proposes the implementation of several types of indicators, with the following being relevant to the labor market connectivity. The social cohesion is seen as social inclusion, measured by: *access to the labor market* (unemployment rate, employment rate in the informal economy as a percentage of the total employment); *access to financial resources* (indicators such as the Ginny Index and indicators for measuring income and poverty are applied); *access to education and human capital; healthcare; technologies*.

Based on the review of the different views on the concept of social cohesion and the toolkit for its assessment, a theoretical and methodological approach is being pursued to study the social cohesion of the Western Balkan countries with the EU and Bulgaria.

The article analyzes the dynamics of only some of the more important indicators characterizing the development of the labor market, as employment, unemployment and economic activity. On the basis of these, the analysis is built up and specific results and conclusions are drawn.

Labor Market Analysis – EU, Bulgaria and the Western Balkans

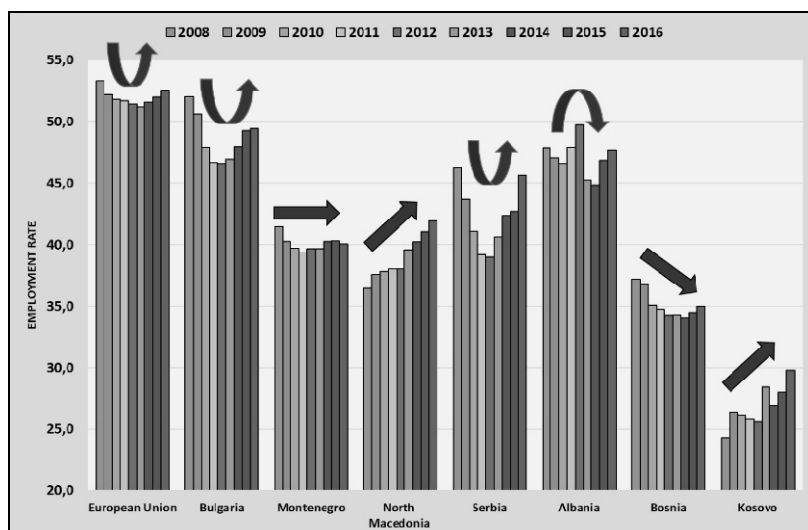
Employment

Fig. 1 displays the dynamics of the employment rate in the EU28, Bulgaria and the Western Balkan countries. A few peculiarities stand out. **First**, the dynamics of the studied subjects is concaved in the middle at EU28, Bulgaria, Serbia and slightly so in Montenegro. North Macedonia and Kosovo see an upward trend, with Bosnia and Herzegovina,, and partially Albania, a downward one. **Second**, the lowest descent is with EU28, which is normal for an average of 28 countries. **Third**, from all countries, the largest change is seen in Serbia, and the weakest -in Montenegro. **Fourth**, North Macedonia and Kosovo are the only countries with higher employment in 2016 compared to 2008, showing a clear positive dynamics.

Fig. 2 presents the convergence process between the Western Balkan countries and the average value of EU28 by the indicator *level of employment* over the period 2008-2016. The differences in percentage points compared to the EU28 value in the respective year are used instead of absolute values. A number of clear points stand out. **First**, there is no Western Balkan country with higher values than the EU28 average throughout the whole survey period. **Second**, in the dynamics of the differences, only Serbia marks a peak in the middle of the survey period and ends it with a decline. **Third**, only Kosovo and North Macedonia tend to narrow the gap or mark actual convergence with the EU throughout the period, whereas with Bosnia and Herzegovina the trend is the opposite. **The main conclusion** which follows from the graphical analysis is that, apart from three countries (North Macedonia, Bosnia and Kosovo), the rest do not show a clear linear trend of change which means that such a trend is missing or it is not linear.

Figure 1

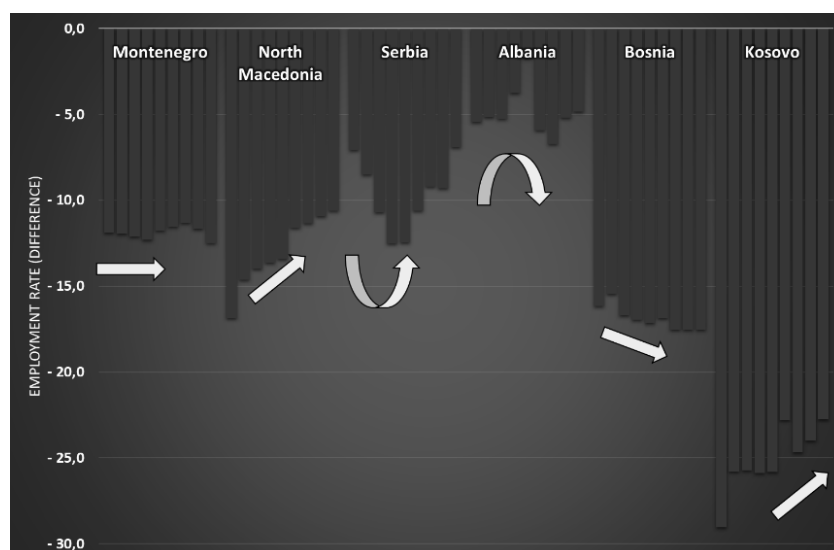
Employment rate – EU, Bulgaria and the countries of the Western Balkans



Source: Eurostat, World bank

Figure 2

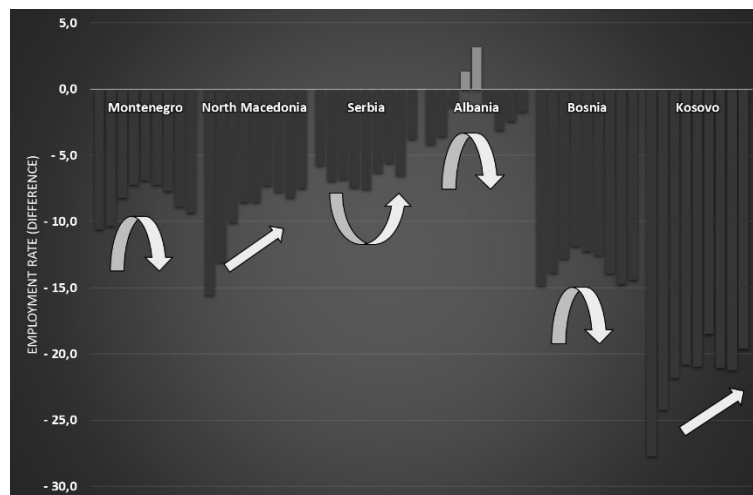
Employment rate differences between the countries of the Western Balkans and EU (2008-2016)



Source: Eurostat, World bank

Figure 3

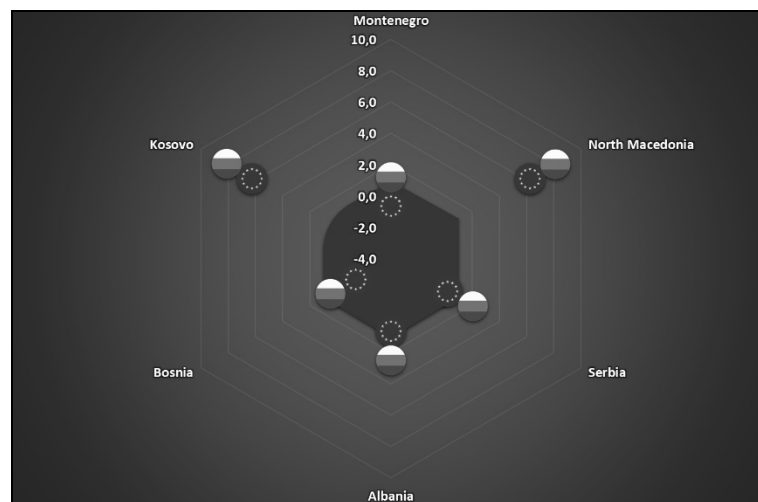
Employment rate differences between the countries of the Western Balkans and Bulgaria
(2008-2016)



Source: Eurostat, World bank.

