An Interview Study of Consequences of Early-Career Unemployment in Bulgaria

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ABSTRACT

The article examines the consequences of prolonged unemployment experienced in the beginning of the career in Bulgaria from a subjective point of view. The analysis is based on information obtained from in-depth interviews with people from three age groups who have entered the labor market in periods with high levels of unemployment. The negative consequences pointed out by the interviewed people include material deprivation, limited access to health services, low self-esteem, interruption of social contacts, postponement of creating a family and living in a home of one’s own, loss of hope for a better future. Along with the negative consequences, some positive ones were also identified, such as strengthening family ties, people’s enhanced motivation to deal with the arising difficulties and their striving for personal development.

KEY WORDS: early-career unemployment, consequences, subjective assessment, Bulgaria

JEL classification codes: J69, I31, Z13

POVZETEK

Članek obravnava posledice podaljšane brezposelnosti na začetku kariere v Bolgariji začele s subjektivnega vidika brezposlenih. Analiza temelji na informacijah, pridobljenih z poglobljenimi intervjuji z ljudmi iz treh starostnih skupin, ki so vstopili na trg dela v obdobjih z visoko stopnjo brezposelnosti. Negativne posledice, ki so jih izpostavili anketirani, vključujejo gmotno pomanjkanje, omejen dostop do zdravstvenih storitev, nizko samozavest, prekinitev socialnih stikov, odložitev ustvarjanja družine in življenja v lastnem domu, izguba upanja za boljšo prihodnost. Poleg negativnih posledic je bilo ugotovljenih tudi nekaj pozitivnih, kot so krepitev družinskih vezi, povečana motivacija ljudi za reševanje nastalih težav in prizadevanje za osebni razvoj.

KLJUČNE BESEDIZrezposelnost v zgodnji poklicni poti, posledice, subjektivna ocena, Bolgarija

1. Introduction
Being young and jobless is usually a temporary situation at the start of the working career. That is a period in one’s life when one usually aims to accumulate knowledge, skills, qualification and social capital; however, the situation may become problematic when periods of unemployment become frequent and prolonged, when job insecurity (in the sense of individual’s perception “…in such a way that the nature and continued existence of one’s job are perceived to be at risk” (Sverke and Hellgren, 2002, 26) increases and starting work does not ensure a decent life – a state that is typical in times of social-economic crisis.

In the last few years, a growing number of publications have focused on the difficulties young people encounter at the start of their work careers, and the respective consequences for them of these difficulties. Thus, for instance, new studies have shown that labour market entry in times of economic crisis and high youth unemployment involves a high risk of subsequent unemployment and leads to overrepresentation of individuals in insecure forms of work during the later stages of their lives (Helbling, Sacchi and Imdorf, 2017). Other authors have demonstrated that unemployment and job insecurity have negative effects on the professional development of young people (Abebe et al. 2016; Mroz and Savage, 2006), and on their decision to leave the parental home and create a family of their own (Ayllon 2014; Ayllon 2017). A number of studies (Bell and Blanchflower, 2011; Strandh, Winefield, Nilsson, & Hammarstrom, 2014; Brydsten, Hammarstrom, Strandh and Johansson, 2015; Buttler, Michoń, Ayllon and Zuccotti, 2016) reveal the long-lasting negative effects on health and well-being for people who have experienced unemployment at the start of their career. The impact of unemployment upon various aspects of life is a topic that has long attracted the attention of scholars working in various scientific disciplines, including sociology, psychology and economics. In reviewing a large part of the literature devoted to this topic, Bell and Blanchflower (2009) present a summary of the negative consequences pointed out by researchers, that give an eloquent answer to the question, “Why should we care about this problem?”.

