

An Analysis of the Socio-Economic Measures for Preserving Employment in Hotels and Restaurants During the Covid-19 Pandemic in Bulgaria

Received: 07.04.2022

Available online: 30.06.2023

Pavlin Pavlov*

Abstract

The number of unemployed persons in different sectors of the economy, including those at hotels and restaurants, has grown rapidly due to shrinking economic activity as a result of the COVID-19 pandemic. Accordingly, the state has introduced some measures to counteract negative consequences and ensure positive social effects for businesses. The aim of this research is to present implemented social measures and their effects on preserving employment in the sphere of hotel and restaurant activity in Bulgaria during the COVID-19 crisis. The research methods we employ are analysis and synthesis; content analysis; situational analysis; deduction; induction; comparative analysis, etc. The findings of the research present the nature and the progress of social measures adopted to preserve employment in the researched sectors since the outbreak of COVID-19 in Bulgaria, as well as the achieved results. They also outline the condition of employment in the hotel and the restaurant business in Bulgaria

during the pandemic and the efficiency of applied mechanisms. Within this context, some opportunities for the further development of the researched economic sphere are presented.

Keywords: COVID 19; Bulgaria; tourism; hotel activity; restaurant activity; social measures; effects.

JEL: L83

Introduction

The COVID-19 pandemic led to many restrictions imposed and affected all economic sectors: agriculture (Nikolova M. , 2020), commerce, etc. Undoubtedly, one of the most heavily affected sectors is tourism, which was a major driving force of global economic development before COVID-19 hit (Pavlov, 2021). Some of the major objectives of the state during the COVID-19 pandemic is to preserve jobs and reduce unemployment. As a result of shrinking economic activity, the number of unemployed persons in different economic sectors, including the hotel and restaurant business, has grown dramatically since the beginning of the pandemic. Accordingly, certain measures were adopted by the government to support the business.

* Department of Tourism Economics and Management, D. A. Tsenov Academy of Economics, Svishtov

The aim of this research is to present adopted social measures and their impact on preserving employment in hotels and restaurants in Bulgaria during COVID 19. The objectives of the research are to outline the importance of the tourism sector for Bulgaria; to analyse the nature and the evolution of social measures for preserving employment in researched sectors since the outbreak of the COVID 19 pandemic in Bulgaria and the effects which these measures have had; and to present opportunities for the further development of the researched economic sphere.

Since the beginning of the pandemic in 2020, numerous research works have been conducted globally to study the impact of pandemic-related restrictions upon tourism. Due to the lack of sufficient data and the unprecedented nature of the crisis, initial research focused on seeking similarities with various earlier crises and identifying potential future developments (Peters, Peters, & Peters, 2020) (Zenker & Kock, 2020) (Wen, Kozak, Yang, & Liu, 2020) (Matiza, 2020). Later on, as the pandemic crises deepened, research works used the latest findings about current developments which took place after the beginning of the pandemic to identify patterns that would make it possible to track changes in the socio-economic and healthcare situation which directly affected tourism in general and hotels and restaurants in particular (Naumov, Varadzhakova, & Naydenov, 2020) (Ivanova, Ivanov, & Ivanov, 2020) (Dogramadjieva, 2021) (Neuburger & Egger, 2021) (Bae & Chang, 2020) (Das & Tiwari, 2020) (Perić, Dramićanin, & Conić, 2021) (Nikolova & Pavlov, 2021). At this stage, the socio-economic measures for preserving employment in hotels and restaurants during the COVID-19 pandemic in Bulgaria have not

been sufficiently researched or analysed from a scientific perspective.

Some recent studies combine different research approaches to examine the overall impact of crises upon tourism, consumer attitudes and, to a degree, adopted measures (Bozhinova, Ilieva, Pavlov, & Todorova, 2022). This paper elaborates further previous research works by focusing on the importance of tourism for Bulgaria's economy in general by presenting its contribution to GDP, employment and the need to implement specific socio-economic mechanisms to preserve the economic viability of hotel and restaurant enterprises. It also analyses implemented measures and their effects on preserving employment in the hotel and restaurant business in Bulgaria in extreme and unpredicted situations. It thus adds more clarity to the issue of tourism development and sustainability during a crisis. The research seeks the solutions to the presented problem on a national scale, while taking into consideration the fact that each country has been seeking to identify available options for minimizing the impact of the pandemic by applying specific approaches and government tools. This is especially relevant to the economic sector which is extremely vulnerable to the development of the crisis in our country.

Material and Methods

The research methods we employ are analysis and synthesis; content analysis; situational analysis; deduction; induction; comparative analysis, etc. The findings of the research present the nature and progress of the social measures adopted to preserve employment in the researched sectors since the outbreak of COVID-19 in Bulgaria, as well as the achieved results. They also outline

Articles

the condition of employment in the hotel and restaurant business in Bulgaria during the pandemic and the efficiency of applied mechanisms. Within this context, some opportunities for the further development of the researched economic sphere are presented.

The paper analyses data published in official sources, reports, and documents. Based on these data, we conducted a retrospective analysis of the sequence in which measures were adopted and amended by the government in order to preserve and guarantee jobs in the hotel and restaurant business during the COVID 19 and present the nature of the implemented measures as well as their progress. Due to the lack of totally processed data, we analysed, calculated, and interpreted multiple data from formal sources. We also reviewed scientific literature to identify achievements and justify the need of conducting this research.

Analysis of the Social and Economic Significance of Tourism

It is essential to emphasise the social and economic significance of tourism in order to highlight the need to support the tourism business through appropriate measures during a pandemic crisis.

The social and economic significance of tourism is determined by several major factors. These are:

- Specific factors which are inherent to the tourism business and affect its development in general and that of hotels and restaurants in particular;
- Tourists' needs which make tourists demand and make trips;

- Tourism contribution to the economy, the GDP and the employment.

