

## Bulgaria

## Bulgaria battles a shrinking population

## Demographics

The country's brain drain has slowed down as bright workers return home, says *Kerin Hope*

**D**imitar, 26, has made up his mind to look for a job in western Europe when he finishes his masters degree in international relations at a Swiss university. He does not want to return to Bulgaria.

"What I'd really like would be to make a career in the EU, either the European Parliament or the Commission," he says, citing the fluency in English and German he acquired while studying at a Bulgarian foreign language high school in Plovdiv. "I want to have a real opportunity to develop my potential, earn a good salary and enjoy a European life-style."

Dimitar's reasons for leaving echo the estimated 1m Bulgarians who chose to leave between 1990 – when passports for foreign travel became widely available following the demise of communism – and 2007, the year Bulgaria joined the EU. This was an average of almost 60,000 people a year.

Since 2007, EU rules on free movement of labour have made it much easier for Bulgarians to work in the other 27 countries, yet levels of emigration have fallen as the economy has grown.

Official statistics on migration are scarce but several Sofia-based economists agreed that about 30,000 people still leave each year, mostly students pursuing higher degrees abroad and graduates in computer science, engineering and medicine. An estimated 10,000 people return annually, led by experienced IT professionals with skills that are sought after in the country's flourishing technology sector, which contributes 3.6 per cent of GDP.

While the pace of outward migration has since slowed, its impact continues to be felt. Bulgaria's population has shrunk by 2m to 7.1m since 1990, according to a consensus of local experts. The country's birth rate is below the EU average, while its death rate is the highest. Without a sustained baby boom and any large-scale return of its citizens working abroad, Bulgaria will have around 5.5m inhabitants by 2050, the economists predict.

Dimitar Radev, the central bank governor, speaking in an interview with the



Unhappy workers: Bulgarians demonstrate to demand higher pay; many people emigrate to the EU in search of better wages — Dimitar Dilkov/AFP/Getty Images



'We're seeing emigration steady at lower levels now and more people are returning from abroad'

**Krasimir Valchev,**  
education and science minister

Financial Times, singles out the demographic problem as "our main challenge in the mid to long term".

"The government is taking steps in the right direction, making education a clear priority in the 2018 budget. But these are very early steps," Mr Radev says. "Hopefully the trend of young people coming back will develop in the future."

Krasimir Valchev, the education and science minister, believes the tide may already be turning: "The pace of emigration has declined over the past few years. We're seeing emigration steady at lower levels now and more people are returning from abroad."

Vladislav, an urban planner who studied at University College London before coming back to join his family's construction business, agrees.

"Quite a lot of people are returning after about 10 years abroad when they've saved enough to buy a flat and pay something back to their parents" for

helping finance their education, he says. "Bulgarians abroad are sobering up . . . After a while they realise that there's huge competition for highly paid jobs in IT or finance so they might do better career-wise in the emerging market at home."

Bulgaria was not the only eastern European country to suffer a sharp fall in the birth rate in the early 1990s because of economic upheaval and a wave of outward migration.

But a sharp decline in the quality of state healthcare and high poverty rates – 42 per cent of the population are at risk of poverty in old age, according to Eurostat – gives Bulgaria the second-lowest life expectancy in the EU after Lithuania.

Mr Valchev underlines the importance of the IT sector both in retaining talented professionals and encouraging others to return. "IT has a high added value so we need to build capacity by training more well-qualified specialists.

My view is that as the industry grows and Bulgaria's purchasing power converges with the rest of the EU we'll see a steady reduction in outward migration."

Over the past four years the education system has been overhauled to focus on vocational training in computer sciences and the development of partnerships with the private sector.

Kalin Radev, founder of Software Group, a fintech company that specialises in microfinance, is confident that the IT industry will drive economic growth and make Bulgaria a more outward-looking society by attracting foreign professionals. His own senior management team includes experts from South Africa, Macedonia and Ireland.

He reckons that, as a whole, "this industry could have a positive impact on the demographic issue".

Some analysts are sceptical that specific government policies can persuade Bulgarians to return home from abroad and have children. What matters most

is political stability, according to Yavor Aleksiev, a researcher at the Institute for Market Economics in Sofia.

"We had a baby boom in 2008 when the overall outlook was bright," says Mr Aleksiev. "The economy was strong and Bulgaria had joined the EU. But then came the crisis and renewed political instability so the birth rate dropped."

While the economy has bounced back, the only official incentive provided for families to produce more children is a generous three years of maternity leave, of which two are paid. But childcare for working mothers is a problem because of an acute shortage of places at state nursery schools.

"The long leave period together with a lack of social benefits for child-bearing has the effect of driving women out of the workforce," says a western observer.

The government is taking cautious steps towards encouraging immigration by skilled workers from outside the EU, preferably Ukraine, Moldova and Macedonia, all countries that have ethnic Bulgarian minorities. Such workers qualify for "blue cards" under a new fast-track process for issuing employment and residence permits. The take-up is increasing but is dependent on scouting for talent in neighbouring countries.

Bulgaria has mostly ignored another opportunity to boost its dwindling population by giving asylum to Syrians, Iraqis and Afghans included in the EU's recent relocation programme for refugees arriving in Greece.

The government has so far accepted fewer than 100 refugees, in part because of vocal opposition by far-right nationalist parties in the coalition administration led by Boyko Borisov, the centre-right prime minister. Refugees who have crossed through Bulgaria have reported abuse at the hands of police.

The country faces a growing shortage even of less skilled workers because of the demographic problem. Bulgarians have returned from Spain and Greece to work in the tourist industry, taking jobs at holiday resorts along the Black Sea coast in summer and in winter at ski resorts which are popular with western European skiers. But they still do not fill the gap.

"I work in Bulgaria seven months a year and earn enough to live comfortably. If I want to make more money I work . . . in Greece on the islands," says Petar, a 31-year-old sous-chef who divides his time between Sofia and Athens. "I've been offered a permanent job in Sofia but I'm not sure whether I'm prepared to come back."