However, most of the studies in question are focused on countries having large masses of available quantitative information; hence, Bulgaria has been left out of these researches. In the last few years, especially due to the effects of the world financial crisis, there has been an evident rise of interest on the topic of Bulgarian youths’ possibilities to find a first job (Nyagolov, 2014; Ilieva-Trichkova, P. and Boyadjieva, P., 2014; Boyadjieva and Ilieva-Trichkova, 2015), the research related to this is based on quantitative methods. Nevertheless, the effects of long-term unemployment at the start of the work career remains a topic sparsely present in scientific studies in Bulgaria, and rarely taken as a special research focus; this shortage is particularly evident with regard to people’s subjective assessment.

This text is focused precisely on the consequences of early-career unemployment from subjective point of view. Following the idea (Pernice, 1996; Blustein, Kozan and Connors-Kellgren, 2013) that the use of qualitative methods for the study of this problem enables achieving a more detailed and nuanced picture, the analysis offered here contributes to the category of studies that reveal the individual’s subjective experience of unemployment. By conducting thematic analysis of life-course narratives of people who have experienced long-term unemployment in the beginning of their professional career, we will show their personal perspectives as to how this problem has impacted on their lives. Thus, our aim is to reveal the story behind the numbers and hear the voices of the unemployed people.

2. Methods
The information we use is drawn from 30 semi-structured life-course interviews with Bulgarians in three age groups – those born in 1990-95, in 1970-75, and in 1950-55 – who have entered the labour market in periods of economic crisis or political changes - respectively in the period after 2008, in early 1990s, and in early 1970s. All interviewees had experienced one year or more involuntary unemployment by the age of 25 (one long period of unemployment or several shorter unemployment spells). All had an upper secondary, or lower, level of education when entering the labour market, had various types of places of residence, and were of different ethnic origins. The sample is equally divided between men and women.

The aim of the interview guide was to explore unemployment narratives within a life story. The sample is not representative, but personal biography and the life-course approach is certainly relevant to the respondents’ understanding of the consequences of unemployment and their assessment of their personal situation in this respect. The analysis phases included transcription of all interviews, carefully reading and coding interesting features of the data. On the next stage we identified themes and repeated patterns of meaning looking both at explicit meanings (manifest aspects) and at underlying ideas and assumptions of the data (latent aspects). On the last stage, when preparing this text, along with interpretation of the themes, we used also vivid extract examples[1].

[1] In order to preserve the anonymity of the interviewees, in this text we will use acronyms. The letters and numbers given in brackets after quotations indicate BG (interview conducted in Bulgaria, as part of the international research covering 7 European countries), the consecutive number of the interview conducted in Bulgaria, the letter F or M (for gender) and birth cohort).

3. Results

3.1. Consequences of early-career unemployment that are assessed as negative

3.1.1 Material deprivation

Not surprisingly, the interviewees point to lack of money as the main negative consequence of unemployment. The respondents from each birth cohorts shared that the lack of a job and salary deprives them of a number of commodities and activities they feel to be important. As Ivo points out: “The most important thing is that one remains without means for food and may go hungry, there may be negative effects on one’s life and thus one may break down... even mentally” (BG21, М, 1990-95).

Particularly severe material deprivation is found to occur when unemployment and job insecurity combine with affiliation to an ethnic minority, early childbirth, singly parenthood. A factor affecting the degree of economic deprivations is the support youths receive from their parents. In cases when young people were financially supported by their parents, they talked about having a feeling of insecurity, limited financial possibilities, but not about lack of food or a home. In the cases of youths from poor families and with unemployed parents, in addition to short-term effects such as lack of food, clothes, heating, one observes long-term consequences: for instance, young people are forced to leave school, to work in order to help out their parents, or find it impossible to continue their education.

3.1.2 Low educational attainment and loss of professional skills
Material deprivation, lack of social contacts or family support, have a negative impact on the educational achievements and attained level of education and qualification. The respondents themselves point out that the lack of means is a basic factor for their leaving school early or not continuing to a higher level of education. Emil related that, “I haven’t studied, because I have no money, I have no means, but I had a very strong desire to study.” (BG 16, M, 1990-95).

