

# Wider Europe

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## Labor Market and Economic Activity

*Author Davis Timothy*

Between 2000 and 2005, the working-age population (15-64) decreased by 263,200. This negative trend is mainly due to the low birth rate, aging population and migration processes.

During the same period, a decrease in the number of the current economically active population (15-64 years) was observed by 52,900 people. The observed decrease is due to the lower growth of employed persons – 178,500 people compared to the decrease in the number of unemployed persons – 231,500 people.

The activity rate for the population aged 15-64 increased from 60.7% in 2000 to 62.1% in 2005.

Despite the observed increase in the level of activity, still, 37.9% (200 2100 people) of the population are out of the workforce. About 25% of these persons want to work, but do not seek work for various reasons, incl. personal and family commitments; illness or injury; inadequate profession or specialty; lack of necessary education, qualifications, skills or work experience, etc.

The activity rate of young people (15 24 years) is 27.9% and of adults (55 64 years) 38% is low compared to the EU level. Concerning the labor market in Europe is the tendency of decreasing the share of active young people. Obviously, measures to assist them in finding the first job have a high purpose for increasing the number of European workforces. Since 2001, middle-aged and middle-aged people (aged 35-54) have been identified as the main group of economically active people. The tendency of the aging workforce requires lifelong learning as a major measure for developing the intellectual potential and professional competence of the workforce.

In 2005, the share of the well-educated persons in the workforce by degrees was relatively high (55.9% with secondary education and 24.1% with higher education or masters in business administration (MBA) education).

## **Vulnerable groups in the labor market**

In 2005, according to data from the Employment Agency, the downward trend in the registered unemployed of all disadvantaged groups in the labor market, with the exception of the unemployed with disabilities, continued. Among the most vulnerable groups in the labor market are: long-term unemployed; young people under 29 with no work experience or no education and profession; unemployed with low education and no qualifications; disabled people and adults unemployed for over 50 years.

Long-term unemployed (persons with regularly maintained registration for more than 1 year in the Labor Office Directorate). Despite the decrease in the absolute number of long-term unemployed, they are still more than half of all unemployed (55%). The sustainability of unemployment is particularly pronounced among the low-educated and the low-skilled. This is evidenced by

the fact that 70.8% of the long-term unemployed have basic and lower education and 72.7% without professional qualifications.

**Unemployed youth.** The downward trend in unemployment of young people up to 29 years continues, with their share in the total number of unemployed being 25.2%. The unfavorable educational and qualification structure of the unemployed up to the age of 29 has an extremely negative long-term effect on their employment. Of the unemployed youths up to 29 years of age with primary and lower education are 65.6% and without professional qualification 73.6%.

**Unemployed persons over 50 years of age.** The number of unemployed persons over 50 also continues to decline and their share in the total number of unemployed is 28.3%. Unemployment in people over 50 has a long-term nature, about 60% of them are long-term unemployed.

**Unemployed people with disabilities.** In 2005, the trend of increasing the number of registered unemployed with disabilities continued. In 2005, out of 100 unemployed, nearly 5 were disabled. A prerequisite for this trend is the limited ability of persons with reduced working capacity to start working in non-subsidized and inappropriate jobs according to their needs, which is why they actively use the services provided by the Employment Agency.

**Unemployed persons with a low level of vocational education and without specialty and profession.** More than half of them are registered with basic and lower education 59.9% and without profession and specialty 63.8%. Despite the observed decrease in the number of unemployed persons with primary and lower education, their share in the total number of unemployed persons remains relatively high.

## **Regional aspects of the development of the labor market**

One of the characteristic features of the labor market in recent years is the presence of significant and sustainable regional disparities. A pronounced territorial differentiation is observed both in terms of volume and composition of the labor supply, and in terms of demand. Regional differences are reflected

in the values of indicators from all aspects of the functioning and development of the labor market, employment, unemployment, pay, labor productivity, educational qualification and demographic structure of the labor force.

According to NSI data for 2005, the activity level is lowest in the Northwest Planning Region, 40.7%, 1-5 percentage points lower than in 2003 and 9 percentage points lower than the national average. The highest economic activity was registered in the South-Western Planning Region (54.1%), which is 0.8 percentage points higher than the total for the country. It is disturbing that, despite the general increase in economic activity in the country, there is a downward trend in some planning regions, such as in the northwest and southeast.

