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**Annual Review  
2012  
on Labour Relations and Social Dialogue in South East Europe:  
Bulgaria**

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## **1. Summary**

The expectations for “pushing off the bottom” and gradual upward economical development did not come true and according to the prevailing expert opinions our economy is in a clearly outlined situation of depression. The state of the labour market is still poor due to several reasons – decreased internal consumption, poor inflow of

foreign direct investments (FDI), low household consumption, structural discrepancy between demand and supply of work force and last but not least – high and increasing intercompany indebtedness, which leads to dismissals of personnel, bankruptcies of enterprises and irregular payment of wages. The only positive effect of the decrease in employment is the increase of labour productivity. This is due to the fact that employers dismiss first the lowest qualification staff, getting respectively the lowest wages. In this way, without having a nominal increase of the individual wages, there is an artificial increase of the average wage in companies, branches and on a national level.

Industrial relations and social dialogue are strongly influenced by the crisis and the government policy of fiscal consolidation. There is a tendency to enforce decentralization and deregulation in the negotiations, which is supported by the government and most of the employers' organizations. There are constant centres (fire hearths) of social tension which are being maintained both in budget sector organizations and in private and public enterprises from the real sector. During negotiations on different levels trade unions are put under pressure, which presupposes approval of compromise decisions in collective bargaining at enterprise level and the implementation of better flexibility and clearly formulated priorities on a national level.

## **2. Socio-economic developments**

The economic growth in the country is slowed down mainly by external factors and the combination between the economic/financial crisis with the debt crisis in a number of European countries. According to preliminary data of the National Statistical Institute, the GDP for 2011 has increased by 1.7%. The biggest contribution to this comes from the extractive, processing and energy industries. The total growth of the brut value added in this sector is 9.1%, whereas agriculture and construction display a drop of 1.1%. Controversies have been going deeper in 2012 and the industrial sector has slowed down its ascending development. As a consequence the trimester GDP rates are rather hesitant (1<sup>st</sup> trimester - 0.9%, 2<sup>nd</sup> - 1.0% and 3<sup>rd</sup> - 0.9%) and they testify to depression in the economy rather than to the emergence of recovery signs.

After a successive drop in FDI in the period 2009-2011, we are at last witnessing the reverse tendency in the first 10 months of 2012 – FDI inflow has increased by 25% compared to the same period of the previous year. The overall amount of FDI for the first 10 months of 2012 is 1.33 billion EUR (3.4% of the GDP) and this amount is expected to reach a maximum of 1.7 billion EUR.

The tendency for export and import growth continues, although not with such rates as in the previous years. For the period January-October 2012 it is 17287.9 million EUR, which represents a 2.3% growth in comparison to the same period of the previous year. For comparison in 2011 (the first 11 months) the growth rate on annual basis was 33%. The import for January-October 2012 is 20385,1 million EUR, which is by 10.8% more than the same period of the previous year. The import growth rate on an annual basis for 2011 is 25.7%. The difference in the increase rates for export and import leads to deterioration of the external trade balance. The trade balance of the analyzed 9-months period is negative, amounting to 3097,2 million EUR (7.8% of the GDP), having a deficit of 1499,8 million EUR (3.9% of the GDP) for the same period of 2011. Trade deficit is the main factor predetermining the negative current account balance and the tendency towards worsening. For January-October 2012 the current account is negative and amounts to 31.5 million EUR (0.1% of the GDP) having a realized excess profit of 738.2 million EUR (1.9% of the GDP) for the same period of the previous year. The planned budget deficit for 2012 of 1.1 billion BGN (1.3% of the GDP) was considerably reduced and according to preliminary data amounts to 370 million BGN,

which is nearly three times less than the planned amount. The main reason for this is the overcompliance of revenues. According to the Minister of Finance such amount of the budget deficit ranks Bulgaria in the top three EU countries. At the same time however, the restrictive policy in respect to expenditures did not allow almost any deviations from the “freezing of incomes” policy carried out by the government in the last three years. Due to this policy Bulgaria occupies the last place as far as incomes and wages levels are concerned. The nominal growth of the average wage is to a greater extent due to structural changes in employment rather than to the increase of individual wages. Only in some sectors as cellulose–paper industry, pharmaceuticals and the IT sector there is both – employment increase as well as wages increase. Due to the comparatively low inflation rate (4.2% in 2011) there is 1.6% real growth of the average wage in the country. This tendency continues in 2012 as well.