Figure 4

Employment rate differences between the countries of the Western Balkans and EU /
Bulgaria (2016 compared to 2008)



Source: Eurostat, World bank.

The disproportions in a dynamic order between the Western Balkan countries compared to the average for Bulgaria as differences in the *employment rate* indicator during the period 2008 – 2016 are reflected in Fig. 3. Here, too, we can clearly identify a few specifics. **First**, only one country – Albania, has higher values than the average ones for Bulgaria during two years of the survey period (2011 and 2012). **Second**, three countries tend to converge with the average for Bulgaria (North Macedonia, Kosovo and partly Serbia). **Third**, unlike the dynamics of the EU28 differences, there are three countries with pronounced bottom points during the period, after which all states tend to move away from Bulgaria. **The main conclusion** which follows from the graphical analysis is that only two countries (North Macedonia and Kosovo) show a clear linear trend of change which indicates that the change in imbalances is more consistent than the convergence process during the period under review.

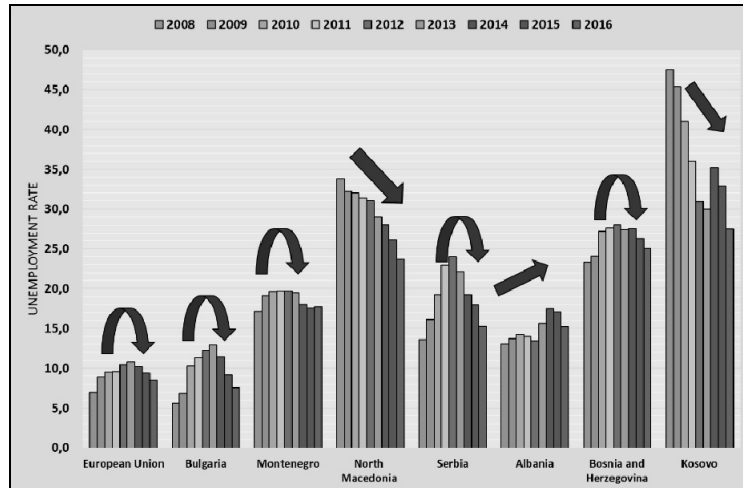
The net result from the convergence process between the Western Balkan countries and the EU, on the one hand, and the average for Bulgaria, on the other, is summarized in Fig. 4. It presents the difference in 2016 compared to 2008 of the deviations between the countries and EU28 as well as between those states and Bulgaria. Thus, the aim is to answer the question whether the differences between the Western Balkan countries and the average of the EU and Bulgaria are bigger or smaller in 2016 compared to 2008. The graph shows that only 2 countries (North Macedonia and Kosovo) increase their employment rate compared to EU28. Consequently, they are closer together in 2016 than in 2008. The conclusion is that the convergence of the Western Balkan countries with Bulgaria according to the *employment* indicator is not accompanied by increased convergence with the EU28, and even in some cases the opposite is evident – moving away from the EU average. This conclusion clearly shows the negative trends in the Balkans, which are shifting away from the EU28 countries under this indicator.

Unemployment

The dynamics of the unemployment rate in the EU28, Bulgaria and the Western Balkan countries is reflected in Fig. 5. Several basic features are notable. **First**, the dynamics of the EU and Bulgaria stands out in the middle of the survey period, confirming the sharp negative effects of the crisis on the rising unemployment, dynamism similar to that in Montenegro, Serbia and Bosnia and Herzegovina alone. **Second**, the slightest increase is noted by the EU28, which is normal for an average of 28 countries, but also in Montenegro, which shows enviable resilience to the impact of the 2008 crisis. **Third**, among all the countries, the strongest drop in the level of unemployment is noticed in Kosovo. **Fourth**, two countries report a downward steady dynamics (Kosovo and North Macedonia), and one – a stable rise – Albania. **Fifth**, all countries, excluding North Macedonia and Kosovo, report higher levels of unemployment in 2016 compared to 2008.

Figure 5

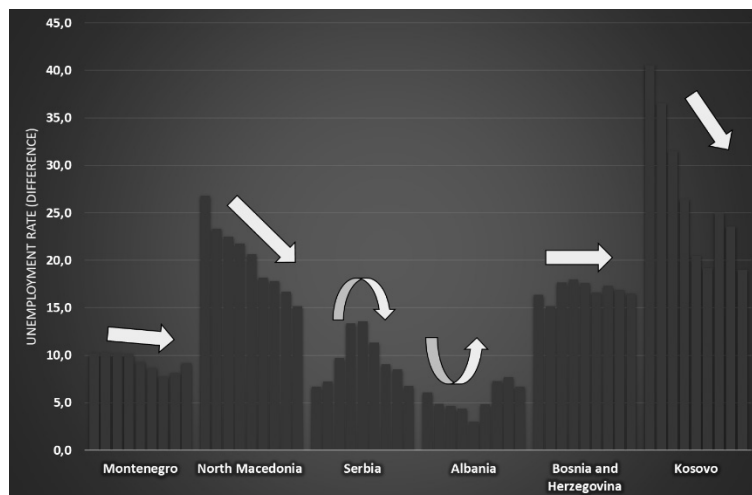
Unemployment rate – EU, Bulgaria and the countries of the Western Balkans



Source: Eurostat, World bank

Figure 6

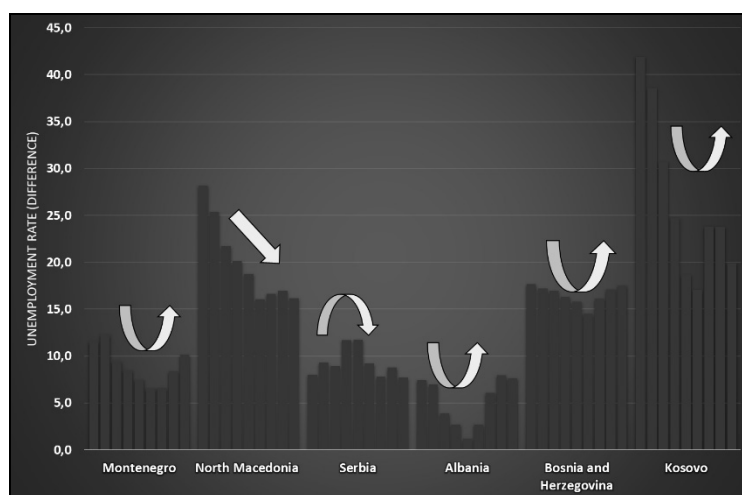
Unemployment rate differences between the countries of the Western Balkans and EU (2008-2016)