The long periods of unemployment lead to deterioration of qualification for the unemployed and devaluation of their professional skills; in other words, a loss of human capital occurs (Bell and Blanchflower, 2011). The interviewees who had graduated from vocational high schools shared that after 1989, when drastic political and economic changes took place in Bulgaria (with the fall of the Communist regime came the introduction of market economy rules), they had met with serious difficulties finding work in their special fields, as the enterprises dealing with those lines of activity were liquidated and subject to privatization. Thus, such people were in need of additional qualification above their acquired professional education but were unable to provide it for themselves.

### 3.1.3 Going into debt or becoming a crime victim

Another consequence related to unemployment is that people take loans and accumulate debts that in many cases they cannot repay. People fall into a vicious circle from which there is no escape: the less they have, the more they become indebted and the more they aggravate their situation. Bojana shared: “Very hard! Very hard... I have lived through a lot... unemployment... with children... you borrow from one place... you pay back to another... and we are still in the same situation... even now I have a debt... I pay back, I borrow, I pay back, I borrow... I have become used to it. I borrowed ten leva again yesterday...” (BG 02, F, 1970-75)

The striving for a better life, but under restricted possibilities for employment, is making young people, especially young women from small settlements, vulnerable to criminals. This vulnerability is even higher when factors such as low education and material want. Such is the case of Maya. She lives in a village; she left school at the age of 16 in order to marry and have her first child. At 21, she was unemployed and already the mother of two children. The lack of a job and the desire for a better life encouraged Maya (BG08, F, 1970-75) to put her trust in the promises of criminals who offered her work abroad for a high salary. After she went to the foreign country, she found out she had been deceived and was forced to offer paid sex services. Thanks to the support of her family, and the state institutions, she was able to escape.

### 3.1.4 Limited access to healthcare services

The lack of job is linked not only to material deprivation but also to limited access to healthcare services. There is mandatory healthcare insurance in Bulgaria, which provides free access to medical service. The unemployed, however, must insure themselves, making payments of 20.40 leva (about 10 euros) monthly. If these installments are not paid, the medical service provided must be paid for, which is practically impossible for a person without income. There are also fines for unemployed persons who have not submitted declarations for self-insurance (the sums range between 500 and 1000 leva). People without health insurance only have right to emergency assistance. Olga shared: “I have no money to see a doctor, a dentist. Without money, no one cares to help me regarding my health or
anything else. In principle, yes, health is the most important thing. But when you have no money you can’t go to a doctor, buy medicines. It is very difficult financially” (BG19, F, 1970-75).

3.1.5 Influence on the psychological state of people

The interviewees from the three groups related that the lack of employment, and persistent rejections when applying for jobs, was affecting their self-esteem and driving them to despair. Being jobless strongly reduces Lyuba’s self-esteem and makes her feel dependent: “Well, it’s depressing, it depresses me. You feel bad, you're not comfortable, you don't feel good…Your self-esteem declines.” (BG13, F, 1970-75). Tatiana has felt insecure about the family’s being able to meet its expenses and has fallen into states of depression. “…There were times when I cried a lot. I felt hopeless and cried a lot – about not having money, not having possibilities” (BG29, F, 1950-55). Silvia, of the youngest age group, pointed out that the experience of periods of unemployment even led her to thoughts of suicide: “Uneasiness, sleeplessness, I have fallen in a situation when I wanted to kill myself, you are restless, you can neither eat nor sleep” (BG26, F, 1990-95).

3.1.6 Limiting one’s social contacts

According to the interviewees, unemployment at the start of the career leads to loss of social contacts, limitation or complete lack of activities such as going to the cinema, going to eating establishments, attending plays and concerts. Militsa (BG14, F, 1990-95) pointed out that unemployment limited her opportunity to do things that other young people do. Unemployment impacts negatively on social contacts of Olga: “…you become isolated, you don’t want to go out, you have no friends, have no people around you, and you shut yourself off, sitting all day at home, watching television; we don’t go out because we’re unemployed” (BG19, F, 1970-75).