Bulgaria remains one of the poorest countries in the EU. According to Eurostat data for 2011 (SILC), 22.3% of the population lives in risk of poverty (16.9% for the EU countries) and 43.6% live in material deprivation (as against 8.8% for the EU countries). All in all, the people in risk of poverty and social exclusion represent 49.1% of the Bulgarian population (24.2% for the EU countries). An additional illustration of the low living standards is the high differentiation of incomes. The Gini index in Bulgaria - 35.1% - is among the highest in the EU.

Out of 3417.3 thousand employed during the 3rd trimester of 2008, their number successively dropped to 3017.1 for the 3rd trimester of 2012, i.e. for a 4-years period the number of jobs has decreased by over 400,000. Towards the end of October the number of unemployed registered at the Labour Bureaus is 361,898 (11.0% level of unemployment). One year ago, at the same period the number of registered unemployed has been 314,118 (9.6%). Youth unemployment in the country is also among the highest in EU-27 – 30.3%, compared to an average of 23.4% for EU-27.

### **3. Governmental policies and legislation**

The fiscal consolidation and “freezing of incomes” policy continued through 2012 as well. The only exception was the 7.4% minimal wage increase as of 1 May. The efforts of the government were mainly directed towards better collection capacity of revenues. A considerable effect was achieved through the introduction of mandatory connection of the cash registers of all commercial sites and petrol stations to the database of the National Revenue Agency (NRA). This measure alone brought additional 250 million BGN into the budget.

In the period January-October 2012 the intensified control activities of the Chief Labour Inspectorate (CLI) and the drawing up of more than 13,300 statements for violation of the labour legislation and irregular payment of wages lead to a partial effect – 60 million BGN were paid after the interference of the CLI. But the process is not under control yet. The strike and protest activities in the sphere of metal extraction (Gorubso – Madan AD and OZK – Kardzhali) from the beginning until the middle of the year are spreading to other branches and sectors. According to CLI data the biggest amounts that employers owe to workers for late wages are in enterprises from the following economic sectors: construction of equipment, construction of buildings, food production, retail trade and road transport. Public enterprises from the machine construction and agricultural sectors are also debtors. The deteriorated situation as well as the necessity for effective implementation of the European Directive on combating late payment provoked the government to make changes in the Commercial Law. The new regulation envisages a maximum term of two months, within which period the state should pay off its debts to the business, and a 30 days term for settling accounts among the firms/companies (unless the firms have stipulated otherwise between themselves). According to CITUB however, there are a number of legislatively

unsolved problems with the negotiation and payment of wages. That is why the Confederation insists on the urgent approval of a legislative text in the Code of Civil Procedure concerning the issuance of a bailiff order for unpaid remuneration or workers employees' compensations. Thus workers will be able to exact due and unpaid by the employer amounts through out-of-court resolutions. According to legal experts of the Confederation, in this way the claimants will save money for lawyers and court proceedings.

In the sphere of the labour market policies there is orientation towards the use of European funds from the "Development of Human Resources" Operative Program instead of financing from the budget. This however has certain risks since the assimilation of these European program funds is still low. Besides, not all active labour market measures can be oriented towards external financing.

In the middle of the year the government introduced the long discussed and disputed by trade unions new pay system for employees in the state administration. The statement that the new regulations for performance-related pay create clearer rules for setting and increasing individual wages on the basis of personal contribution, fulfilled goals and results achieved may be justified to some extent, but even from a short experience, there is evidence that the effect can be rather different both for individual institutions and for the different categories of employees.