Source: Eurostat, World bank

Figure 7

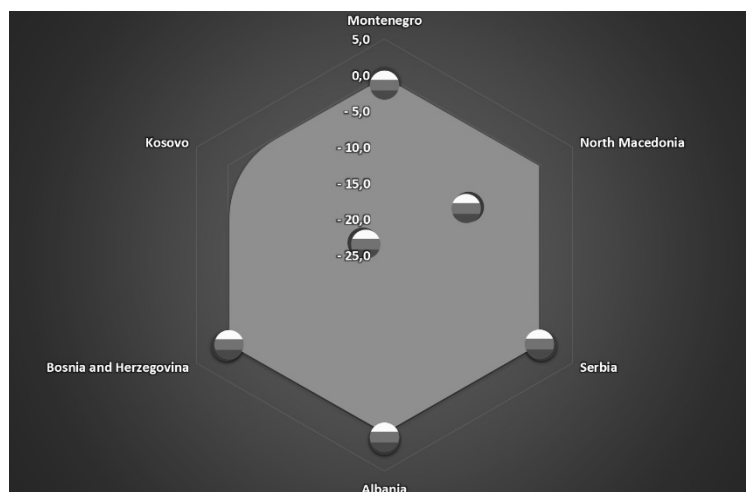
Unemployment rate differences between the countries of the Western Balkans and Bulgaria (2008-2016)



Source: Eurostat, World bank

Figure 8

Unemployment rate differences between the countries of the Western Balkans and EU / Bulgaria (2016 compared to 2008)



Source: Eurostat, World bank

Fig. 6 presents the convergence process between the Western Balkan countries and EU28 average by the indicator *unemployment rate* for the period 2008-2016. Instead of using absolute values, the differences in percentage points compared to the EU28 value in the respective year are used. Hereby, too, we can pay attention to the below facts. **First**, no country is below the EU28 average value during the whole survey period. **Second**, we can observe the most varied dynamics of differences in the EU. In North Macedonia and Kosovo it points downwards, with Serbia and Albania it is convex and concave, respectively, around the center of the period, with Bosnia and Herzegovina and Montenegro it remains virtually unchanged. **Third**, the most sizeable change towards convergence is registered in Kosovo. **The main conclusion** which follows from the graphical analysis is that, apart from North Macedonia and Kosovo, no other country shows a clear linear trend of change, leading to the fact that either such is missing or that it is not linear, or maybe it is a polynomial of a second or third line related to the dynamics of the business cycle.

Fig. 7 reflects the disproportions between the Western Balkan countries against the average for Bulgaria by the *level of unemployment* indicator for the period 2008 – 2016. Several features can be clearly identified. **First**, throughout the survey period, no country has lower than Bulgaria's average value, similar to the EU. **Second**, we can observe the most varied dynamics of differences versus Bulgaria. For North Macedonia and Kosovo, it descends; with Serbia and Albania it is convex and concave, respectively, around the center of the period. Unlike the EU, in this case, with Bosnia and Herzegovina and Montenegro it is not unchanged, but shows concave dynamics. **Third**, the biggest change towards convergence is registered in Kosovo. **The fundamental conclusion** which follows from the graphical analysis is that, apart from North Macedonia and Kosovo, no other country shows a clear linear trend of change, so such is missing or it is not linear. Consequently, the change in imbalances is more consistent than the convergence process during the period under review.

The net result of the process of convergence between the Western Balkan countries and the EU /Bulgaria, on the other hand, is summarized in Fig. 8. The graph shows that only 3 countries (Montenegro, Kosovo and North Macedonia) are reducing their unemployment rate compared to the EU28 and are therefore closer together in 2016 than in 2008. All others show that the gap between them and the EU28 is increasing. Compared to the average for Bulgaria, all countries, excluding Albania, reduce their unemployment. As with both Bulgaria and the EU, two countries show a huge convergence of more than 10 percentage points – North Macedonia and Kosovo. The conclusion is that the reduction of the regional imbalance in the Balkans by the unemployment indicator is accompanied by an increase in their convergence with the EU28, too.

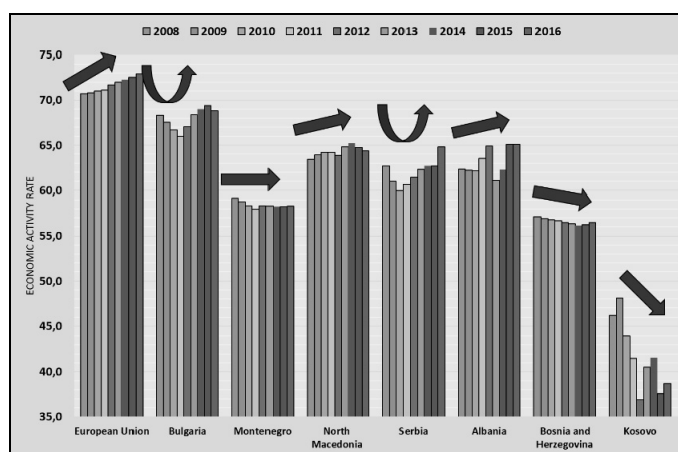
Economic activity

Fig. 9 presents the dynamics of the level of economic activity rate in EU28, Bulgaria and the Western Balkan countries. The graphical representation shows the following. **First**, the dynamics of the economic activity rate in the EU is a clearly pronounced upward trend during the survey period, which shows dynamics towards strengthening of the active population from the group of inactive people. **Second**, in Bulgaria and Serbia, instead of an upward trend, similar to that of the EU, a decline is reflected, leading to the bottom in the

middle of the survey period, followed by an increase. **Third**, out of the rest of the countries, the most striking change shows Kosovo, as opposed to the European trend, namely towards a reduction of the level of economic activity rate. **Fourth**, the dynamics of all Western Balkan states are strictly different, while some are restoring their pre-crisis levels, others are notably moving away from them.

