

**SEEMIG Local Strategy for enhancing migration data  
production and utilization**  
*(Proposal for a local strategy data enhancement and utilization on  
migration, labour market and human capital processes)*

**Montana, Bulgaria**



**РЕПУБЛИКА БЪЛГАРИЯ**

Областен управител на област Монтана

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## **List of acronyms and abbreviations**

NSI - National Statistical Institute

RSO - Regional Statistics Office – Montana

RSDM - [Regional Strategy for Development of Montana 2014 – 2020](#)

RSDSSDM - [Regional strategy for Development on social services in District Montana 2011 – 2015](#)

UNITN - School on Local Development, University of Trento, Italy

LP - Hungarian Central Statistical Office

UNIVIE – University of Vienna - Department of Geography and Regional Research

RIIWG – Regional Inter-Institutional Working Group

RSO – Regional Statistics Office

NWR – North-West Region

## 1. INTRODUCTION

This paper aims to provide recommendations based on evidence of improved production and use of data on migration, labour markets and human capital.

Development of the strategy at the local level is carried out by experts from the Montana District Administration as an activity of the project "Migration management and its effects in Southeast Europe – transnational actions towards evidence based strategies" (SEEMIG), funded by operational Programme for International Cooperation "South East Europe 2007 - 2013."

The Lead Partner is the Hungarian Central Statistical Office, this leading to Bulgaria's National Statistical Institute – Sofia and District Administration Montana is included as a local partner.

The timeframe of the Strategy covers the period 2014 - 2021.

There are presented the basic demographic, economic and migration trends in the field, its main weaknesses and future threats to development. Displayed is the problem of youth emigration and the impact of migration on the overall labor market. Structured are further concrete steps to improve the production of data on migration, human capital and the labor market with a view their use for monitoring and developing strategies for the development of Montana.

Document refers mainly to the starting points of the project activities, such as: Country Report: Dynamic Historical Analysis of Term Migratory, Labour Market and Human Capital Processes in Bulgaria; Report: Analysis of existing migratory data production systems and major data sources in Bulgaria; Comparative analysis of existing major population projections in participating countries; Report on the implementation of focus group project SEEMIG, Montana, Bulgaria. Are taken into consideration and the conclusions and recommendations from past again as project activity – round table and a master class with stakeholders at regional and municipal level. As sources of information are used and other documents referred to in more detail in Annex 1.

## 2. BACKGROUND

Montana ranks third in total area (3 635 square kilometers, which is three percent of the territory of the Republic of Bulgaria) and population among other areas in the North West region of Bulgaria, encompassing five areas: Vidin, Vratsa, Pleven, Lovech and Montana.

As of December 31, 1990 the population of the region numbered 211 802 persons<sup>1</sup>, 8 669 269 persons in the country, and to December 31, 2013 it was 141 596 persons to the field at 7 245 677 persons in the country. Evident from the data is a significant reduction of the population in the area (70 206 persons), and in the country (1 423 592 persons) as a whole.

The decrease<sup>2</sup> in the population of Montana is due to the negative natural increase (more died persons than born persons), as well as migration (displaced more than settled). In 1990 the area they were born 2 260 children in 2000 – 1 566 children in 2013 – 1 193 children in 3 902 deaths in 1990, in 2000 – 3 643 and 2 871 in 2013. Accordingly, in 2013 the natural increase in 1990 – 1 642 persons in 2000 – 2 077 and – 1 678 persons employed in 2013.

The intensity of the mechanical movement<sup>3</sup> is increased by sojourn in 1990 – 5 202 persons in 2000 – 2 356 persons and in 2013 – 2 283 people and displaced - in 1990 – 4 767 persons, in 2000 - 2 460 persons in 2013 – 2 671 persons respectively mechanical growth in 1990 was positive 435 persons, and negative in 2000 – 104 persons and -388 persons in 2013 for the formation of flows and displaced persons respectively populated mainly influenced by many socio-economic factors and living conditions in different locations.

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<sup>1</sup> Data of NSI

<sup>2</sup> Data of NSI

<sup>3</sup> Data of NSI

The proportion of poor<sup>4</sup> before social transfers (social assistance) in 2011 was 48,1 per cent, and if you include pensions – 28,1 per cent against the corresponding average for the country – 41,5 per cent and 27, 1 per cent.

In 2001 the total population under working age<sup>5</sup> in Montana was 29 131 persons, of them men – 14 888 and 14 243 women. In 2011 the total population under working age in Montana was 20 371 persons, of them men – 10 435 and 9 936 women.