The wage increase for the employees in the central state administration is considerably higher than the wage increase of the employees in municipal administrations, where there is no financial resource enough for that. In some municipalities there is an increase due to savings. In some institutions this increase is allotted equally to all employees while in others it is given as a percentage increase (from 1 to 15%). There are different approaches in the way seniority supplement is added to the main wage of people occupying same level positions, which makes the picture even more variegated. There is not a unified approach in the formation of the basic and gross wages too, which provokes dissatisfaction among the workers occupying low positions and among those having long length of service. In practice "the big opportunities and the broad range for additional remuneration" remain only "on paper" because the financial resource for that is lacking.

#### **4. Industrial Relations**

The analysis of the content and the stipulated provisions in the collective labour agreements on different levels in the conditions of crisis, give us the possibility to make the following more general conclusions:

- The negotiation possibilities are narrowing and very often compromises are made in the negotiations on sectoral and company level;
- The social partners manage to keep the main agreements and parameters from the preceding negotiation cycle, although with certain difficulties;
- There are tendencies towards deregulation and decentralization of the collective labour negotiations (refusal of automatic indexation schemes, application of open clauses, increasing importance of CLAs at enterprise level);
- In a number of cases we can see the so called „trade-off" effect – negotiation of measures in the sphere of employment, education, training, holidays, working time, new social acquisitions, etc. to compensate the preservation of same level wages.

In 2012 the labour disputes were mainly caused by irregular payment of wages and accumulation of several months' liabilities towards the workers. We have such

examples in OZK – Kardzhali and Gorubso – Madan AD for the first half of the year. In two big public companies – VMZ Sopot and Irrigation Systems EAD – the social tension grew towards the end of the year. In VMZ Sopot EAD a privatization procedure is going on parallel to the strike activities. According to trade unions the strike could be terminated on condition that the new owners take the obligation to pay the workers all accumulated liabilities.

There is constant social tension in some sectors and branches – railroad transport, mining and metallurgy, healthcare, science. The protests in the sphere of healthcare were provoked by the closing of small hospitals and inadequate financing, as part of the health reform that began in the country but remained unfinished. The problems in the Bulgarian Academy of Science (BAS) are similar. Scientific institutes with BAS were closed, others were merged and as a whole a significant number of research workers lost their jobs. The inadequate funds from the state budget for science provoked broad discontent and for two years on end BAS researchers have been going on protest demonstrations.

After the last census 2011-2012 the Council of Ministers of the Republic of Bulgaria declared (by decree No. 635/26.07.2012) two nationally representative trade unions in the country for the next 4 years – CITUB and Podkrepa CL. There are indicators that show a general tendency towards decrease of the number of trade union members, which was additionally speeded up by closure of some big enterprises and reduction of the staff in others, as a consequence of the continuing crisis. The branches with positive balance (i.e. increase of the members) between the two censuses are few. They are mainly from the budget sphere, with the exception of the energy and electrical machine building sectors. There is scarce trade union presence in a number of important branches like wholesale and retail trade, printing and publishing, banking and insurance sector, mobile operators, IT sector, etc.

In May 2012 the biggest trade union in the country – CITUB held its 7th Congress. In a special Congress declaration the new leadership of CITUB took the engagement to carry out policies and activities in the sphere of labour cost, which would lead to:

- No less than 25% real growth of the average wage for the five year period (2012-2017) and recovery of the 2008 employment level;
- Growth of the relative share of employee compensation in the GDP by 45% at the end of the period.

The two trade unions continue to conduct coordinated policies and activities both in respect to their participation in the social dialogue and in respect to protest and strike activities at national and local level.

Two of the six employers' organizations from the preceding period did not manage to cover the national representativeness criteria – these are the Union for Private Economic Enterprise (UPEE) and Union of Private Bulgarian Entrepreneurs 'Vazrazhdane' (UPBE). After the census UPBE joined the Bulgarian Industrial Capital Association (BICA).