The specific factors which affect the tourism business and play a role in doing business in the sphere of tourism refer to the social and economic nature of tourism; the complex nature of the tourism business; the category of tourism services to which an activity¹ belongs; seasonality. While these factors are important under normal conditions, they are even more significant during COVID-19-related restrictions. Hence the need to examine these factors in detail.

The economic essence of tourism refers to it being a major economic sector in the sphere of services. As an economic system, the sector comprises the following elements: tourism entrepreneurs (enterprises); tourists; local communities; the state. The processes which take place in that system lead to the development of entrepreneurship in the tourism business.

The social essence of tourism refers to relationships among tourists, service staff and local people. Social benefits for tourists are in terms of existing opportunities for recreation, entertainment, etc. which are not available or differ from those in their usual place of residence. Benefits for service staff and local citizens are in terms of personal enrichment and interaction with different views and cultures, as well as employment.

The socio-economic essence of tourism and its complex nature render it necessary to seek progress in two aspects. The first one refers to maximizing profits, and the second one refers to seeking and implementing

¹ This refers to the tourism business. As for the categorization of accommodation establishments and catering and entertainment establishments, the Ordinance on the requirements for accommodation, catering and entertainment establishments and the procedure for determining their category, as well as the terms and conditions for registering guest rooms and guest apartments are applied, in compliance with the legal regulations which are applicable in Bulgaria.

solutions to meet the diverse demands of tourists. Hence, the higher quality of provided tourism services relates to:

- Improved competitiveness on the tourism market;
- Higher incomes;
- Increased flow of tourists;
- Stronger market positions;
- Prerequisites for increasing the capacity to serve a larger number of tourists.

The complexity of the tourism business is a feature which entrepreneurs need to take into account when implementing their entrepreneurial plans. All services in the tourism sector are interrelated, therefore, if an entrepreneur's activity is related to accommodation establishments for tourists, they need to consider their reliance on tourism transport facilities, etc.

Entrepreneurs need to consider the characteristics of their activity depending on the *category* of tourism services to which it belongs. With tourism transport, for example, it is necessary to take into account tourists' preferences and requirements to that type of services. The same applies to accommodation establishments, intermediary services, etc. Major categories include (Samiei & Akhoondzadeh, 2013):

- Category one – accommodation establishments;
- Category two – eateries;
- Category three – amusement, recreation and sport facilities;
- Category four – transportation services;
- Category five – health services;
- Category six – intermediary and information services.

Seasonality is a factor which any tourism businesses must consider in order to use efficiently available resources and to maximise

revenue. Lower tourism demand and failure of entrepreneurs to take appropriate measures might result in declining revenue or losses.

Tourists travel to satisfy diverse *needs*, mainly related to discovering opportunities for relaxation and recreation, getting to know new places and cultures, etc.

In the current situation of the COVID pandemic, another factor affecting tourism is the ability of the tourism business to take place during a crisis.

Within the context of the pandemic, we need to note that crisis management is a complex and labour-intensive process due to the negative effects which a crisis has. It is therefore essential to design plans and strategies for overcoming potential crises. When a crisis hits, especially one that cannot be predicted like the COVID-19 pandemic, the main objective is to curb the crisis by applying appropriate measures implemented through strategic plans for eliminating its negative effects upon the socio-economic life. These plans need to be designed according to the current situation, i.e. since such a crisis is due to force majeure circumstances, no plans can be designed in advance to prevent this type of global crises. It is therefore necessary to take into account the impact of COVID-19 upon tourism in general and hotel and restaurant business in particular. Another major consideration is the contribution of the tourism sector to GDP and employment.

According to data provided by the WTTC, in 2020 there was a dramatic decline in tourism contribution to GDP and employment both globally and domestically (World Travel & Tourism Council, 2021). The main reason for that negative trend was the COVID-19 pandemic.

Prior to the COVID pandemic, tourism contribution to Bulgaria's GDP equaled 10.7%,

which ranked it among the leading sectors contributing to the national economy. In 2020, however, due to the multiple restrictions imposed on a global scale as a result of the emergency, the contribution of tourism to the

GDP of the country declined to 4.8%. This certainly required adopting a series of measures and actions to support the tourism business to preserve its viability to the fullest extent.

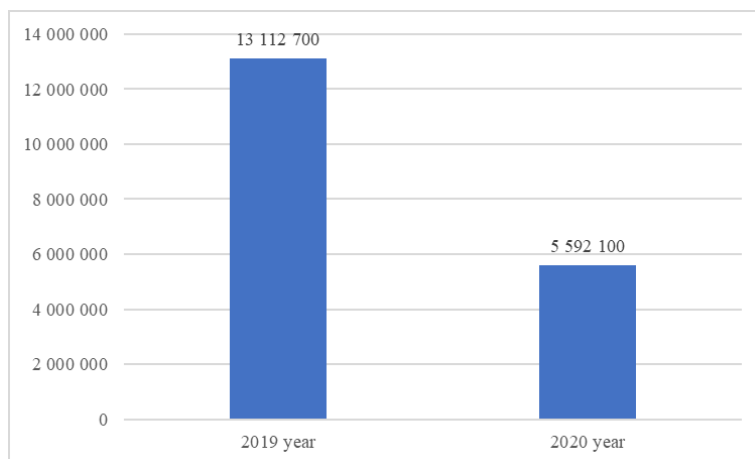


Figure 1. Tourism contribution to Bulgaria's GDP (in BGN)

Source: WTTC and computations of the author

There was a dramatic change in the contribution of tourism to Bulgaria's GDP before and during the pandemic. The data presented in figure 1 indicate that it dropped from BGN 13,112,700 in 2019 to BGN 5,592,100 in 2020. The difference amounts to BGN -7,520,600, which represents a dramatic

decline of -57.4% due to the COVID-related restrictions.