Figure 9

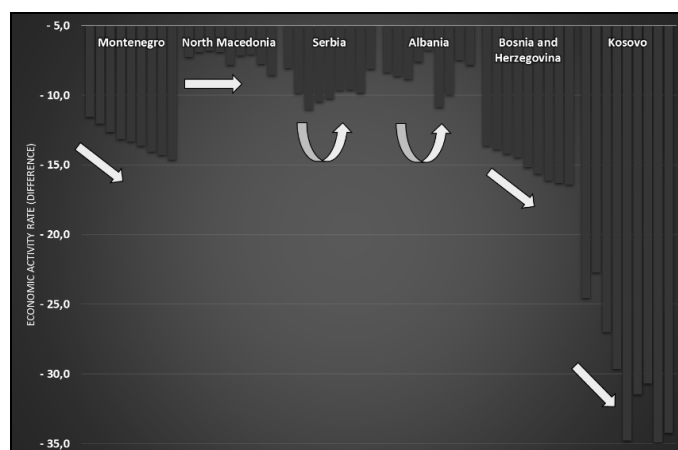
Economic activity rate – EU, Bulgaria and the countries of the Western Balkans



Source: Eurostat, World bank

Figure 10

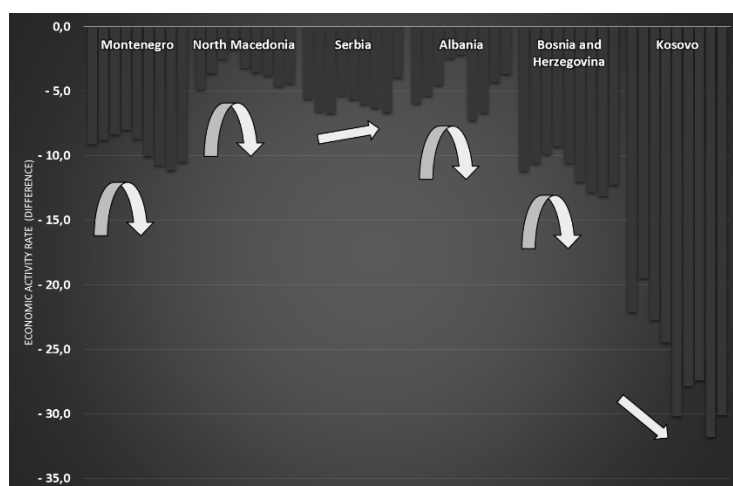
Economic activity rate differences between the countries of the Western Balkans and EU (2008 – 2016)



Source: Eurostat, World bank

Figure 11

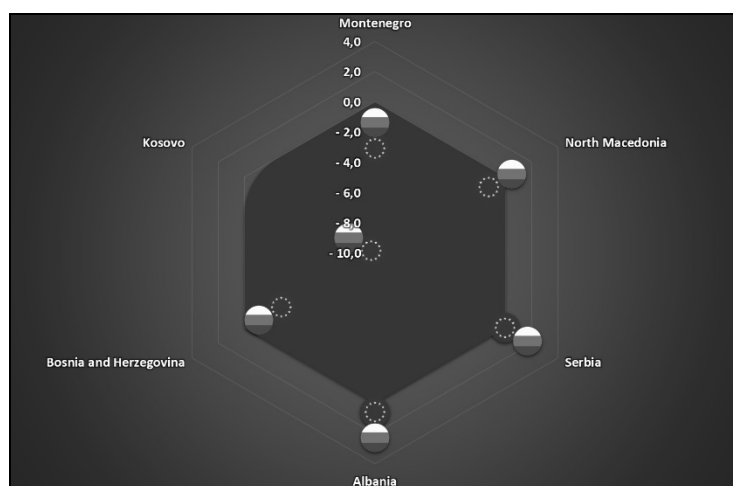
Economic activity rate differences between the countries of the Western Balkans and Bulgaria (2008 – 2016)



Source: Eurostat, World bank

Figure 12

Economic activity rate differences between the countries of the Western Balkans and EU / Bulgaria (2016 compared to 2008)



Source: Eurostat, World bank

Fig. 10 reflects the convergence process between the Western Balkan countries and the average value for EU28 by *economic activity rate* indicator for the period of 2008-2016. Instead of using absolute values, we use the differences in percentage points compared to the EU28 value in the respective year. We can highlight a few points. **First**, no country has higher values than the EU28 average one during the whole survey period. **Second**, apart from Serbia and Albania, which show a peak in the middle of the survey period and end with a descent, the other countries either move away or stay unchanged vis-à-vis the EU. **Third**, three countries show a clear consistent trend towards deviation from the EU (Montenegro, Bosnia and Herzegovina and Kosovo). **The main conclusion** made from the graphical analysis is that three countries demonstrate a clear linear trend of change and the other three do not show the presence of such. From that we can draw the conclusion that such trend is missing or it is not linear.

Fig. 11 displays the disproportions between the Western Balkan countries compared to the average for Bulgaria by *level of economic activity rate* indicator for the period 2008 – 2016. Several features can be clearly identified. **First**, no country has higher values than the average one of Bulgaria during the whole period of research. **Second**, four out of six countries exhibit a convex trend with a peak in the middle of the survey period, subsequently, ending with a decline (Montenegro, North Macedonia, Albania and Bosnia and Herzegovina). **Third**, only one country shows a clear consistent tendency to move away from Bulgaria (Kosovo). **The general conclusion** that follows from the presented graphical analysis is that only one country (Kosovo) shows a clear linear trend of change respective three EU countries. It means that the change towards Bulgaria is more inconsistent than the process of convergence between those states and EU during the survey period.

The net result of the convergence process between the Western Balkan countries and the EU, on the one hand, and the average value for Bulgaria, on the other, is summarized in Fig.12. The graph shows that all countries are increasing their gap in a negative aspect versus the EU28 and thus are moving further in 2016 compared to 2008 with their level of economic activity rate decreasing further in 2016 compared to the EU average. The only exception is Albania, which raises its value versus the EU and converges with 0.5 percentage points. The absolute same trend is also seen with respect to the average value of Bulgaria, except for Albania and Serbia, which are closer to the average of Bulgaria in 2016 compared to 2008, respectively by 1.7 and 2.3 percentage points. **The fundamental conclusion** is that the dynamics in almost all the Western Balkan countries facing Bulgaria and the EU tends to become more distanced.

Labor Market Summary for the EU, Bulgaria and the Western Balkans

The present summary builds on individual analyses on the separate indicators, related to the labor market dynamics, by combining them in a three-dimensional analysis of real values, rather than only highlighting the differences between them. In this way, the changes in the EU, Bulgaria and the Western Balkan countries are analyzed graphically in the relations: *unemployment rate – employment rate – level of economic activity rate*. Through the

generic graphical analysis we will be looking at whether the imbalances between the countries in the Balkans decrease in 2016 compared to 2008, and whether they come closer to the EU.