## **5. Tripartite Social Dialogue**

The national level tripartite social dialogue continues to have its ups and downs. The increase of the minimum wage, the incomes policy, and the discussions on the 2013 draft budget – all these were marked by sharp contradictions between employers and trade unions on the one side and government and trade unions on the other. The issues that brought the positions of trade unions and employers closer were the common dissatisfaction with the anti-crisis measures implemented by the government

and the measures taken to fight the shadow economy (often declared as priority aim). In spite of certain common positions, employers do not fully accept the by trade unions suggested new legislative measure - to criminalize failure to pay the workers' full social security contributions and to seek criminal responsibility of employers who fail to do so. This proposition is soon to be discussed in the Parliament.

At national level the only significant achievement is the National Agreement "First Job" concluded in June 2012 between the government and the social partners. With the conclusion of this agreement the sides took joint responsibilities and initiatives to promote youth employment and facilitate youth transition from school to work. The agreement envisages popularization of measures and initiatives for promotion of youth employment, as well as realization of concrete projects aiming at the creation of jobs for trainees and other jobs, carrying out of courses and trainings for rising labour market adaptability of young people completing secondary or higher education.

## **6. Forecasts**

The first symptoms of labour market stabilization could be expected in the second half of 2013 on condition that the leading EU economies marked accelerated rates of growth. The recent employment data give us ground to make this assertion, because the decrease rates are slowing down, unemployment rates do not increase so rapidly as during the preceding years. The recovery of the labour market however will be a difficult and long process due to the big structural imbalances and weaknesses (high relative share of unemployed with no qualification or education, including illiterate persons). We need a significant GDP growth (2.5-3.0%) in order to see a reverse tendency in employment and creation of new jobs. As a decisive growth factor, internal demand has to be stimulated during the period of recovery. Trade unions can support this process by actively participating in labour pay negotiations on different levels. The two trade union confederations categorically reject all attempts of employer and government circles to oppose incomes to employment, i.e. they consider the dilemma „higher wages or more jobs" as inconsistent and not a possible approach in the conditions of crisis.

## **Annex of data**

- **Collective bargaining system**

According to the Labour Code the collective agreements in Bulgaria are concluded on the following levels: enterprise, branch/sector and municipal level. On the first two levels only one labour contract can be signed / concluded, and usually the branch/sectoral agreements give the general and minimum frame, and the enterprises can negotiate more favourable clauses and indicator levels. On the municipality level collective agreements are concluded for activities which are financed from the municipality budgets. Typical examples for these types of agreements are those for the employees in the schools.

A characteristic feature of the Bulgarian model is that a collective agreement is valid for the trade union members – the trade union organization is party to the agreement, but the Labour Code foresees also a possibility for non trade union members joining the collective agreement under certain conditions.

The role of the branch collective agreements has become more significant in the last 3 years when the clause for "spreading-out" /extension over all the companies /enterprises in the respective branch was applied. The Minister of Labour and Social Policy after consulting the social partners spread-out/extended the validity of the

collective agreements in 5 branches: water supply/drains, brewery, cellulose-paper, wood processing and furniture, mining.

**Information /reference about the valid collective agreements, in the respective years**

Year	Sectoral/branch CLA /collective agreement/			CLA in company/enterprise		
	Total number	From them:		Total number CLA annex +	From them:	
		Sectoral CLA	Branch CLA		CLA	Annex
<b>2007</b>	68	10	58	1734	1331	403
<b>2008</b>	67	10	57	1828	1493	335
<b>2009</b>	73	10	63	1499	1261	238
<b>2010</b>	71	10	61	1596	1321	278
<b>2011</b>	72	9	63	1616	1332	284

*Source: General Labour Inspectorate and CITUB*

- **System of tripartite social dialogue**

The system of the tripartite social dialogue includes three levels – national, sectoral /branch and municipal.

On national level a National Council for Tripartite Cooperation /NCTC/ is functioning. The participants are: two representatives from government, two representatives from employees/workers' organizations and two representatives from employers' organizations (trade unions and employers' organizations which have been recognized as nationally representative according to the respective census conducted every 4 years). The results from the last census 2011-2012 /after adopting new criteria for representation of the employers and trade union organizations/ defined that currently 2 trade unions and 4 employers' organizations are recognized for /nationally/ representative. NCTC is a consultative body in which amendments in the social and labour legislation are discussed, as well policies and documents in the fields of labour market, vocational training, wages/salaries, incomes and living standards of the population.