There was also a decline in the contribution of tourism to employment on a national scale. In 2019, the number of jobs in tourism was 341,600, while in 2020, the figure dropped to 296,100.

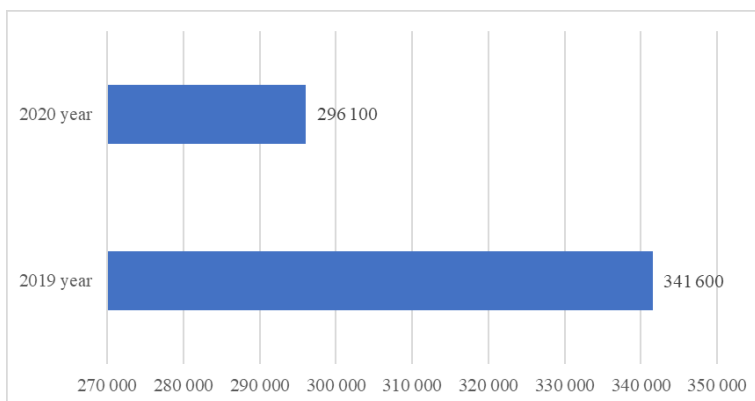


Figure 2. Changes in the contribution of tourism to employment in Bulgaria in 2020 compared to 2019

Source: WTTC and computations of the author

The data in figure 2 clearly indicate a decline in the employment in the tourism sector with 45,500 jobs lost. As a percentage, the decline in the number of jobs in tourism in the period from 2019 to 2020 equaled -13.3%, which illustrates the negative effects of the pandemic on both tourism and the national economy in general.

The significance of tourism for Bulgarian economy, also evident from the data in the figure above, requires applying adequate government measures to support tourism business in general and the major economic sectors (hotels and restaurants activity) in particular.

Effects of the Socio-economic Measures for Preserving Employment in Hotels and Restaurants During the COVID-19 Crisis in Bulgaria

According to the UNWTO, global measures for dealing with the negative effects of the COVID pandemic in the sphere of tourism relate to providing fiscal relief and financial support to SME-s and self-employed persons, as well as preserving jobs (UNWTO, 2020).

The analysis of data from official sources (Employment Agency, 2021) (Council of ministers of the Republic of Bulgaria, 2021) about the measures applied in Bulgaria to preserve and secure jobs in the hotel and restaurant business during the COVID-19 pandemic shows that four major measures were implemented by the state. These are:

- Measure “60/40”;
- Measure “Keep me”;
- Measure “Short-term employment support in response to the COVID-19 pandemic”;
- Measure “Employment for you”;
- Measure The “80/20” – combination between some of the above.

The sequence in which these measures were introduced and their development are illustrated in figure 3.

The research conducted through collecting, analysing, calculating and interpreting multiple data from various official sources due to the lack of uniform summarized data makes it possible to present clearly the nature of the socio-economic measures which were adopted to preserve employment in the hotel and restaurant business during the COVID-19 pandemic in Bulgaria. The findings of the research contribute to the findings of earlier research works by focusing on the similarities with various earlier crises, changes which have taken place in terms of the initial situation, or the socio-economic measures for preserving employment in the sphere of tourism. The paper analyses systematized data about the implementation of each measure, which clearly indicates the effectiveness of employing them to the tourism sector. We should note that there is currently no summarized data in government documents. The research therefore has the potential to provoke future research works related to the subject matter and contribute to theoretical insight about it.

Measure “60/40”

The 60/40 measure became effective in March 2020 with Decree No. 55 of the Council of Ministers dated 30th March 2020. The list of supported economic activities according to NACE-2008 included hotels, restaurants, bars, coffee-shops and other places serving food and/or beverages, travel agents and tour operators. In essence, the mechanism provides for State-funded aid equal to 60% of the income of reference and the insurance contributions payable by employers. The aim is to help businesses preserve employment