In 2001 the total population of working age in Montana was 96 381 persons, of them men – 51 789 and 44 592 women. In 2011, the total population of working age in Montana was 83 911 persons, of them men – 45 789 and 38 122 women.

In 2001 the total population of working age is over 56 746 people, of them men – 22 348, respectively women – 34 398, and in 2011 it was 43 816, of which – 16 617 men and 27 199 women.

The unemployment rate in Montana is one of the highest in the Northwest region. For 2012 it was 20.8 per cent, against 11.4 per cent average for the area. With the exception of Vidin (22.0%), the other three areas in NWR are lower coefficient (level) of unemployment. This position of Montana (one of the highest unemployment rates in the NWR) was maintained during all the years of the period 2000-2012.

The gross domestic product<sup>6</sup> of Montana in 2010 was 749 000 000 lev, or 1.06 per cent of the total product of the country. Measured by GDP per capita Montana was third last place among the areas in the country in size from 4 894 lev.

Montana is characterized by low economic and investment activity and the lack of an active investor interest. Crisis and recession have additionally influenced the deterioration of entrepreneurial activity in the area and the country. Level of entrepreneurship in the region (30 companies of 1000 people) is significantly lower than the national average (51).

Some of the major weaknesses that are outlined for the area in the Regional Development Strategy of Montana 2014-2020, are as follows:

- The area ranks at one of the last places in the country per volume of GDP per person
- The process of demographic aging
- High proportion of the Roma population as a source of antisocial, low – educated, without good work habits persons
- Most industrial activities in smaller communities and in smaller settlements were closed
- High level of unemployment
- High proportion of population living in poverty
- Lack of university
- Technological backwardness and low competitiveness of the economic sectors
- Low quality of the living environment - incomplete public works and utilities systems in settlements
- Adverse territorial structure of the economy. Lack of prominent growth poles

Some of the major threats that are drawn to the area in the Regional Development Strategy of Montana 2014-2020, are as follows:

- Negative natural reproduction, emigration

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<sup>4</sup> [Regional Strategy for Development of Montana 2014 – 2020](#)

<sup>5</sup> RSO

<sup>6</sup> Regional Strategy for Development of Montana 2014 – 2020

- Continued economic stagnation with adverse effects on economic activity of the population
- Limited opportunities. Increase in unemployment
- Limited capacity of the state and municipalities to finance public projects and financing of projects under the Operational Programmes
- Continuing manifestation of the processes forming inter-regional contrasts

### **3. MAIN ISSUES/CHALLENGES RELATED TO MIGRATION**

#### **Rapidly declining population of Montana**

After 1990 there is a steady trend of rapidly declining population of Montana. As a result of the social, economic and political changes in the conditions of life in significant changes occurred in the demographic behavior of the population which led to a rapid decrease in its natural growth. For deepening demographic crisis of Montana had an impact and the intense movement of people to the capital and major cities of the country and beyond Bulgaria<sup>7</sup>.

#### **Reduce the number of people of working age**

In 2009 the total population of working age was 90 297 people of which 47 796 men and 42 501 women, and in 2012 it was 76 126 people, of which 41 498 men and 34 628 women. It is observed negative tendencies to reduce the number of people of working age.

Stagnation in labor resources available in all municipalities of the district. In the best situation in 2012 remains Varshetz municipality where every 100 people coming out of the group of active population flow 86 (2009 - 91). In other municipalities the figure is below 70 percent. Particularly alarming is the situation in the municipality Chiprovtsi – 28 per cent say number of flowing into the group of the working population is only 1/3 of goers.

The most common trends in the age structure of the population in Montana show that in the coming years, despite an increase in the upper age limit for retirement, there will be a limited amount of labor resources.

The demographic replacement rate between the number of persons from tributary age group of 15-19 years and outgoing persons 60-64 years clearly shows the seriousness of this problem. In 2009 in Montana this coefficient is 74 per cent /country 82%/. This means that for every 100 people coming out of the group of the working population coming in Montana 74 people.

#### **Emigration of young people and people of working age**

The trend in the migration process in Montana is to increase the number emigrated students, employed and unemployed learners and young people of working age. Young and well educated people in the state and society has invested considerable resources, since they have a better chance to adapt to the requirements of the host country. Motivated to emigrate are providing higher incomes, better realization, etc.