Graphic Analysis: Unemployment, Employment and Economic Activity

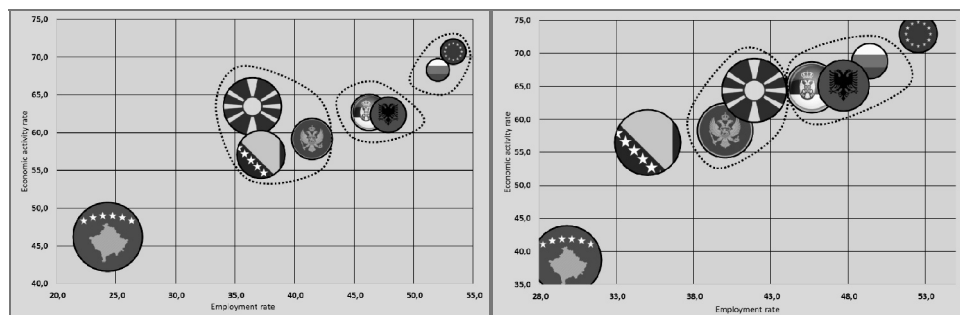
Fig. 13 reflects graphically the relation *unemployment rate – employment rate and level of economic activity rate*. To the upper are placed the countries in the three-dimensional space of the indicators in 2008, and to the lower – in 2016. On the horizontal axis, we have the indicator of *employment rate*, the vertical one contains the indicator *level of economic activity rate* and the size of the balloons corresponds to the indicator *unemployment rate*.

Below are some of the main conclusions which can be drawn by comparing the positions of the countries by year in both charts:

- **First**, in 2008, three distinct blocks of countries with similar indicators are identified. One includes North Macedonia, Montenegro and Bosnia and Herzegovina, the second – Serbia and Albania, and the third – Bulgaria and the EU28. Only Kosovo is self-positioned on the indicators used.

Figure 13

Unemployment rate, Employment rate and economic activity rate in EU, Bulgaria and countries of the Western Balkans (2008 and 2016)



Source: Eurostat, World bank

- **Second**, in 2016 the three blocks are transformed into two. Bosnia and Herzegovina in 2016 moves away from Montenegro and North Macedonia, direction Kosovo. Bulgaria is moving away from the EU and joining the bloc of Serbia and Albania. Additionally, the two blocks are closer to one another.
- **Third**, the major changes in the transition from 2008 until 2016 are the overtaking of Montenegro by North Macedonia; the increase of the economic activity of the Serbia-Albania block; also, varied changes in the economic activity and employment of

Kosovo and Bosnia and Herzegovina; the EU detachment from the Balkan countries; a significant rise in the unemployment in all the countries.

- **Fourth**, there is a reduction in the imbalances on the Balkans in 2016, leading to the grouping of the countries in a relatively detached block (excluding Bosnia and Herzegovina and Kosovo), but further away from the EU. Or, in other words, the countries manage to keep certain balance by decreasing their cohesion with the EU.

The above conclusions are also confirmed by Fig. 14 where the power and direction of change of each country in the three-dimensional plane of the two indicators used is demonstrated. From the graph presented, the following main points for the dynamics of the states arise:

- **First**, all the countries move from 2008 to 2016 in a completely divergent direction. Bosnia and Herzegovina and Montenegro mark a decline both in terms of employment and also of economic activity; Serbia and Albania increase their economic activity without significantly changing their employment; Kosovo increases its employment but reduces its economic activity; North Macedonia, as Bulgaria, does not significantly alter its economic activity but significantly changes its employment in different directions.
- **Second**, Kosovo and North Macedonia are the most affected in terms of the power of change. To a lesser extent, Bulgaria and the EU change also, with the least trend marked by Serbia, Albania, Montenegro and Bosnia and Herzegovina.
- **Third**, with regard to the unemployment rate, Bulgaria and the EU remain significantly closer to each other. However, they manage to stay away from the remaining Western Balkan countries, approaching them.

Table 1

Labor market rank arrangement of EU, Bulgaria and countries of the Western Balkans (2016 compare to 2008)

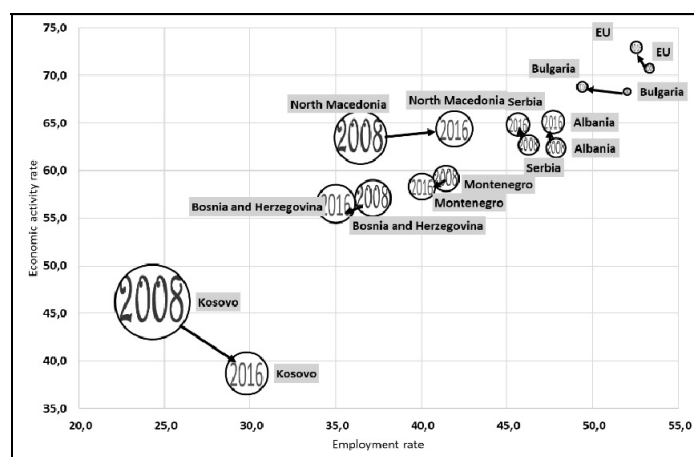


Figure 14

Unemployment rate, Employment rate and economic activity rate change in EU, Bulgaria and countries of the Western Balkans (2008 and 2016)

		2008	2009	2010	2011	2012	2013	2014	2015	2016
Economic activity rate	Montenegro	1	2	3	4	5	6	7	8	9
	North Macedonia	6	2	1	3	8	5	4	7	9
	Serbia	1	6	9	8	7	4	3	5	2
	Albania	5	6	7	3	1	9	8	2	4
	Bosnia and Herzegovin	1	2	3	4	5	6	7	8	9
	Kosovo	2	1	3	4	8	6	5	9	7
Unemployment rate	Montenegro	8	9	7	6	5	3	1	2	4
	North Macedonia	9	8	7	6	5	4	3	2	1
	Serbia	1	3	6	8	9	7	5	4	2
	Albania	6	5	3	2	1	4	8	9	7
	Bosnia and Herzegovin	2	1	8	9	7	4	6	5	3
	Kosovo	9	8	7	6	3	2	5	4	1
Employment rate	Montenegro	5	6	7	8	4	2	1	3	9
	North Macedonia	9	8	7	6	5	4	3	2	1
	Serbia	2	3	7	9	8	6	4	5	1
	Albania	7	4	6	2	1	8	9	5	3
	Bosnia and Herzegovin	2	1	3	5	6	4	8	7	9
	Kosovo	9	6	5	8	7	2	4	3	1
Labor market rank	Montenegro	4	6	7	8	5	2	1	3	9
	North Macedonia	9	7	5	6	8	4	1	2	3
	Serbia	1	3	7	9	8	6	4	5	2
	Albania	7	4	5	2	1	8	9	6	3
	Bosnia and Herzegovin	2	1	3	5	6	4	8	7	9
	Kosovo	9	4	5	7	8	2	3	6	1

Source: Eurostat, World bank.

Rank analysis

Table 1 displays a breakdown of each country in the Western Balkans by year, with the difference between the values of each country and the average European level being the basis for determining the ranks. In practice, by using ranks, we mark with 1 the year with the closest standing values to these of the EU, and with 9 – the year with the furthest standing values, and subsequently, ranging between them. Thus, through the ranks, it is clearly shown when and by which indicators the countries are closer or further from the EU. The table presents all the indicators used by the labor market and draws a general assessment by means of a ranging marking with regards to the convergence of the Western Balkan countries in the context of the labor market.