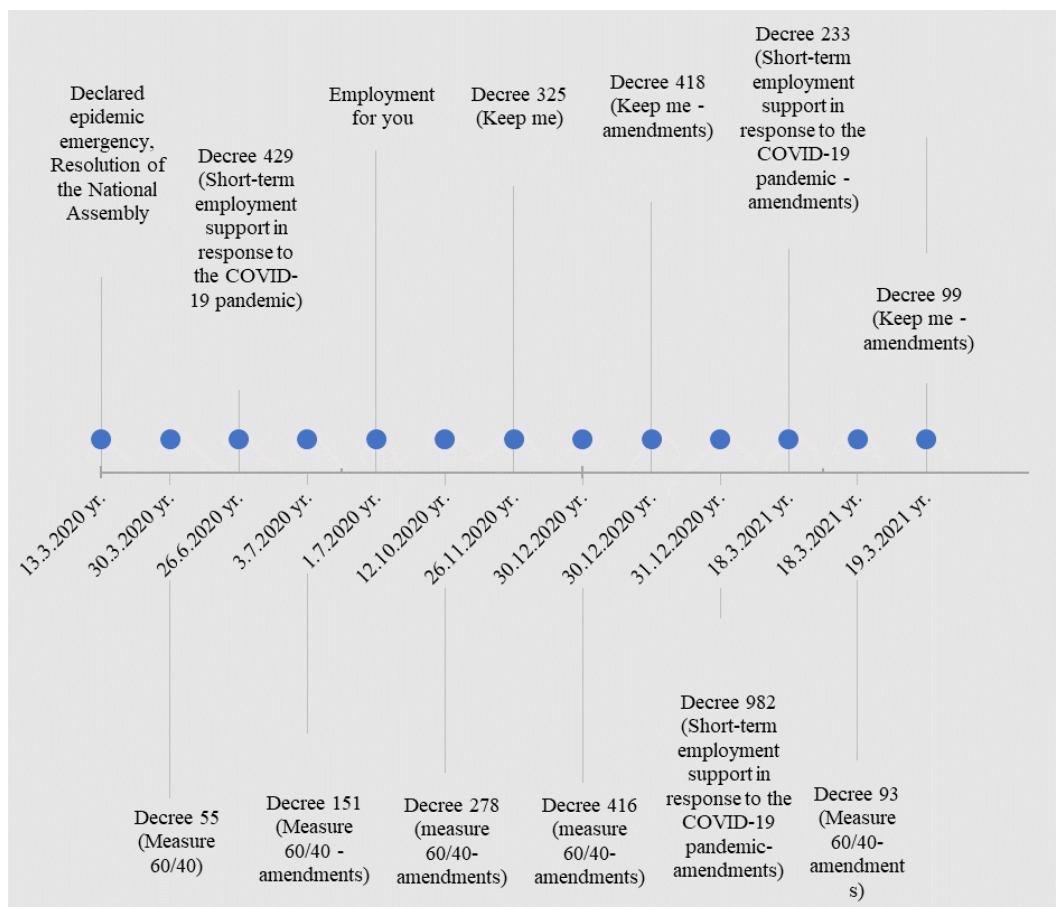


Figure 3. The sequences of introducing and amending state measures for preserving and securing jobs in the hotel and restaurant business during the COVID-19 pandemic¹

and guarantee the income of employees. The funds for the measure are provided from the “Unemployment” Fund. The Employment Agency began to accept applications and documents for the measure on 31st March 2020.

Decree No. 151 of the Council of Ministers dated 03.07.2020 for preserving workers’ and employees’ jobs after the end of the emergency extended the period for providing

support similar to that provided through the 60/40 measure that was introduced with Decree No. 55/2020, whose period of implementation ended on 30.06.2020. The financial support provided in compliance with Decree No. 151/03.07. 2020 amounted to 60% of the insurance income of workers and employees and was granted for a period of up to three months, starting on 1st July till 30th September 2020.

¹ The analysis covers Decrees and Resolutions till the end of March 2021 since from April till December 2021 Bulgaria did not have a regular government with sufficient time to plan or implement any long-term policies or measures for counteracting the COVID consequences in the sphere of tourism.

Decree No. 278 of the Council of Ministers dated 12th October 2020 amended and supplemented Decree No.151 of the CM dated 2020 and extended the period of its implementation. State support was thus ensured for the period from October till December 2020.

Decree No.416 of the Council of Ministers dated 30th December 2020 amended and supplemented Decree No.151 of the CM dated 2020 and extended the period of its implementation. State support was thus ensured for the period from January till March 2021. The state thus demonstrated its commitment to deal with COVID-related issues in terms of preserving jobs and employment in

many sectors and in the hotel and restaurant business in particular.

Decree No.93 of the Council of Ministers dated 18th March 2021 amended and supplemented Decree No.151 of the CM dated 2020 and extended the implementation of the measure from the end of March 2021 till 31st May 2021. Applications for state support to preserve employment in April and May 2021 could be submitted to the Employment Agency till 15th June 2021. Eligible companies were the ones reporting more than a 20% decline in their sales revenue compared to their average revenue in 2019. The period for submitting applications was extended with further Decrees.

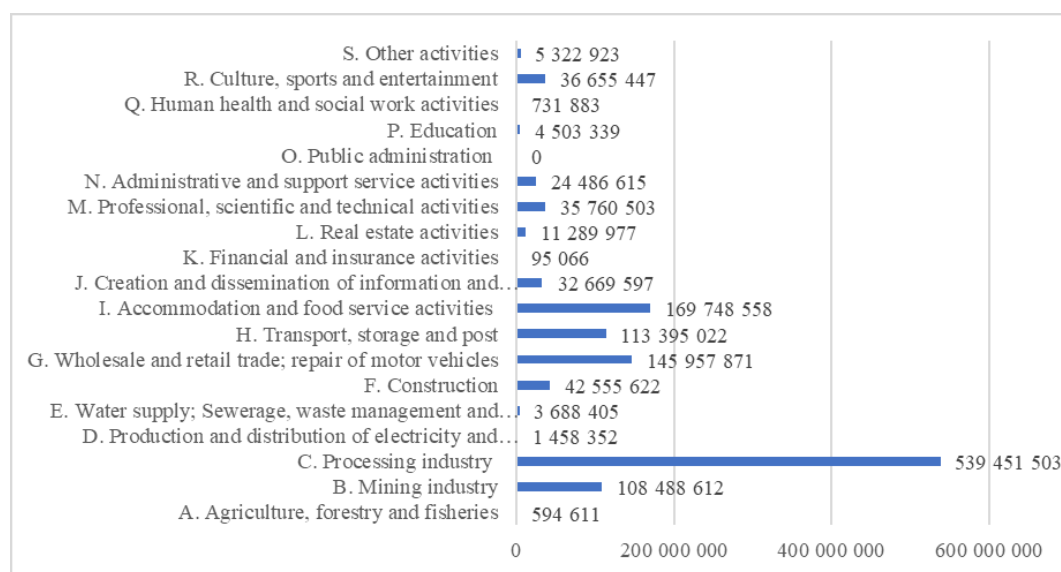


Figure 4. Total amount of funds granted in compliance with Decree No. 55 since 2020 by the type of economic activity as of 15th June 2021 (Measure 60/40)

Source: The Ministry of Finance (Ministry of finance, 2021)

The total value of granted funds as of June 2021 amounted to BGN 1,276,853,904. The largest relative share of 42.25% (BGN 539,451,503) was that of funds allocated to the Processing industry. The second highest share of allocated funds through the measure

was that for Hotel and Restaurant Activity: 13.29% (BGN 169,748,558), followed by the category "Retail and wholesale; repair of motor vehicles and motorcycles" with 11.43% (BGN 145,957,871). It is clear from these data that the sector of Hotel and Restaurant

Articles

Activity has been supported with priority, which indicates its significance for Bulgaria's economy.