Ultimately, the impact of migration on the labor market have a negative because:

1. Approved and trained professionals leave Montana. Most of them realize their potential and skills outside of Bulgaria. In this sense, the investment in their education and training no real contribution to the development of the economic potential and competitiveness of the region and the country.
2. Observe expiry quality prospective resource of young people from the area who prefer to complete their higher education in other countries inclined to stay and work abroad.

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<sup>7</sup> [Regional strategy for Development on social services in District Montana 2011 – 2015](#)

3. Emigration of young people and people of working age, along with the negative natural growth of Montana lead to an overall aging of the population, which influences the quality of the workforce, economic and social situation in the region.

### **"Migration is the result of the problems in the labor market"**

For these reasons, emigration has a strong negative effect, both quantitatively and qualitatively on the available human resources, the potential of human resources, and from there on all aspects of development of Montana.

It is recognized, however, and lack of skilled labor as a result of internal and external migration. Persons with low qualifications or no such work mainly hard work, which payment usually is low. This seems to be the problem for the sustainable development of specific sectors such as agriculture in the area.

One of the important conclusions about Montana is that migration affects the labor market, but rather the opposite - the labor market affects the trend of migration ie "Migration is the result of the problems in the labor market". High unemployment, lack of business investment and active political strategies to promote employment and lifelong learning, and the low wages result in such high levels of temporary and permanent educational or labor migration.

### **MAIN CHALLENGES RELATED TO MIGRATION**

- Political will and concrete solutions to the central administration to ensure conditions and facilitate more international and local economic investment in this remote from major economic and traffic flows region;
- Policy actions to improve the infrastructure, including the construction of roads, urban planning, etc.;
- Educational programs and initiatives, including the opening of a university in the region. This will spark interest among the younger generation in the country for migration for educational purposes in the region and hope that some of them can stay and continue their lives there;
- Government policies for the protection, protecting the production of local agriculture and livestock;
- Create better tools for monitoring and analysis of migration (internal - to the larger and economically developed cities and external - to other EU member states) so that it can be taken concrete actions to predict emigration trends and prevention of future depopulation of the region;
- Decentralization of power and processes of decision-making, providing more rights to local government.

Similar are displayed in the Regional Development Strategy of Montana options to deal with dire demographic and socio-economic situation, which is Montana:

- The opportunity for absorption of EU funds to improve the quality of public services; human resources, infrastructure, tourism and agriculture, development, promotion of entrepreneurship and innovation;
- Development of human resources through training and retraining;
- Attracting investments in agriculture, industry and tourism;
- Development and implementation of an integrated plan for urban regeneration and development – Montana, Lom, Berkovitz;
- The development of the labor market through active policies;
- Implementation of infrastructure projects ETC № 4;
- Development of cross-border and transnational cooperation.

#### **4. KEY PROBLEMS IN THE DATA SYSTEM**

As mentioned above, the issue of migration in Montana is extremely serious and seeking solutions to the management of migration, development of human capital and the labor market are essential for the development of the area. A very important factor, however, for the creation of strategies for development of the region is the availability of reliable and quality data on external migration.

At the time of drafting of strategy no official statistics on the number of migrants from the region and there developed a system to measure and track the migration patterns and relationships.

The role of the NSI of Bulgaria in the process of improving information collection and production of statistics on international migration is essential. Under Bulgarian law, it is the institution responsible for the production of data. In its action plan for the improvement of production systems for data migration and human capital in Bulgaria, NSI has indicated the main areas of intervention that must be achieved in improving the production and use of data on migration, human capital and market labor. These steps can be implemented at the level of the field and they are listed below:

1. Increase the number of administrative data sources used for the production of statistics on migration (to create a regional level database system and monitoring of migration, human capital and the labor market).
2. Strive to strengthen the harmonization process regarding the use of uniform definitions, classifications and nomenclatures.
3. To assist institutions having legislative initiative in their efforts in proposing changes in national legislation aimed at improving the registration of Bulgarian citizens living abroad.
4. Promoting the introduction of modern methods of data exchange.
5. Detailed study of the information available in a variety of administrative databases and the possibilities for its use for statistical purposes.