3.1.7 Postponement of acquiring a home and starting a family of one’s own

Another topic we identified is the transition to a home and family of one’s own. The interviewees related that the insecurity and unemployment they had experienced influenced their decisions about living on their own. The young people shared that they would have liked to live independently, away from the parental home, but were unable to take this step. The financial obstacle is felt even more strongly as regards starting a family of one’s own. Unemployment and job insecurity forced Lyubo to postpone and “freeze” many of his plans for the future, especially the idea of creating a family and beginning an independent life. He has been postponing this for the time when he would have a “secure job”, which he has not been able to find for the last 15 years. For him, obtaining employment is linked to creating a family. “Well, if I had found myself a good job, I would have married and would have had children…” (BG25, M, 1970-75).

Dragan believes that his life has been ruined by prolonged unemployment. He has lost his friends; furthermore, he believes that unemployment and lack of income does not allow him to fulfill himself at a personal level: “... I do not see, I do not see how I will create a family…” (BG12, M, 1990-95).

3.1.8 Lack of plans for the future
The long-term planning is something that the Bulgarian interviewees cannot achieve. This is because the scarce resources forcing the young people to live from day to day. They do not think about the future. Long-term unemployment at the start of the career has led many respondents to resign themselves to the situation and lose faith that anything can change. Petya believes that »... instead of inspiring me to start looking for something better, to be more demanding, to finish some kind of education, I resigned myself to accept what I was offered. Right, this is the result of that first unemployment ...« (BG22, F, 1950-55).

Resigning oneself to the situation leads to the acceptance of working without a labor contract, which additionally increases insecurity as this ultimately results in lack of years of service and the impossibility to receive a pension. Receiving a pension is a matter that concerns people in the first two age groups. Many of them pointed out that in their present perspective, they assessed as a long-term negative effect of their periods of unemployment the fact that they lack years of service, which limits their access to a pension.

3.2.Early-career unemployment consequences identified as positive

Despite the many negative consequences that were identified in the narratives, the interviewees referred to some positive effects of being unemployed. We should have in mind that in the respondents’ narratives the positive consequences of unemployment are indicated much less often than the negative ones. It is also notable that the positive effects are mentioned primarily by respondents in the youngest age group and some in the middle age group.

3.2.1 Transition to adulthood

One of the positive effects of early-career unemployment that we can extract from the narratives of the youngest birth cohort is the achieved awareness of personal responsibility and the subjective feeling that one is passing into the role of adult. For instance, Hristo shared that unemployment made him realize that “... the world is not so rosy” (BG20, М, 1990-95), while Nikola (BG28, М, 1990-95) felt that the difficulties had made him more mature.

3.2.2 Strengthening family ties

Thanks to the experience of unemployment and the difficulties of entering the labour market, many of the interviewees shared that in that period of their lives, they had received support from their families and that the family thereby had become more united. For Desislava, the most important consequence of the period of unemployment was that “my family and I became united... I mean... they were always by my side. This is very important...” (BG03, F, 1990-95).

3.2.3 Mobilization of personal forces and the desire to improve oneself

Another positive consequence identified by the interviewees is the mobilization of their personal forces and their will to overcome the challenges of life through their own active efforts. The experience of unemployment and job insecurity has taught Atanas to be strong and determined. He shared, “Well, what did it teach me?... to be strong and to fight... that if you can’t cope in life, if you can’t fight, you won’t get anywhere in this life. You have to be a determined and to uphold the things that are important to you” (BG01, М, 1990-95). Evdokia felt that she must be “…an optimist and rely more on myself...” (BG05, F, 1970-75).
3.2.4 A change of worldview: changing one’s priorities

Studying the interviewees’ narratives, we notice that early-career unemployment has led them to change certain perceptions of things in life: they begin to appreciate non-material values, rethink their priorities and their understanding of what is important in life. Continuous lack of a stable job has made Branimir reconsider his outlook on life: “Now I see things differently and maybe I value the good little moments more” (BG 09, M, 1970-75). Ivo said that he had reconsidered his priorities and changed his way of thinking: “…a person becomes more practical, right, this is the positive thing, that you avoid some unnecessary expenditures” (BG21, M, 1990-95).