Measure "Keep me"

Decree No. 325 of the Council of Ministers, dated 26th November 2020, put into effect the "Keep me" mechanism under a project funded by the Operational Programme Human Resources Development (OPHRD) with the National Employment Agency as a beneficiary. Government support is provided through compensations amounting to BGN 24 per day for unpaid leaves used by any

insured persons employed in businesses listed as enterprises which are subject to restrictions during a declared emergency or epidemiological situation. Decree No. 418 of the Council of Ministers dated 30.12. 2020 amended the size of compensations to 75% of the monthly income. Decree No. 99 dated 19.03.2021 amends the initial terms (rates, deadlines, etc.). According to the latest amendment, the deadline for submitting applications for state support was till the end of June 2021. No applications were accepted after 1st July 2021.

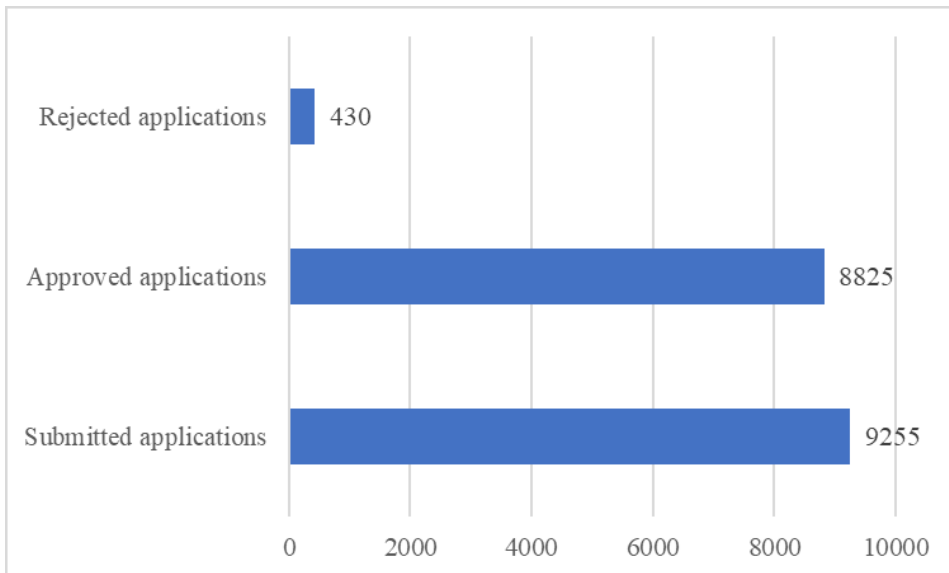


Figure 5. Number of applications for measure "Keep me" with code 55 and 56 (hotels and restaurants) according to NACE 2008

Source: The National Employment Agency and computations of the author

As figure 5 indicates, the number of applications submitted by enterprises with economic code 55 and 56 (hotels and restaurants) according to NACE 2008 was 9,255. The share of approved applications was 95.3%, and that of rejected ones 4.7%. Clearly, the measure worked well, considering the high share of approved applications. The

share of rejected applications was less than 5%, mainly because of omissions and errors in completed documents or failure to meet deadlines.

In October 2021, the measure began to be implemented again as "Keep me +". The analysis of available official data shows that as of the middle of December 2021, the

number of approved applications submitted by hotels and restaurants was 116, and that of rejected ones 30. Extending the period of implementation of this measure indicates that it is not only effective but also attracts significant interest on behalf of enterprises in the hotel and restaurant business.

Measure “Short-term employment support in response to the COVID-19 pandemic”

Resolution No. 429 of the Council of Ministers dated 26th June 2020 put into effect the measure “Short-term employment support in response to the COVID-19 pandemic”. Similar to “Keep me”, the measure was implemented by the National Employment Agency as a beneficiary of the Human Resources Development Operational Programme. The

measure supports employers in tourism (accommodation and restaurants businesses; travel agencies and tour operators; other travel-related businesses; transport) through compensations amounting to BGN 290 to cover a percentage of the salaries and the insurance contributions payable by employers and insured persons. Further Decrees of the Council of Ministers related to the measure, namely, Decree No. 982 dated 31.12.2020 and Decree No. 233 dated 18.03.2021, refer to some amendments in the terms of the measure, and above all, the period of its implementation which, according to the latest Decree, was the end of May 2021. Applications for funds granted through the measure were not accepted after 1st June 2021.

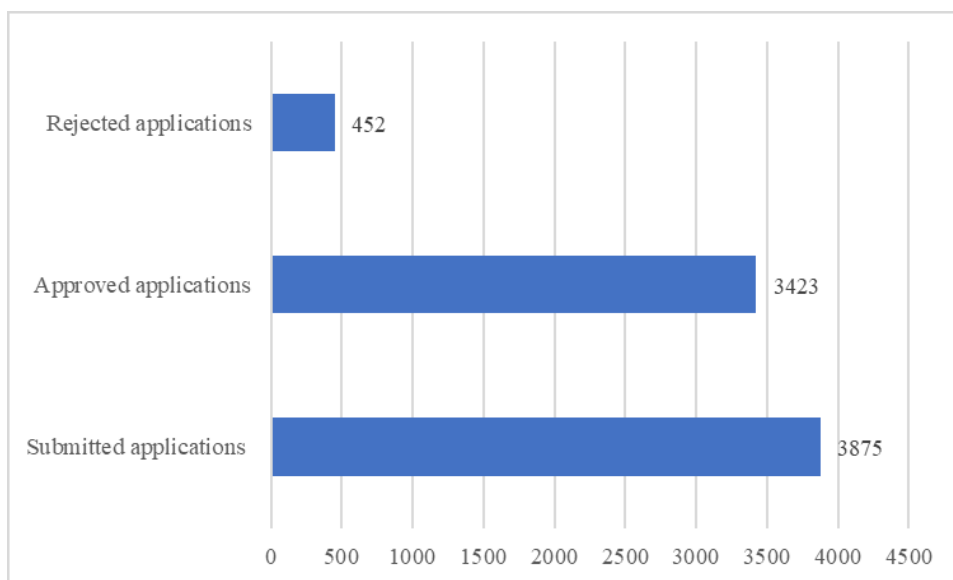


Figure 6. The number of approved and rejected applications submitted by 1st June 2021 for measure “Short-term employment support in response to the COVID-19 pandemic”
Source: The National Employment Agency and computations of the author