## Overview table:

<b>Key Issue/Challenge</b>	Not enough administrative data sources used for the production of statistics on migration (Lack of district level database system and monitoring of migration, human capital and the labor market)	Using different indicators, definitions and nomenclatures applied to different database.	Lack of incentives for people to register /de-register when leaving /returning to the country.	Promoting the introduction of modern methods of data exchange.	Not enough detail researched information available in different administrative databases and the possibilities for its use for statistical purposes.
<b>Key proposed activities to handle the challenge</b>	Study of possible new sources of data and periodically maintain the district level monitoring system and database migration, human capital and labor market.	Signing of bilateral agreements for the Unification of indicators definitions and nomenclatures used in different database.	Exploring best practices applied in other countries and proposals for their implementation in the country / region.	Signing of bilateral agreements on introduction of modern methods of data exchange.	Signing of bilateral agreements with institutions, data holders.
<b>Level of intervention</b>	Regional Statistical Office with the support of NSI District administration Montana to be included in the RIIWG .	Regional Statistical Office with the support of NSI.	national regional	NSI	institutional
<b>Relevant stakeholders</b>	RSO, NSI, and all administrations and entities using the data	RSO, NSI and all administrations and institutions using data	RSO, NSI, all administrations and institutions using data emigrants and immigrants	RSO, NSI and all administrations and institutions using data.	RSO, NSI and all administrations and institutions using data.
<b>Relevant political level endorsers</b>	RSO and Montana District Administration	RSO and Montana District Administration	MS	NSI	NSI
<b>Previous policy attempts to tackle the issue (if any)</b>	Yes!	No!	Yes!	No!	Yes!
<b>Short term (2/3 years) outcomes/achievements of the proposed activities</b>	Signed a cooperation agreement.  Creating and periodic maintenance of district level database migration, human	Signed a cooperation agreement.  bilateral agreements	Proposed for legal adoption incentives.	Signed a cooperation agreement.	Signed a cooperation agreement.

	capital and labor market.				
<b>Long-term (6/8 years or longer) outcomes/achievements of the activity</b>	Increased data coverage.	Provided harmonization of definitions used in different database.	More sources and increased data coverage.	Availability of quality and efficient data.	Increased data coverage.
<b>Potential risks and suggested solution to overcome risks</b>	Length of procedures for the regulation of access to data.	Different purposes of establishing and maintaining records.	Insufficient financial and human resources	Insufficient financial and human resources	Length of procedures for the regulation of access to data.
<b>Links to national/EU level policies // transnational character</b>	<a href="http://www.nsi.bg">http://www.nsi.bg</a> <a href="http://www.seemig.eu">http://www.seemig.eu</a>	<a href="http://www.nsi.bg">http://www.nsi.bg</a> <a href="http://www.seemig.eu">http://www.seemig.eu</a>	<a href="http://www.nsi.bg">http://www.nsi.bg</a> <a href="http://www.seemig.eu">http://www.seemig.eu</a>	<a href="http://www.nsi.bg">http://www.nsi.bg</a> <a href="http://www.seemig.eu">http://www.seemig.eu</a>	<a href="http://www.nsi.bg">http://www.nsi.bg</a> <a href="http://www.seemig.eu">http://www.seemig.eu</a>
<b>Financial feasibility and sustainability</b>	Provision of information that the organization collects for the purposes of its business will not require large financial resources.	No!	Secured funds from the national budget and EU sources.	Secured funds from the national budget and EU sources.	No!
<b>Monitoring implementation</b>	District administration Montana and RSO	RSO, in cooperation with the NIS	RSO, in cooperation with the NIS	RSO, in cooperation with the NIS	RSO, in cooperation with the NIS
<b>Pipeline interventions</b>	Yes, the President of NSI has established inter-institutional working group, but it should be expanded	Yes, more institutions are to be involved	Yes, exemption from payment of health insurance contributions	Yes, more institutions are to be involved	Yes, more institutions are to be involved

## 5. SUGGESTIONS AND POLICY RECOMMENDATIONS

Under Bulgarian law, the National Statistical Institute is the institution responsible for the production and dissemination of data on social and economic development of the country. At the regional level, the Montana District Administration will use the NSI database as a basis for further development of its own database, as has developed in order to monitor and evaluate the implementation of the Regional Strategy for development of social services in Montana 2011-2015 existing as of December 2012 data are already included in the database for the purposes of the strategy.

Referred to in this document steps to improve data collection on migration, human capital and the labor market are displayed first at the national level by NSI in quality and responsible institution in Bulgaria for the production and dissemination of statistics on social and economic development .

Given the importance and influence of migration data for the improvement of the demographic situation and the labor market in Montana, as well as the need to improve the displayed information on migration processes drawn from NSI steps it is important to be applied at the regional level with the leading participation of RSO - Montana.