Regarding convergence in the labor market indicators for the planning regions, the following trend is observed. In terms of economic activity and employment, 2003-2005 there is an increase in the degree of dispersion of the indicators. For economic activity, the indicator rose from 3.2 in 2003 to 3.9 in 2005, respectively, from 3.9 to 4.8 in employment. It can be seen that the dispersion in the employment rate is higher. The unemployment trend is positive.

The future development of the workforce is in the direction of its aging and reducing its absolute number. The number of pensioners will exceed the number of young people entering the labor market. The burden of support for the population at retirement age will increase. The hired workforce will need to have high productivity and professional and geographical mobility. The reduction in the working-age population and its aging, as well as the requirements for maintaining the competitiveness of the economy after accession to the EU, leave without alternative the need to maximize the utilization of available labor resources and improve their qualitative and structural characteristics in accordance with the needs of employers.

# Business skills, management, and internal competencies and a sense of success

*Author James Miller*

Business skills and a natural sense of management are not always a gift. We need to develop our management skills every day. Team, business, or project management requires work and constant learning of management practices and approaches. But the most important thing remains our natural business and management feeling, which is within ourselves. BVOP.org educates exactly this in its teaching and management certifications. Their **Project Management Certification** promotes business thinking and support for the overall program. CEO certification promotes complex business thinking aimed at both people and businesses.

I have always been encouraged from an early age to be balanced in everything I do. Basically, I would agree that this is quite reasonable advice, but it is not always correct. Of course, achieving the perfect work-life balance should be a top priority for most professionals, but the same advice is simply not applicable to entrepreneurs – we are much different.

As entrepreneurs, we have zero sense of balance. We are fully committed to what we do – all the time. It doesn't matter if it's day or night, weekday or weekend – each of us focuses on our vision of what he wants to achieve. I even know an entrepreneur who is nearing retirement age but still plans to work 80 hours a week. He is not the only one.

Many of us miss meals, minutes for relaxation, and social gatherings, meaning we avoid anything that distracts us from turning our visions and passions into reality. We would probably also work in our sleep if we could. In fact, I bet some of my more creative colleagues are actually doing it.

If you've ever seen Thomas Edison's lab in Fort Myers, Florida, you may have noticed the small bed he kept at his desk. Edison worked long hours, took small breaks, and then returned to work again. I wouldn't be surprised if Edison also had a pool under his desk.

Edison, of course, is not alone in his tenacity. We have all heard the stories of Bill Gates and Mark Zuckerberg about the time they poured the foundations of their companies. And it's no coincidence that Gates and Zuckerberg leave Harvard to pursue their passions. Clearly, a more balanced solution for both of them would be to stay in school and pursue their goals after graduation. But this is not inherent in the developer.

I am not saying that entrepreneurs should respect other important aspects of their lives. If family, friends, and hobbies are important to them, you should do everything you can to pay attention to them. But the key is to make the most important things a priority and get rid of the others.

Of course, there are only 24 hours a day, but think about the hours you spend on social networking, television, trivial meetings, and other trivial activities. As entrepreneurs, we often give up on these things, and because we spend less time on things we don't care about, we can spend more time on things that really interest us. If used effectively, 24 hours can be an awful lot of hours.

I may be an entrepreneur, that is, always busy, but in my priorities, my children come first. I don't go home before they wake up, and I'm home every night to put them to bed – no exception. I have been on board meetings and interrupted them to put my children to sleep. I make this clear from the beginning, and people respect my time for my family.

On the other hand, everything else remains in the background. I really don't watch sports. I don't play games. I don't have hobbies. I do nothing but work, of course. Which I really love with zeal, as sincerely as my love for my children. My job is my passion. My children are also my passion. Everything else is in the background.

Yes, entrepreneurs lack balance, but we succeed without it!

# Five major mistakes European companies make in business

*Author Davis Timothy*

Business in some countries in Europe is relatively young. In former communist countries, for example, real private business has been around for a little over 20 years.

In this article, we will make an overview of some major mistakes that we have noticed in our practice that many young European companies make.