According to official data, the total number of applications submitted till the end of the implementation period of the measure was 3,875. The share of approved applications

was 88.3% (3,423), and that of rejected applications was 11.7% (452). The relatively high number of submitted applications for government support through this measure (as

well as through other measures) indicates high interest on behalf of the tourism business.

Measure “Employment for you”

The measure “Employment for you” is implemented by the National Employment Agency as a project beneficiary by the Human Resources Development Operational Programme. The measure began to be implemented in June 2020 and will continue till 30.06.2023. Employers are supported to open new jobs and hire unemployed persons

for a period of up to 6 months by granting funds sufficient to cover minimum salaries and social security contributions.

Funds are allocated on a pro-quota basis, the sum granted for priority support to employers in the sectors of “Accommodation and restaurants businesses”, “Travel agencies and tour operators and other travel and reservation-related businesses” amounting to BGN 50 million. Financial aid will be provided till the depletion of funds allocated for the mechanism.

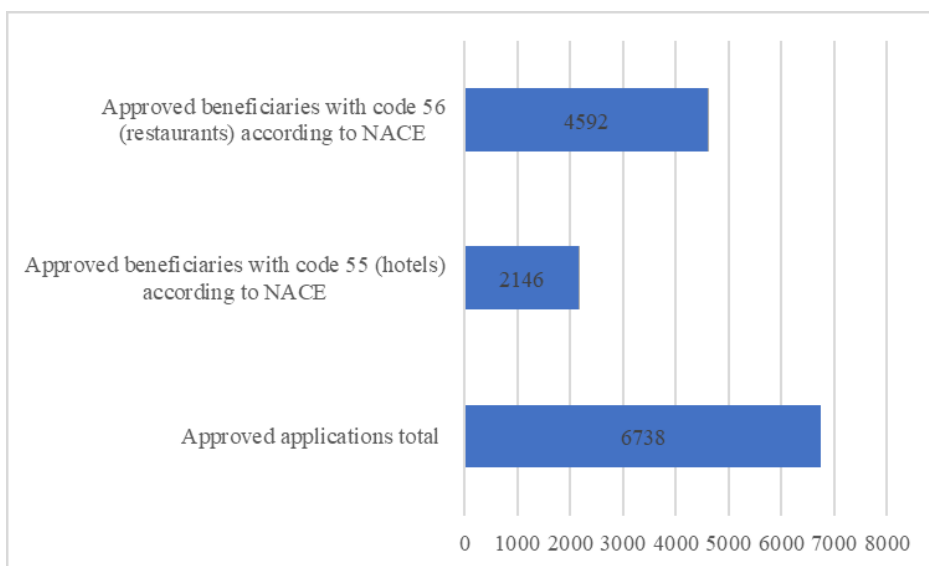


Figure 7. Number of approved applications and jobs as of the end of 2021 for measure “Employment for you”, code 55 and 56 (hotels and restaurants) according to NACE 2008

Source: The National Employment Agency and computations of the author

As of the end of 2021, the number of approved applications from enterprises with economic code 55 and 56 according to NACE 2008 (hotels and restaurants) was 6,738, of which 31.8% (2,146) were accommodation establishments and 68.2% (4,592) were eating establishments. The high interest in the measure indicates that it is appropriate and that it can help achieve even better results in terms of the number of supported entities.

Measure 80/20

The 60/40 measure can be combined with the measure “Short-term employment support in response to the COVID-19 pandemic”, which means that state aid for hotel and restaurant businesses will thus increase from 60 to 80 per cent. To do so, employers and self-insured persons in the sectors need to apply for state aid provided through the mechanisms.

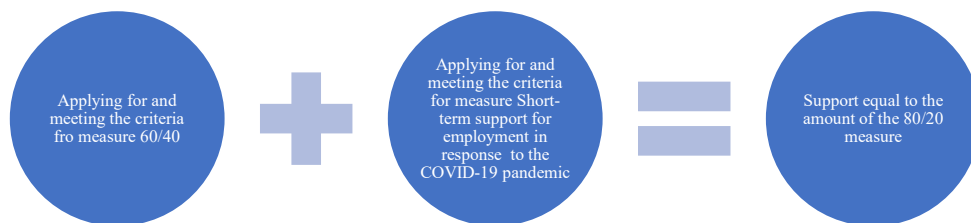


Figure 8. The essence of measure 80/20

By combining the two measures presented in figure 8 it is possible to receive a higher amount of financial aid for preserving existing jobs and potentially opening new ones. The effects of the social measures implemented by the state to preserve employment in hotels and restaurants during the COVOD-19 crisis are thus multiplied.

The socio-economic effects of supporting the hotel and restaurant business are in terms of preserving jobs, which reflects on maintaining the economic viability of tourism enterprises. Some probable explanations for the relatively small number of applicants from the hotel and restaurant sphere could be insufficient awareness, administrative difficulty and inability to meet applicable criteria.