For the implementation of specific activities the Regional Administration will initiate the establishment of a Regional Inter-Institutional Working Group (RIIWG) on migration issues involving all regional structures using data. Structures will be agreed to conclude agreements with TSB and TSB with Montana District Administration. Agreement between TSB and district administration will aim to create a system for database monitoring and migration, human capital and labor market at regional level.

RIIWG will examine best practices used in other countries to stimulate people to register or de-register when leaving or returning to the country proposals for their implementation in the country or region, and after consultation with the NSI will submit it for consideration of the Council of Ministers.

As a result of the steps taken in the short term is expected to be the organization of the working group will be created and the database at the district level. In the longer term, the prospects of meeting the specific steps are as follows:

- A database migration, human capital and labor market at regional level with the possibility of free access to it;
- Extended range of data migration, human capital and labor market in Montana;
- Provided harmonization of definitions used in different databases;
- Availability of quality and efficient data migration, human capital and labor market in Montana.

In the process of achieving the above outcomes are possible following difficulties: disagreement of some institutions to provide their data, and duration of procedures regulating access to data; difficulties in using uniform definitions and nomenclature; insufficient financial and human resources.

Overcoming these possible difficulties will be essential to achieve the final result: quality and effective data. Therefore, we will seek solutions as negotiating and seeking various financial sources.

Concrete steps to supplement the administrative data sources used for the production of statistics on migration will be created FLAG and established cooperation between the institutions which will provide a proposal for administrative measures and proposals.

Montana District Administration will propose to create RIIWG leading role of the RSO. The administration will coordinate the work of RIIWG.

The database that will be created will be of particular importance in the preparation of accurate and effective strategies for the labor market in Montana.

The use of uniform indicators and nomenclatures in data collection will be possible after the creation of an integrated NSI database migration is not expected to be completed within the next five years. After creating this database, the territorial structures of Montana will start implementing and using uniform definitions and nomenclatures.

FLAG will have the task to prepare proposals for administrative measures and economic incentives to ensure the improvement of the registration of Bulgarian citizens staying abroad.

## ANNEX 1: Stakeholder events, scholarly analyses and policy documents used to develop the strategy proposal.

The SEEMIG strategy proposal has been developed using/referring to the following stakeholder events, scholarly analyses and policy documents, detailed SEEMIG analyses:

### SEEMIG STAKEHOLDER EVENTS

- Focus Group – May 29, 2014, National Statistics Institute, Regional Statistics Office – Montana, Department „Regional Employment Service” – Montana, Territorial unit "CRAS" - Montana, Regional Inspectorate on Education, Montana, Agency for Regional Development of Business Centre 2000, NGO, Local Council, Vice Governor, Montana, Directorate "Migration" at the Regional directorates of the Ministry of interior, Labour Bureau, Regional Office in the city of Berkovitsa, Labour Bureau, Regional Office in the city of Lom, Regional Office in the city of Montana.
- Local Roundtable – January 15, 2014, Regional Statistics Office – Montana, Directorate "Migration" at the Regional directorates of the Ministry of interior, Labour Bureau, Department, „Regional Employment Service” – Montana, Territorial unit "CRAS" - Montana, municipalities in region Montana.

### REFERENCED SCHOLARLY ANALYSES AND POLICY DOCUMENTS

- National Migration, Asylum and Integration Strategy (2011-2020)
- [Regional Strategy for Development of Montana 2014 – 2020](#)
- [Regional strategy for Development on social services in District Montana 2011 – 2015](#)

### DETAILED SEEMIG ANALYSES

SEEMIG project outputs are available under <http://seemig.eu/index.php/downloads-project-outputs>:

- Conceptual framework for modelling longer term migratory, labour market and human capital processes
- Dynamic historical analysis of migratory, labour market and human capital processes – country report for (*country name*), local chapter on (*municipality / region name*)
- Dynamic historical analysis of migratory, labour market and human capital processes - synthesis report
- Analysis of existing migratory data production systems and data sources – country report for (*country name*), local chapter on (*municipality / region name*)
- Action Plan to improve and enhance the migratory data production system and data sources in (*country name*)
- Analysis of existing migratory data production systems and data sources – synthesis report
- Surveying emigration - report on the first stage of the pilot study in Hungary and Serbia
- Comparative analysis of existing major population projections
- Population projections and forecasts in Hungary and Slovakia
- Foresight synthesis report