The sectoral / branch and municipality councils for tripartite cooperation are build up on the same principle but in them problems and issues, which are specific for the respective level, are discussed, for example the policies on employment in the branches, labour market in the municipality and etc.

Also other management bodies are built up on the same tripartite principle, such as: Governing Council of the National Agency for Vocational Education and Training, the Supervisory Council of the National Social Security Institute, the Governing Council of the Working conditions Fund and others.

- **Social security systems**

Stage of coverage\* of the labour force /LF/ per types of insurance risks /in%/

Insurance risks	2007	2008	2009	2010	2011	2012- Nine months
<b>Health insurance</b> (number of insured persons, in relation to the LF = employed + unemployed persons)	80.5	80.2	76.7	72.8	...	...
<b>Pension insurance</b> (number of insured persons related to all employed)	77.1	74.3	76.0	78.5	81.3	81.5
<b>Insurance for unemployment</b> (number of insured persons, related to all employed)	94.9	94.7	96.1	95.9	93.5	94.6

Source: National Social Security Institute (NSSI)

\* The coverage is calculated on the data base for all insured persons provided by the NSSI. These persons are classified to different contingents due to the following features:

1. All employed as all self employed persons are obliged to pension insurance. But in the practice the agricultural producers who are a prevailing part of the self employed contingent are not fulfilling this obligation. Therefore a big difference up till 100% is appearing.
2. Only the employed persons are insured for unemployment. The difference up till 100% is arising from the employed under other types of contracts than the labour ones / e.g. freelance contract/.
3. All persons are obliged by law to health insurance but in practice a significant part of the self employed is not doing that (they rely to pay in cash for each health service) and a small part of the unemployed without a right to compensation/ without employment benefits (mostly because of a lack of finances for insuring themselves).

- **Education and vocational training**

At the end of 2012 the number of the operating /licensed Centres for Vocational Training /CVT/ is 890, which proves that on the market of educational services there is a "saturation". As in the previous years the interest is targeted mainly to qualifications in professions/occupations which are offering greater possibilities for realization on the labour market – for example in tourism, construction, economic management and administration, agriculture.

In 2011-2012 only four Centres for Information and Professional Orientation /CIPO/ has been granted a license and the total number of the functioning centres for information and professional orientation has reached seven. The focus in 2013 and in the following years is set on the creation and licensing new CIPO-s, which have to play a very important role not only for inclusion of the unemployed in the labour market but also for the ongoing information process for the employed about the possibilities for re-qualification and placement on new jobs. This could be a very effective tool especially under crisis conditions and during gradual economical recovery when also deep structural reforms in the field of employment policies and the respective re-orientation of the labour force towards new employment forms are needed.



- **Employment rate**

Employment coefficients (in %)

	2007	2008	2009	2010	2011	2012- 1 <sup>st</sup> quarter	2012-2 <sup>nd</sup> quarter	2012-3 <sup>rd</sup> quarter
<b>For the population aged 15 years and over</b>								
<b>total</b>	<b>49.0</b>	<b>50.8</b>	<b>49.4</b>	<b>46.7</b>	<b>45.6</b>	<b>45.1</b>	<b>46.2</b>	<b>47.9</b>
men	54.4	56.5	54.9	51.3	49.6	49.0	50.3	52.3
women	44.0	45.5	44.4	42.4	41.9	41.5	42.4	43.9
<b>For the population aged 15 – 64</b>								
<b>total</b>	<b>61.7</b>	<b>64.0</b>	<b>62.6</b>	<b>59.7</b>	<b>58.5</b>	<b>56.9</b>	<b>58.3</b>	<b>60.6</b>
men	66.0	68.5	66.9	63.0	60.9	59.0	60.8	63.1
Women	57.6	59.5	58.3	56.4	56.2	54.8	55.9	58.0
<b>For the population aged 20- 64</b>								
<b>total</b>	<b>68.4</b>	<b>70.7</b>	<b>68.8</b>	<b>65.4</b>	<b>63.9</b>	<b>61.1</b>	<b>62.6</b>	<b>64.8</b>
men	73.4	76.1	73.8	69.1	66.6	63.5	65.4	67.6
women	63.5	65.4	64.0	61.7	61.2	58.7	59.8	61.9