The table data helps to highlight several key points for the Western Balkan countries and their convergence with the EU:

- Concerning **Montenegro**, two indicators: employment and unemployment rate do not show the closest values to those of the EU at the beginning of the survey period. A full contrast is however seen when comparing unemployment rate and economic activity. At the beginning of the period we observe the most distant values to those of the EU regarding unemployment, while the economic activity at the beginning stays closest, and at the end of the period moves furthest from that of the EU. All three indicators in 2011-2013 do not mark the highest figures, characteristic of the EU countries. The common range regarding the labor market clearly shows that Montenegro is farther

away from the EU in the first half of the period, a situation which improves in the coming years, followed by worsening. At the end of the period, the situation deteriorates significantly in the aspect of distance from the European average compared to previous years. Or, the overall conclusion for Montenegro, concerning the labor market indicators, is that **there is no convergence with the EU** during the period under review and, in particular, towards its end. However, the improvement of the situation before 2016, given a future re-examination, allows for positive data on trends towards convergence, a result due to accidental deterioration of the data during that particular year.

- Concerning **North Macedonia**, unlike Montenegro's analyses in the context of the labor market, two out of three indicators show roughly similar dynamics. In the years up to the deepening of the crisis, North Macedonia stands the most remote to the EU with ranks of 8 and 9, respectively, except for the level of economic activity which improves over this period. Nevertheless, the three indicators in the 2011-2013 period do not mark the highest values typical of EU countries. The overall labor market rank clearly shows, in complete contrast to Montenegro, that at the beginning of the period North Macedonia is significantly distant from the EU, a situation which becomes more positive in the years to come, and, ultimately, significantly improves. At the end of the period, there is a serious convergence towards the dynamics of the average European level compared to the previous years. All in all, the general conclusion for North Macedonia, regarding labor market indicators, is that **there is a convergence with the EU** during the period under review and, in particular, at its end. Similarly, the improving of the situation by 2016 enables us, after a re-examination in a certain period of time, to collect data which will be significantly more positive for a convergence with the EU.
- Regarding **Serbia**, unlike the analyses of North Macedonia and Montenegro in the context of the labor market, all the three indicators show roughly similar dynamics. In the years of the crisis deepening, Serbia is very close to the EU with ranks 1 and 3 respectively. Such a convergence is also noticeable in the years towards the end of the period, which shows a full recovery. Also, the three indicators in 2011-2013 show the highest values, which are typical for the EU countries and indicative of the negative effects of the global economic crisis. The general labor market ranking clearly shows that, at the beginning of the period Serbia is significantly close to the EU, a situation which deteriorates considerably in the coming years, and, subsequently, significantly improves. At the end of the period there is a convergence at pre-crisis levels. By all means, the general conclusion for Serbia, on the labor market indicators, is that during the period under review, and in particular at its end, **there is a convergence with the EU** with some conditionality, due to the proximity between the ranks in 2016 and 2008. Also, the improvement of the situation towards 2016, allows us, after a re-examination in a certain period, to consider significantly more positive data towards a convergence with the EU.
- Regarding **Albania**, unlike Montenegro, and similarly to North Macedonia in the context of the labor market, three indicators display roughly similar dynamics. In the years of the crisis deepening, Albania is seriously distanced from the EU with ranks

between 5 and 7. This situation improves in the coming years. Interestingly, although the worst for most countries is the 2011-2013 period, Albania's one is shifted to 2013-2015 when the highest values are reported vis-à-vis the EU. The overall labor market ranking clearly shows similarities with Montenegro. Albania stands considerably farther from the EU at the beginning of the period, a situation which improves in the coming years, but subsequently deteriorates. At the end of the period there is a significant improvement in the convergence with the dynamics of the average European level compared to the previous years. Or, the overall conclusion for Albania, based on labor market indicators, is that **there is a convergence with the EU** during the research period and in particular towards its end. Similarly, the improvement of the situation by 2016 enables us to draw data significantly more positive to a convergence with the EU, after re-examination in a certain period of time.

- Concerning **Bosnia and Herzegovina**, similar to the situation with Montenegro and opposite to Albania and North Macedonia, the three indicators at the beginning of the survey period take into account the closest values to the EU. This presents a situation which deteriorates significantly with the time span and ends in extremely high values. With the exception of the unemployment in the period 2011-2013, we cannot report the highest values, typical for EU countries. The overall labor market ranking clearly demonstrates that during the first half of the period Montenegro is more convergent with the EU, as Serbia is. This situation worsens in the coming years under the impact of the global crisis and does no longer improve. At the end of the period, the situation deteriorates significantly as it distances itself from the European average compared to previous years. To sum up, the overall conclusion for Montenegro, based on labor market indicators, is that **there is no convergence with the EU** during the period under review and, in particular, at its end. Moreover, the deterioration of the situation in 2016 allows us to collect evidence even more negative towards a convergence with the EU, after a re-examination in a certain period.
- Regarding **Kosovo**, unlike the other Western Balkan countries, and similarly in parts with Albania and North Macedonia in the context of the labor market, two out of the three indicators display roughly similar dynamics. Only the *economic activity* indicator stands apart, and if it means getting closer to distancing, then employment and unemployment show distancing to coming closer across a time span. In the years up to the deepening of the crisis, Kosovo is seriously remote from the EU with ranks 9, a situation which improves in the coming years. One can also take into account the effects of the mid-term crisis, which is much more obscure than the changes in the EU countries. The overall labor market ranking clearly shows similarities with North Macedonia, where, at the beginning of the period, Kosovo stands considerably farther away from the EU, a situation which remains such in the coming years, however, improves consequently. At the end of the period, during the last four years, there is a significant improvement in convergence with the dynamics of the European average values, compared to the previous years. To sum up, the overall conclusion for Kosovo, regarding the labor market indicators, is that **there is a convergence with the EU** during the period under research and, in particular, towards its end. Similarly, the improvement

of the situation towards 2016 makes it possible, after re-examination in a certain period of time, for the data to be significantly more positive towards convergence with the EU.

Overall, only half of the Western Balkan countries demonstrate a convergence with the EU. The actual conclusions should focus on analyzing the labor market policies and measures in order to explore in greater depth the factors and causes of influence and also to draw the appropriate conclusions for comprehensive structural reforms and the sharing of good practices.

National Cohesion Policy in the Context of the Labor Market in the Western Balkan Countries

General Provisions

The greater part of the EU budget – more than one third of the total EU expenditure, is spent on EU convergence. Cohesion policy often focuses on the effects of growth. Effects on employment, however, are key factors to understanding regional income inequality, as income gaps are, by definition, based on differences in labor productivity and /or employment levels, among other factors. A significant share of EU spending is directly geared towards reducing the employment gap. Empirical evidence, however, suggests that higher EU labor costs do not necessarily increase the overall level of employment. Instead, the impact depends on whether the Structural Funds are used as capital subsidies or as investments in human capital (ECB, 2011). Also, the structural funds have a short-term effect on the business cycle. Research by the European Central Bank shows that the Structural Funds do not generally result in any positive impact on the regional employment rate. Evidence is found that the Structural Funds are conditionally effective and can be interpreted as capital subsidies. They have a significant positive impact on the employment rate in regions with a small share of the low-skilled population and have a negative impact on the employment rate where a high share of the low-skilled population resides, the latter typical of the Western Balkan countries. This means that, practically, the highly qualified population benefits from payments under the EU Structural Funds in the field of the labor market (ECB, 2011).