The analysis we conducted of the implemented mechanisms for keeping employment in hotel and restaurant businesses indicates that those included:

- Teleworking;
- Paid and unpaid leave;
- Switching from full-time to part-time employment;
- Reduction of remuneration;
- Making staff redundant;

- Benefiting from government support.

We should note that in order to secure the work process and maintain the quality of labour, personnel skills and training is essential in the sphere of tourism. The majority of employers therefore chose to apply mechanisms that would allow them to keep available staff as much as possible, mainly by not making workers or employees redundant and benefiting from government measures.

Table 1. Accommodation establishments which benefited from government support measures for employment during the COVID-19 pandemic

Year	Month	Percentage of the accommodation establishments which benefited from the government measures
2020	March	17.6
	April	19.8
	May	22.1
	June	15.5
	July	16.7
	August	21.4
	September	24.4
	October	27.7
	November	31.8
	December	36.4

Articles

Year	Month	Percentage of the accommodation establishments which benefited from the government measures
2021	January	32.2
	February	31.6
	March	32.2
	April	26.8
	May	27.1
	June	21.0
	July	13.6
	August	10.1
	September	9.4
	October	11.7
	November	17.8

Table designed with data from the National Statistical Institute (NSI, 2021)

The data presented in table 1 is about accommodation establishments which functioned during the respective month. As evident from the table, the percentage of accommodation establishments which benefited from government support measures fluctuated.

Bearing in mind that the implementation of anti-COVID measures started in March 2020 and there is no available data about December 2021, and in order to ensure comparability of values, after making relevant computations, we identified the following average percentages of accommodation establishments which benefited from one or more government measures for counteracting the consequences of the COVID-19 pandemic:

- An average of 21.9% in the period from March 2020 to November 2020;
- An average of 18.9% in the period from March 2021 to November 2021;
- An average of 20.4% in the period from March 2020 to November 2020.

After comparing data about March and April in 2020 (when the first pandemic restrictions were put in place) and in 2021 (when both temporary and permanent restrictions were effective), the following differences in values can be identified:

- There was a 14.6% increase in March 2021 over the same month in 2020;
- There was a 7% increase in April 2021 over the same month in 2020.

This can be accounted for with two major factors. The first one is employers' willingness to keep their staff and to continue to do business. The second one refers to expanding the range of government measures since at the beginning of the pandemic the only effective measure was 60/40.

Tourism is undoubtedly a dynamic economic sector that generates significant revenue and must be supported (Bozhinova M. , 2019), and Bulgaria is a recognized destination on the international tourism market (Ilieva, 2020). At the same time, domestic tourism is relatively well developed as well. It is therefore possible to identify several opportunities for the future development of the hotel and restaurant business in Bulgaria by preserving its economic viability and securing employment during and after the pandemic. We will consider three major options that could be utilized depending on the duration of the pandemic. These are:

- Option 1: continue the implementation of current measures;
- Option 2: introduce new measures to replace or supplement existing ones;
- Option 3: stop the implementation of the measures.

Option one is appropriate since these measures have already been established and the procedures and mechanisms for

their implementation are familiar. This implies easier implementation of the application and approval process. The range of possible measures that could be applied to the tourism business will thus be enlarged, i.e. the danger of making staff redundant, reducing salaries, going out of business, etc., can be avoided. It would be appropriate for the government to continue to implement these measures for a certain period after the pandemic restrictions have been lifted in order to support the more rapid recovery of the economic viability of the tourism business. If this option is selected, policymakers will have to make careful plans and computations to avoid supporting the tourism sector at the expense of other businesses that have strongly been affected by the COVID crisis.

Option two is also appropriate. It should be noted, though, that any new measure takes time to be designed and put into effect. On the other hand, this could be a good alternative in terms of raising the efficiency of the measures since the number of tourism enterprises that can apply and be approved for government aid may increase. This, too, requires careful planning and implementation of various socio-economic measures on behalf of government institutions.

Option three does not seem to be appropriate considering the significant losses which enterprises in the hotel and restaurant sector suffered. Other factors to take into account are financial losses, the need of qualified staff, and the time that will be necessary for the total recovery of full occupancy in accommodation and eating establishments. Clearly, hotel and restaurant enterprises must adapt to the pandemic-related situation (Samarathunga, 2020) by complying with a number of health standards and implementing various mechanisms,

including government support measures. This option would be applicable when the pandemic-related crisis is over and the economy has recovered. It is logical in this case to suspend all measures to support the hotel and restaurant industry and tourism in general.

Conclusions

The aim and the objectives of the research have been accomplished, namely: we have presented the social measures and their effects for preserving employment in the hotel and restaurant business in Bulgaria during the COVID-19 pandemic; we have underlined the importance of the tourism sector for Bulgaria; we have analysed the nature and the development of socio-economic measures for preserving employment in the researched sectors since the beginning of the COVID-19 pandemic in Bulgaria and their effects; we have also identified available options for the future development of the researched economic sphere. The social effects of supporting the hotel and the restaurant business refer to preserving existing jobs, which undoubtedly contributes to securing the economic viability of tourism enterprises. As a result of the policy implemented to support hotel and restaurant activity, a number of accommodation and eating establishments have received state aid. As of the middle of 2021, their relative share in the number of businesses that were approved for receiving financial support through measure 60/40 was 13.29%. More than 8,800 accommodation and eating establishments were approved for government support through the "Keep me" measure since it began to be implemented, and more than 6,700 ones benefited from the "Employment for you" measure. The number of restaurant and hotel businesses which benefitted from

Articles

measure “Short-term employment support in response to the COVID-19 pandemic” exceeds 3,400. Government measures for preserving employment clearly have a positive effect, therefore their implementation needs to continue in order to overcome the negative consequences of the pandemic. In order to ensure higher efficiency of applied mechanisms, it is necessary to introduce new ones and/or make related procedures easier to apply. This will assist the recovery of the hotel and restaurant business in Bulgaria in general (i.e. higher employment, financial recovery, keeping and hiring qualified staff).