4.Discussion

The life path of each person is different; each person has his/her own history, and the important moments in that history influences his/her life in a specific way. Nevertheless, in the interviews with all three age groups, we find considerable similarities in the pointed-out consequences of the early-career unemployment that had befallen them. The impact of these experiences is multi-dimensional: it affects various aspects of the lives of the unemployed, including financial, psychological, health-related issues, etc. The results of our study complement previous researches on the topic that go beyond the material effect of the unemployment (Borrero 1980; Goldsmith, Veum and Darity 1996; Wineklmann and Winkelmann, 1998; Clark, Georgellis, Sanfey, 2001; McKee-Ryan, et al., 2005; Clark, 2006; Böckerman and Ilmakunnas, 2009; Bell and Blanchflower 2011; Drydakis 2014). The consequences we identified show that the non-pecuniary effects of unemployment at the start of the work career are greater than the pecuniary ones. Lack of income was pointed out by all the respondents, as it is the first and most direct consequence of unemployment; but the pointed-out effects of unemployment on the lives of the respondents go far beyond the temporary lack of income and impact on their general well-being and health in the long run.

Although in the interviewees’ narratives, we identified some positive effects of the periods of unemployment, we cannot agree with authors who believe that the positive effects can offset the negative consequences of unemployment (Hoare and Machin, 2006). Not that the positive effects are unimportant, but the negative ones are too weighty and have a significant long-term influence upon the lives of unemployed Bulgarians.

We may agree with the observations, made in other studies, that the degree of influence of unemployment depends on a number of factors, such as the support, or lack of support, coming from the social environment, age, gender, ethnic origin (Broman et al., 1995), the social and institutional circumstances in which unemployed people live (Turner, 1995; Ahn, Garcia and Jimeno, 2004). The institutional framework plays a significant role regarding the possibilities people might make use of when unemployed (Esping-Andersen, 1990; Gallie and Paugam, 2000; van der Velden, Welters and Wolbers, 2001). Past surveys have shown that regulation, as well as organisation of the education system and labour market (Breen, 2005; Müller and Shavit, 1998; van der Velden and Wolbers, 2003) have an impact on youth’s labour market inclusion, and therefore on unemployment and job insecurity early in the career.

Other studies have shown that the negative effects of unemployment and job insecurity can be alleviated by support from the family (Linn, Sandifer and Stein, 1985). The main protective factor as identified in the narratives is namely the family. The family background, of youths
exerts a considerable influence on their possibilities at the start of the work career. Previous studies have demonstrated a substantial intergenerational correlation in unemployment (Ekhaugen, 2009; Headey and Verick, 2006) and increasingly polarized trajectories affected by the family legacies, especially distinct among the younger generations today (O’Reilly et al., 2015). In terms of employment, this factor is related to transmission of resources and cultural capital (Warmuth, Kittel, Steiber and Muhlbock, 2014). The fact that some youths receive material support from their parents does not necessarily indicate they are integrated in the labour market and economically independent (O’Reilly et al., 2015, p. 7). But such support enables the youths in question to devote more time to looking for a desirable job. Those who are lacking such support are often forced to take any job, including low-paid work, under bad working conditions, etc. (Bukodi and Goldthorpe, 2009). The importance of the social capital obtained through the networks of family and friends becomes especially important under conditions of crisis and high unemployment levels (Berloffa, Modena and Villa, 2011).

That is way it is worthy to be studied in a comparative aspect, across different European countries, the role of the social (informal) and institutional (formal) context with respect to alleviating the negative impacts of early-career unemployment or appearance of some positive features that enhance the resilience of the people who have experienced long-lasting unemployment in the beginning of their working path. We will keep paying special attention not only to the statistics and numbers such important for the policymakers but also to the voices of the people.

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