The European Union, and to a great extent on the initiative of Bulgaria, is making ever more obvious steps to expand itself to the Western Balkans, however, clearly pointing out that it is impossible to adopt a concurrent approach to all six states because of their differences in political and socio-economic development. Simultaneously, the economies of the Western Balkans continue to report growth driven by private consumption and investment, as well as the gradual revival of crediting, money transfers and major infrastructure projects. It is of utmost importance to bear in mind that foreign investment and foreign trade are factors with a high impact on employment. (Tsanov, Shopov, Beleva, Hristoskov, Lukanova, 2012). The standard of living has increased significantly in all the six countries of the Western Balkans compared to the situation in 1995. Nevertheless, they remain still among the poorest in Europe. Moreover, the economic convergence of the Western Balkan countries is losing momentum due to the crisis and lags behind the convergence of the new Central and Eastern European Member States (EC, 2018).

A number of features should be taken into account concerning the labor market in these countries, namely:

- Due to the economic crisis, income growth and especially social cohesion between the poorer and richer countries in the EU slowed down, and in some cases even went backwards. This process cools the ambitions of the EU itself and questions its attraction to the potential future members. Poverty, high unemployment, the gray economy, low wages, corruption, abuse of office, emigration of skilled workers, discrimination against minorities and brain drain are issues which concern all the countries of the Western Balkans;
- The pace of convergence of the countries of the Western Balkans is rather slow and lagging behind the rest of the EU region. The data show that full match to the EU's standard of living may take 40 years (EESC, 2018);
- The difference in labor income of the Western Balkan countries is significant compared to that of EU28 and despite the statutory minimum wage, it does not cover the living standard, which also applies to Bulgaria. As a result of the high unemployment, the labor migration from all six countries in the Western Balkans, as well as poverty, is still a major problem. According to research, a quarter of the population of all six countries of the Western Balkans has moved abroad. While money transfers from overseas workers are an important source of income and support the national economy in the short term, mass migration and population decline have severe long-term consequences for the economic development potential of these countries (EESC, 2018);
- Except for Montenegro, low-skilled young people and women are recorded in the rest of the countries. This hinders the recruitment of necessary highly qualified labor. Low education or its lack, thereof, is a factor in increasing unemployment. Also, women, due to their inability to integrate into the labor market, remain at home and are often consumers of social benefits and social pensions respectively.

Labor Market Policies

Before considering the issue of the labor market policies and the analysis from the previous chapter, it should be borne in mind that the countries of the Western Balkans follow highly differentiated transition models. Some of them are classified as early reformers (Albania, Croatia and the Former Yugoslav Republic of North Macedonia) while others commence a reform process later (Bosnia and Herzegovina, Serbia, Montenegro and Kosovo). Labor market development at the early reforming countries reflects transition processes common to other Eastern European countries, including declining indicators at employment level. The economic growth has been recovering significantly in most cases in the Western Balkan countries since 2000, slowing down in the Former Yugoslav Republic of North Macedonia as a result of the 2001 civil conflict. In all the countries on this territory, including the former Yugoslav Republic of North Macedonia, the forecasts show strong economic growth, above the EU25 average, which will remain in the medium term. However, the employment growth has not been increasing to the same extent (ETF, EC, 2007). The private sector will continue to play an increasing role in GDP formation, and

will dominate the labor market in all countries except Albania where it is already high. The privatization is expected to continue in Bosnia and Herzegovina, Croatia, Montenegro and Serbia, while in Albania and the Former Yugoslav Republic of North Macedonia it is actually completed. Bulgaria is no exception to this trend, namely with positive trends in employment growth and declining unemployment, which are the result of increased economic activity, especially in the private sector (Hristovskov, 2016). However, the formal privatization does not always meet the market-oriented behavior of enterprises. The privatization process in the 1990s in Croatia and the Former Yugoslav Republic of North Macedonia has led to imperative measures for restructuring, cost-cutting, loss of competitiveness, and hence bankruptcy. It is a process very similar to the other Eastern European countries. Through strategic approaches to structural reforms, Croatia has become more open to foreign investment and has increased competition for imported goods. Companies, on their behalf, are looking to invest in new technologies and become competitive on the international markets. The technological advances dynamically alter the conditions of production and, as a consequence, the demands on the knowledge and skills of the workforce. Since, in the modern age, scientific discoveries are being introduced into the real production continuously, the innovations in the production technologies and the parameters of the production processes are very intense. This fact modifies the approach in the process of training and qualification of the workforce. The dynamics of the technical and technological sophistication of the production base and communication links make the old models of training inapplicable and repeatedly requires the renewal of the acquired knowledge and skills during working life (Tsanov Shopov, Beleva, Hristoskov, 2017). A similar trend is expected in North Macedonia, too, as well as the emergence of these effects in Serbia, however, in the latter, there is a very weak confidence in privatization. Under the pressure of the EU and the steps towards EU membership, the market pressure, the competition and the effect of increasing FDI inflows, the pace is expected to rise. It will be reflected further in additional workers' redundancies, especially of unskilled individuals. At the same time, the investment in new technologies will increase the demand for skilled labor. The government also plays a role in adopting strategic restructuring and encouraging businesses to introduce new technologies. This is related to the role of science and also to the technology policy and the measures taken to facilitate the transfer of new technologies by both foreign firms, as well as by research organizations and higher education institutions. Accession barriers are diminishing across the region. Moreover, the enhanced business environment reduces barriers to SMEs growth. In this way, the share of SMEs is likely to increase in the future to EU levels, and this will be accompanied by growth in employment, too. Some SMEs will see intensive growth in high-tech sectors, which will have high demands on skilled labor; other SMEs will need low-skilled labor. Which model will be followed by the country depends on whether it will take the path of the highly qualified intensive transition with high levels of FDI which will form links with the local SMEs and the associated with it overflow of effects, or follow alternative routes of low-skilled labor based on the labor-intensive exports, low levels of FDI and a low level of integration in the EU economy. The share of the employed in the agricultural and industrial sectors has decreased (with the exception of industrial employment in Serbia) as a result of the reduction of the old industrial capacities after restructuring and privatization, as well as after de-industrialization in the regions affected by war and conflict (ETF, EC, 2007). Accordingly, the share of employment in the service sector, especially in health services,

business services and social services, is increasing. The orientation towards the tertiary sector again follows the tendency of Bulgaria and the rest of Eastern Europe. We observe a mismatch between supply and demand for labor, with higher labor demand for low-skilled workforce, and excessive labor supply with medium professional and technical skills.