## **Lack of a business plan!**

**Before You Start a Business – Make Your Business Plan!**

Every business starts with an idea. We strongly recommend that you spend a few days writing this idea down! You may not be sure how to write a business plan (learn!), But even a few-page freelance text is better than nothing.

Many people say the business plan is in their heads. We do not want to question anyone's mental capacity, but we do not share the view that the idea in your head is a business plan. The plan should be in writing and regularly re-read and even updated.

Once written, the plan will help you identify potential weaknesses in your business in the future, as well as analyze them and take action to correct these mistakes.

To confirm the above, we will quote Benjamin Franklin, who said that “If you fail to plan, you plan to fail!”

## **Companies don't follow their business plan**

We are not sure which is worse – not having a business plan or having and not complying with it.

We have noticed that many business owners go to the extreme to offer services and products that they originally had no idea to offer. This is a classic rookie mistake and / or growth mistake. No one can do everything, but usually, who claims that everything can turn out to be good enough for nothing.

Understand (and write down in your business plan) what you want to do, what you are good at, and do it well! It may take you time (and money), it may well be a total failure. Still, the chances of your business becoming successful in the long run are many times greater than those in which you claim that you can do everything and offer all kinds of services/products that fall outside your remit.

If you are manufacturing furniture, concentrate on it, and do not wonder how to meet the needs of a customer who, in addition to furniture, also needs to reupholster the seats of your car.

## **Businesses do not offer complete solutions.**

The profiling we mentioned above is useful for your business, but not always good for your customers. You should always put yourself in their shoes and offer a complete service that meets their needs.

If we use the above example for a furniture manufacturer, then agree with us that it does not sound good to produce furniture but not to supply and install the furniture.

You may have clients who will want to save money and get and assemble the furniture themselves (although they would probably go to Ikea, not you), but we guarantee you that most would like to get a price for a complete service.

Listen to your customers' needs and your business will thrive!

## **Organizations ignore the importance of written contracts.**

Offering services and products in the 21st century involves a lot of responsibilities, money, time, and resources. Ever since ancient Rome, people have understood that writing is best for fixing arrangements.

For this purpose, a basic knowledge of trade relations and laws in Europe is required. Often, lawyers, and lawyers, in particular, tend to overcomplicate these written contracts, but in our view, it is better to have an unnecessarily complicated contract than none.

Having said that, we are fully aware that business trust should exist and very often good business partnerships would be more important than one contract clauses, but as long as you create such long-lasting and successful business partnerships, rely 100% on written contracts.

### **Desire for “absolute” control and keeping all employees “short”**

Unfortunately, micromanagement is widespread in Europe. This is what we call the desire of owners and management companies to know and control everything that happens in their organization.

As soon as you have more than 1 client and/or 1 employee, it is appropriate to accept that you cannot know absolutely everything and there will be things that you will not be able to control. And there's nothing wrong with that!

Create a framework of rules and guidelines for your employees, giving them responsibilities, giving them the freedom to work for you and yourself. There will be mistakes! But even the toughest controls on your part will not avoid all mistakes, and the time you spend lounging all over will cost you more than making a mistake.

Read the article [Are you a good manager?](#) If you are wondering about this, it's time to think about your leadership position.

Not to mention the stress and negative emotions that you will cause in your colleagues by constantly peering over your shoulder and obsessive control.

Create a clear framework of rules and policies for your company and let employees follow them. Exercise control and monitoring, but do not crush. It is very similar to monitoring in project management practices. Learn how to do that.

If your employees are confused – Understand the cause of the errors and correct them by creating conditions that do not allow the same mistakes to be made. Finger-pointing and scandals in the workplace are highly undesirable, and punishments are extreme measures that may not always bring you the desired positives.

If you need business advice, need specific case advice, or are looking for new techniques for running and managing your business, do not hesitate to comment below.

## **The educational profile of the population is the European Union**

*Author Mariam Bosier*

The educational level of the population is one of the main indicators of the quality of human resources. In the period 1998-2004, the educational structure of the population up to 64 years of age continued to improve,

following a clear trend of increasing the number and share of the population with tertiary and secondary education.

The publication contains data and details provided by PM.MBA. All data, values, and statistics are known to be yet valid for 2020.