This paper elaborates on further previous research works by focusing on the importance of tourism for Bulgaria's economy in general by presenting its contribution to GDP, employment and the need to implement specific socio-economic mechanisms to preserve the economic viability of hotel and restaurant enterprises. It also analyses implemented measures and their effects on preserving employment in the hotel and restaurant business in Bulgaria in extreme and unpredicted situations. It thus adds more clarity to the issue of tourism development and sustainability during a crisis. The research seeks the solutions to the presented problem on a national scale, while taking into consideration the fact that each country has been seeking to identify available options for minimizing the impact of the pandemic by applying specific approaches and government tools. This is especially relevant to the economic sector, which is extremely vulnerable to the development of the crisis in our country.

The findings of the research contribute to the findings of earlier research works by focusing on the similarities with various earlier crises, changes which have taken

place in terms of the initial situation, or the socio-economic measures for preserving employment in the sphere of tourism. The paper analyses systematized data about the implementation of each measure, which clearly indicates the effectiveness of employing them to the tourism sector. We should note that there is currently no summarized data in government documents. The research therefore has the potential to provoke future research works related to the subject matter and contribute to theoretical insight about it.

References

- Bae, S. Y., & Chang, P. J. (2020). The effect of coronavirus disease-19 (COVID-19) risk perception on behavioural intention towards ‘untact’ tourism in South Korea during the first wave of the pandemic. *Current Issues in Tourism*.
- Bozhinova, M. (2019). Current aspects of the management of the tourist destination and the Bulgarian projection. *Tourism in the new millennium - state and prospects* (pp. 13-23). Svishtov: Academic publishing house Tsenov.
- Bozhinova, M., Ilieva, L., Pavlov, P., & Todorova, L. (2022). Current state and opportunities for development of bulgarian tourism in the conditions of COVID-19 pandemic. *Scientific research Almanac*.
- Council of ministers of the Republic of Bulgaria. (2021). *Council of ministers of the Republic of Bulgaria*. Retrieved 2021, from <https://www.gov.bg/>
- Das, S. S., & Tiwari, A. K. (2020). Understanding international and domestic travel intention of Indian travelers during COVID-19 using a Bayesian approach. *Tourism Recreation Research*.
- Dogramadjieva, E. (2021). Travel Intentions and expected changes in tourist behavior during the first wave of the COVID-19 crisis:

- an international comparison. *Tourism and the global crises*.
- Employment Agency. (2021). *Employment Agency*. Retrieved 2021, from <https://www.az.government.bg>
- Ilieva, L. (2020). Research on the potential for development of Bulgarian tourism. *Tourism – beyond expectations* (pp. 235-245). Sofia: UNWE publishing complex.
- Ivanova, M., Ivanov, I., & Ivanov, S. (2020). Travel behaviour after the pandemic: the case of Bulgaria. *An International Journal of Tourism and Hospitality Research*.
- Matiza, T. (2020). Post-COVID-19 crisis travel behaviour: towards mitigating the effects of perceived risk. *Journal of Tourism Futures*.
- Ministry of finance. (2021). *Ministry of finance*. Retrieved 2021, from <https://www.minfin.bg/>
- Naumov, N., Varadzhakova, D., & Naydenov, A. (2020). Sanitation and hygiene as factors for choosing a place to stay: perceptions of the Bulgarian tourists. *An International Journal of Tourism and Hospitality Research*.
- Neuburger, L., & Egger, R. (2021). Travel risk perception and travel behaviour during the COVID-19 pandemic 2020: a case study of the DACH region. *Current Issues in Tourism*.
- Nikolova, M. (2020). Opportunities and challenges in the sale of agricultural products from small and family farms in Bulgaria. *Trakia journal of sciences: Series Social sciences*, 18, pp. 549-559.
- Nikolova, M., & Pavlov, P. (2021). Interconnection and interdependence of key economic sectors - agriculture and tourism in the conditions of a pandemic crisis. *Scientific Papers Series Management, Economic Engineering in Agriculture and Rural Development*, 21(4).
- NSI. (2021). *National statistical institute*. Retrieved December 2021, from <https://www.nsi.bg/>
- Pavlov, P. (2021). Alternative tourism in Bulgaria in the conditions of COVID-19. *Tourism and the global crises* (pp. 762-770). Veliko Turnovo: Publishing house "I and B".
- Perić, G., Damićanin, S., & Conić, M. (2021). The impact of Serbian tourists' risk perception on their travel intentions during the COVID-19 pandemic. *European Journal of Tourism Research*.
- Peters, K., Peters, J., & Peters, N. (2020). Visit People: Tourism Recovery after disaster. Retrieved from <http://kppm.com.au/wp-content/uploads/2020/04/KPPM-Tourism-Recovery-Lit-Review-4-4-20.pdf>
- Samarathunga, W. (2020). Post-COVID19 Challenges and Way Forward for Sri Lanka Tourism. Retrieved 2021, from <https://www.ssrn.com/>
- Samiei, S., & Akhoondzadeh, M. (2013). The Role of Entrepreneurship in Tourism Industry Development. *European Online Journal of Natural and Social Sciences*, 1423-1430.
- UNWTO. (2020). *Tourism and COVID-19 - How are countries supporting tourism recovery*.
- Wen, J., Kozak, M., Yang, S., & Liu, F. (2020). COVID-19: potential effects on Chinese citizens' lifestyle and preferences. *Tourism Review*.
- World Travel & Tourism Council. (2021). *World Travel & Tourism Council*. Retrieved 2021, from <https://wtcc.org/>
- Zenker, S., & Kock, F. (2020). The coronavirus pandemic – A critical discussion of a tourism research agenda. *Tourism Management*, 81.