The transition to the Western Balkans labor market must not be confused with the example of Eastern and Central Europe, but should be viewed as just a starting point (Schmid, 2002, 2006; Schömann, 2004; Schömann & Schmid, 2003). According to the authors, the standard labor relations should be coming to an end. In the future, the vacancies will be part of more flexible employment, project-oriented and team-oriented, apart from integrated into networks. Based on these theories and a conducted empirical policy research, the following assumptions are made (Deij, Lorencic, 2007). The current institutional realities in the Western Balkans are not yet capable to respond effectively to complex employment challenges. Further efforts should be aimed at strengthening inter-agency cooperation and improving the involvement of the social partners at all levels. It is accepted that it is time to implement a lot of strategies and programs in practice and not only to discuss them theoretically. An effective and efficient labor market policy requires institutional arrangements as well as adequately tailored and targeted measures to regional and local circumstances. Clear guidelines are needed, both from the EU and at state level, for the implementation of policies and plans, not just the unsustainable use of Cohesion Funds. The local partnerships, as a mechanism for uniting local potential, need to be introduced, but only after taking into account the overall socio-economic context. Once set up, partnerships must be result-oriented; partner-institutions or organizations involved in planning, deployment and monitoring should take active part. The key gaps in institutional and administrative capacity and lack of competencies block the advances for better employment policies. This means that all countries will need to invest more in existing administrative capacity to be able to effectively implement employment policies. Preparations for more efficient employment policies in the context of structural and cohesion policy should be launched early in order to align existing policies and instruments for future prospects. Programming, deployment, management, evaluation and monitoring, feedback and financial information, as well as management and control procedures, should explore and remove the negative experience of the Eastern European countries in the absorption of funds from the social, regional and cohesion funds. The research in the previous section reveals that the institutional environment of the Western Balkans is still not mature enough for more effective and efficient employment policies. The latter have undergone several phases of development. Concerns about job protection are replaced by a more mature and balanced policy, including improving institutional performance. Employees have considerable protection by labor laws and collective labor agreements. However, the social arrangements for those outside the mandatory ones are modest in scope and level and are often uncertain. In addition, the protection for people of active age is within labor law for those with formal employment and income support for those without employment at all. They are indispensable for counteracting the risks of poverty, but greater security comes by reducing the risk of rising unemployment through skills acquisition, skills retention, and as part of a motivated and competitive workforce. Similarly, the diversity of employment contracts and employment patterns provide opportunities for more people to participate in employment facilitating transitions in the life cycle. Greater

flexibility on the formal labor market reduces the informal economy – where guarantees lack, and thus contributes to greater overall security. Too often job protection is seen as a social protection of people, and flexibility is considered to be naturally harmful to security. For some time, it is considered that only if there are more jobs, the market problems will disappear and the principle of employment policy is fundamental. This is reflected in the serious concentration of job subsidies and the lack of adequate effectiveness on behalf of the offeror's part in developing and adopting appropriate measures.

Another aspect is that the Western Balkans, as well as Bulgaria, have a huge share of working-age people who emigrate to EU countries. This will undoubtedly have an impact in the coming years on the labor market. The emigrants from the Western Balkans are young and of active age, and the women are rising in numbers. All the countries (except Bosnia and Herzegovina) show a large share of children among emigrants. The majority of them are in the 20-39 age group. This applies to both men and women. Women make up an increasing share of emigrants and even outnumber men in all countries except Albania. Large-scale emigration, especially among highly educated, has important implications for the formation of human capital and labor market dynamics. From a positive viewpoint, the labor market tensions, which are reflected in high levels of unemployment, especially among younger people, are declining due to emigration. In addition, a large influx of money transfers is aimed at countering poverty (World Bank, 2018). At the same time, the return of emigrants (transfer of knowledge and human capital received abroad) and the diaspora's financial investment, may have led to the observed economic growth and productivity (World Bank, 2018).

The EU expansion strategy includes the countries of the Western Balkans and no doubt its enlargement encompasses them. The EU should set out a particular road map for the negotiations with the Western Balkan countries, with a precise timetable and clear commitments for each Western Balkan country, rather than joining at all costs (EU, 2018). The EESC notes that the Western Balkan states have shown willingness and readiness for reforms to bring them into the European Union but points out that the success of these reforms still depends on the state institutions' ability to fulfill and implement them effectively, as well as on the degree of ownership of the process by civil society organizations and the population as a whole. A concrete clear negotiation plan for EU accession for each of the Western Balkan countries with a precise timetable and clear commitments could motivate these countries to implement the necessary reforms more quickly (EESC, 2018). Based on the example of many European countries which have engaged in massive reforms of their labor market and social systems, there are clear common trends. These include shifting taxes from the labor sphere in order to reduce the cost of hiring labor and to facilitate job opening; to update the pension systems by better linking the retirement age with life expectancy; to modernize the education system and the lifelong learning system in order to better reflect today's and tomorrow's needs; to set lasting correlations between wages and productivity in order to maintain competitiveness and preserve job creation over time. In these actions, Member States may take into account models established in different European countries which have been proved to function (EC, 2017). The same should also be done by the countries of the Western Balkans, which are already beneficiaries of various measures. It should be noted that, despite Bulgaria's ten years of membership, numerous and different reforms, pre-accession funds, Cohesion funds

for the period 2007-2013 and almost completed programming period, 2014-2020, our country still remains part of the lagging regions of the EU with a large share of the active age population still emigrating.

Conclusion

The below conclusions can be drawn based on the objectives of the research and the empirical analysis carried out:

- In the sphere of employment between the Western Balkans and EU28, there is no convergence but broadening of the gap. This means that the employment target of the 20-64 age group in Europe 2020 is still very remote for the countries of the Western Balkans.
- Compared to the average for Bulgaria, all Western Balkan countries are increasing their employment, but this process is not accompanied by increased convergence with the EU28. This clearly shows the negative trends in the Balkans which are moving away from the EU28 states on this indicator.
- The reduction of the regional imbalance between the Balkans and the EU28 by the unemployment indicator is a positive moment, but to a large extent this is due to the increased emigration of working-age persons (World Bank, 2018). Also, the disparity between demand and supply of skills and qualifications impedes the functioning of the labor market. The level of undeclared labor remains high (World Bank, 2005, World Bank, 2018), which has an impact on the revenue in the tax and social security system.

Poverty, high unemployment, the shadow economy, low wages, corruption, abuse of office, emigration of skilled workers, discrimination against minorities and brain drain are issues that affect all the countries of the Western Balkans. We can also add the low level of digital skills, with especially pronounced regional disparities, as well as a huge share of NEET's and lack of willingness to take active measures in the labor market. Hence, the pace of drawing near with the countries of the Western Balkans is rather slow and lagging behind the EU region. The current institutional realities in the Western Balkans are not yet able to respond effectively to the complex employment challenges. The Western Balkans, including Bulgaria, have a huge share of working-age people who emigrate to EU states. This will undoubtedly have an impact in the coming years on the labor market. The emigrants from the Western Balkans are young and of active age, and the women are becoming more in number (World Bank, 2018).

With the accession of the Western Balkans to the EU arise the ever more likely and heavily negative scenario for Bulgaria to be grouped together with the Western Balkan countries and, subsequently, the formation of the Balkans as the second or third speed that could be formed within the EU.

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