A comparison of the educational structures of the population of the 15 countries of the European Union for 2002 and of Bulgaria shows that the level of the **human capital in Europe** as a whole is slightly above the average for these countries. Among the population, aged 25-64 in the country, the relative share of persons with tertiary education is 22%, as is the average share for the 15 countries of the European Union. With a 38% share of the population with primary and lower education on average in the 15 countries of the European Union, for Bulgaria, this share is 28%. In the 15 countries of the European Union, the proportion of persons with secondary education is 41%, and for our country, this share is higher than 50%. The proportion of the population with tertiary education increased from 18% in 2000 to 22% in 2004, or by four percentage points from 32% to 28%, which means that 72% of the population in the most active age employment is with secondary or higher education, which is evidence of an excellent educational level of the population.

According to Eurostat data, the share of people aged 20-24 who have no less than 76% of secondary education in Bulgaria in 2004 is relatively good and close to the European average. The worrying fact is that 21.4% of the population aged 18-24 is lower than secondary education and does not intend to pursue further education or training, which means that these young people are entering their working careers with weak competitive positions in the labor market. This predetermines the need for measures to reintegrate these people

into the education system and to integrate them into various vocational training courses, which will increase the quality of their employment and their job opportunities.

## **Range of education levels**

From 1990/1991 to 2004/2005, the number of children enrolled in the pre-school sector decreased by 100 976 or 33%. The persistent downward trend was overcome in the 2002/2003 school year when there was an increase of 2,111 children in kindergartens compared to the previous year. In the last two years, the number of children in pre-school education has increased, and for the last school year, there has been an increase in the number of children enrolled by 1 658. According to NSI data, the number of children in half-day kindergartens increased by 7.8% in 2004 compared to 2003. The previous 2003, with the coverage of children estimated by the group net enrollment rate, increased from 66.8% in 2000 to 73.6% in 2004.

## **The lowest is the dropout rate in the initial stage of primary education.**

In 2004-2005, enrollment in the initial stage of primary education (grade 1), according to NSI data, reached 99.7%. About 2.54% do not complete this stage. This means that the problem of dropping out of school is still at the first level of inclusion in the education system, although not as pronounced as in the following stages. Compulsory preparation prior to enrollment in first grade also plays a positive role in attracting and retaining children in school. Serious preparation is needed for starting a school to overcome the crisis in the first

and second grades, especially from minorities before entering the first grade to master literary language, mastering social habits, communication skills, and more. They place themselves on an equal footing with other children.

In upper secondary education, the enrollment rate and the proportion of graduates retain relatively stable levels over the years with a slight increase in the last two academic years 2003-2004, but the highest dropout rate is 3.03% at this educational stage and is higher than the national average. Its growth in recent years is a worrying fact because upper secondary education is part of compulsory education.

Taking into account the fact that the strongest factor for access to employment is the degree of completed education or the importance of education for finding a job, this percentage of drop-out students must develop and propose alternative programs for continuing their education in connection with the opportunity for their future realization. Read about how students become managers easy today.

Enrollment rates in secondary education remain the lowest. In 2001, the level since the beginning of the transition had recovered, reaching 68.3% and continuing its gradual rise, with enrollment in secondary education reaching 78% in 2005-2006. However, this positive trend is compounded by the still high dropout rate in the high school stage of 2%.

According to data from the Regional Inspectorates of Education for the school year 2004/2005, 19,193 students dropped out of a total of 963,051 enrolled at the beginning, ie 0.12% of the total.

The highest dropout rate for family reasons was 6,664 or 34.7% and 10.6% less than in the previous year. The high dropout rate due to family reasons is explained by the place of education in the family's value system, economic instability, resulting in unemployment, poverty of the family and lack of funds to provide textbooks, teaching aids, notebooks, clothes for students from the family, the need for labor to provide for the livelihood of the family.

Dropout students due to a reluctance to study, including poor achievement and absenteeism were 5,471 or 28.5% of the total dropout rate, up from 25.7% the previous year.

The reasons for this can be found in difficulties in learning the content, due to poor command of the Bulgarian language, difficulties caused by the high academic style of textbooks and teaching aids, lack of thorough preparation and motivation for learning, poor use of interactive methods and approaches to training and implementation of new technologies, insufficient training of teachers to work in a changing environment, the need to upgrade their skills.

The reasons for dropping out of school can be grouped into several groups:

Economically low family income, unemployed parents, declining living standards, commercialization of education, etc. Read the [How MBA \(Master of Business Administration\) education can boost our careers](#) article in [ManagersPost](#).

Social parental disinterest, lack of control by the family, negative environmental impact, poor living conditions, the influence of various criminogenic factors, etc.

Pedagogical lack of motivation for learning, negative attitude to school, difficulties in communication with teachers and classmates, personality traits, etc.

Culturally, they derive from the traditions, customs, character of the value system of different social groups, and ethnic groups.

Organizational administrative lack of sufficient and objective information, lack of a system for organizing the free belt and carrying out extracurricular and extracurricular activities, administrative-authoritarian approach to solving the problem, etc.

## **Statistics show differences in access to education in urban and rural areas**

Statistics also show major differences in access to education in urban and rural areas. Of those enrolled, in 1996-1997, children in rural areas who completed primary education were about 17% less than children in urban areas.

Particularly indicative is the index of completion of the upper secondary level of primary education, which for the years 1996-2001 increased in the cities by 1.9% but decreased in the villages by 6.7%.

In support of this trend, the Human Development Index (monitored by UNDP) from 2002 recognizes that remote municipalities and municipalities with a

concentration of ethnic minorities are characterized by low literacy and enrollment rates. Roma children and students are still isolated and segregated in separate kindergartens and schools. The preparedness of the teaching staff and administrative units to work in a multicultural environment is insufficient. Read how you can build good educational and management habits for you and your children.

In terms of access to education, not only minority children but also children with special educational needs are at risk. According to the NSI data for the 2004-2005 school year, these are about 13 269 children studying in 127 special schools. The number of children with special needs is high. In most cases, they are institutionalized and remain isolated from the natural home environment.

Legislative provision of integrated education for children with special educational needs and Roma children is not sufficient for the actual implementation of the processes. No supportive environment has been created to guarantee equal access to education and quality education for children with special educational needs.

It is positive that since the school year 2005-2006, 1 593 children and students with special educational needs have been integrated and educated in Europe, supported by 227 resource teachers.

# Three thousand euro monthly salary in Germany

*Author James Miller*

3000 euros a month in Germany? Is this much or not? It depends – the correct answer is. Because the difference between gross and net pay is large, Dunja Dragojevic writes in an article on Deutsche Welle.

## **Here's what you need to know about salaries in Germany:**

According to statistics, the average gross monthly remuneration in Germany in 2018 was just that – nearly 3,000 euros. And the average net salary was 1945 euros. The difference of over € 1000 is covered by a variety of tax and insurance deductions. However, each is different in size – it depends on the tax bracket of the worker. And the tax group itself depends on its marital status – marital or not; with or without children; divorced or married. What matters is whether the spouse works and how much he earns, more, less, or more than the other.

## **Some specific examples**

Take the following example: working father of two, earning € 2948 gross per month. With tax group 3 because his wife earns less than him. The gross salary deducts about EUR 167 income tax, nearly EUR 215 (7.6%) for health insurance, EUR 274 (9.3%) for pension, EUR 36 for unemployment insurance (1.25%) and EUR 45 for adult care insurance. And poor people (1.5%). This leaves his workers with a net income of € 2,209 per month. If a worker is a member of the

Catholic or Protestant church community, he or she should also be subject to a church tax of around € 40.

Here is another example: working without children, without a spouse receiving the same gross monthly salary – EUR 2948. The tax deductions are higher here, and a further EUR 22 solidarity tax is deducted from the remuneration, from which the employee in the first example is exempt. The net salary, in this case, amounts to EUR 1944. Not to forget the possible church tax of about 40 euros.

## **Minimal salary**

Germany is among the EU countries where the minimum wage is set by law. It amounts to 9.19 euros (November 2019). Only in four other EU countries is the minimum wage higher: in Belgium, Ireland, the Netherlands, and France. The lowest is the statutory minimum wage in Bulgaria (1.72 euros), in Latvia it is 2.54 euros, in Romania – 2.68 euros, in Hungary – 2.69 euros, in Croatia – 2.92 euros.

If you are not employed in the public services sector and are not an employee of a private company but work part-time, you are required to pay tax and insurance deductions on your own. In that case, you need a tax advisor to help you, because, in Germany, it is no easy task to prepare a tax return. Keep in mind, too: there should be no joke with the German tax authorities. In addition, German tax law is quite complex, and a tax advisor will not only help you fill out your tax return properly but may also find opportunities to deduct your tax deductions.

## **Higher than the EU average, lower than Switzerland**

Does this mean that wages are still high in Germany? Compared to many other European countries – such as Bulgaria, Romania, Croatia – yes. For example, the average gross monthly remuneration in Bulgaria in the second quarter of 2019 was BGN 1,260 (approximately EUR 625). Let us emphasize that this is a legal and officially registered employment relationship. The statistics do not cover “black work”.

Statistics show that wages in Germany are well above the European average but lower than in Switzerland, Luxembourg, and Denmark. But the “bare” figures do not give a complete idea: they must be considered together with the costs in the respective country. In 2017, for example, average costs in the German household amounted to € 2,517 per month. Of these, an average of € 900 goes for residential rent and overhead. Let everyone consider for themselves whether the 3,000 euro gross wage in Germany is much or little.

## **How poor German pensioners live**

There is simply no money left for coffee or new clothes. A team of Deutsche Welle visited two German pensioners living on the poverty line. Whether the so-called. Is a basic pension due in 2021 will improve their lives?

Hans Rudolf W. is 77 years old. Since retiring, she spends most of her time at home with her husband. It weighs on him that he cannot afford to sit in an establishment, order a piece of cake and a cup of coffee. He never believed that one day it would become a luxury for him. He has almost 50 years of work

experience behind him. First, he worked at a bank, then as a taxi driver, and finally as a house manager. But today, his pension is not enough.

It is exactly 335 euros. And this is well below the poverty line in Germany. Therefore, Hans Rudolf V. receives 300 euros from the state. So much is applied to his wife.

The social service is renting and renting their two-bedroom apartment in Bonn. Thus, the state fills the gap between their pensions and the subsistence minimum. Every resident of Germany is entitled to this financial support – no matter how much money he or she has made into the social system of the country.

## **More and poorer retirees in Germany**

According to the German Institute for Economic Research, nearly 17% of pensioners in Germany are at risk of poverty. And in the next 20 years, this percentage may rise to 21.6%.

In order to prevent such a scenario, the Berlin-based coalition has decided to introduce the so-called — basic pension. From 2021 onwards, all those with 35 years of service will receive at least 10% above the subsistence minimum. No matter what their insurance contributions were in time. Years spent caring for children, or sick relatives will be recorded as work experience. According to Interim Democratic Party Chairwoman Malu Dreyer, about 1.5 million people will benefit from the changes.

The purpose of the project to introduce the so-called basic pension is to help people like Hans Rudolph W. who have worked a lifetime but receive no more than those who have not paid a cent to the country's social system.

The current government is the third in a row to include the topic in its coalition treaty.

Previous attempts to change the system for calculating the lowest pensions have failed because of differing views of Christian Democrats and Social Democrats. The CDU / CSU wanted to bind the receipt of the so-called. Basic pension with the needs of the person concerned. They argued that those with side income from rent, accumulated personal wealth, or a wealthy partner should not benefit from the so-called — basic pension. However, the Social Democrats opposed these restrictions. In the end, the two parties reached a compromise – pensioners' income will be checked, but not their assets and the financial situation of the entire household.

“Let's go downtown first.”

For Hans Rudolph V., such verification is not a problem. He is still obliged to provide information on his financial situation to the authorities so that he can receive social assistance. The most important thing for him is to have a little more money in his pocket and to save money from going to the social service. Although his resources are limited, he is still happy. Because unlike thousands of other retirees, he does not have to eat in the kitchens of the poor. However, when he needs new clothes or furniture, he is forced to turn to social organizations for help.

And what is the first thing Hans Rudolf W. will do when they introduce the so-called Basic pension? "I'll go with my wife downtown. We haven't been there in a long time," the pensioner says.