*Source: National Statistical Institute. Survey on the labour force.*

- **Unemployment rate**

Unemployment coefficients (in %)

Calculated on the basis:	2007	2008	2009	2010	2011	2012- 1 <sup>st</sup> quarter	2012- 2 <sup>nd</sup> quarter	2012- 3 <sup>rd</sup> quarter
K <sub>1</sub> : Population aged 15 years and over	6.9	5.6	6.8	10.2	11.2	12.9	12.3	11.5
K <sub>2</sub> : Population aged 15-64	6.9	5.7	6.9	10.3	11.3	13.0	12.4	11.6
K <sub>3</sub> : Registered in the employment offices	7.8	6.3	7.6	9.5	10.1	11.4	11.1	10.7

*Source: For K<sub>1</sub> and K<sub>2</sub> - National Statistical Institute (survey on the labour force) and for K<sub>3</sub> – National Employment Agency (registered unemployment in the Employment Offices).*

- **Average monthly salaries**

Average monthly salary – total and in the economic sectors (in EUR)

	2007	2008	2009	2010	2011	2012 – 1 <sup>st</sup> quarter	2012 - 2 <sup>nd</sup> - quarter	2012 – 3 <sup>rd</sup> quarter
<b>total</b>	<b>220</b>	<b>278</b>	<b>311</b>	<b>331</b>	<b>351</b>	<b>374</b>	<b>388</b>	<b>386</b>
Public sector	266	333	344	383	389	384	403	404
Private sector	203	260	279	312	338	370	381	378

*Source: National Statistical Institute. Statistics of employment and work expenses (data for 2012, quarterly, is preliminary).*

- **Gender pay gap**

There aren't any changes in the remuneration of labour per gender. Traditionally in Bulgaria the difference is between 15-20 point percents in favour of men and it is explained mainly with the employment specifics – the women are massively employed in the so called “feminized” branches and sectors as textile, knitwear and tailoring sector, retail trade and similar sectors where the average monthly salary is significantly

under the average salary for the country /60-70% from it/. On the opposite pole are the so called “male” sectors as metallurgy, energy /power engineering, coal extraction, ore extraction which maintain wage levels far over the average in the country. There are no concrete evidences for wage differences per gender on one and the same working place or at least there is no statistics on such data.

There are cases of discriminatory behaviour from employers, who avoid employing young unmarried women. The reason for that is that these women could go on maternity leave in the near future.

Average monthly salary per gender (in EUR) and in relation (in %)

	2007	2008	2009	2010	2011	2012-1st quarter	2012-2nd quarter	2012-3rd quarter
men	240	305	344	361	389	414	429	428
women	200	250	279	301	313	334	346	343
Relation w/m	83.3	82.0	81.1	83.4	80.5	80.7	80.6	80.1

Source: National Statistical institute. Employment statistics and work expenses (data for 2012, quarterly, is preliminary).

- **Monthly minimum wage**

Monthly minimum wage in the country (in EUR)

from 1.1.2007	from 1.1.2008	from 1.1.2009	without a change 2010	from 1.9.2011	from 1.5.2012	from 1.1.2013
92	112	123	123	138	148	158

Source: National Statistical institute

- **Actual weekly working hours**

There is no clearly expressed tendency for working time reducing under crisis conditions which shows that the employers are not flexible enough in the working time organization and are easily dismissing rather than targeting at keeping the employed labour.

Average number of practically worked off hours, weekly for one employed person /in hours/

	2007	2008	2009	2010	2011	2012-1 <sup>st</sup> quarter	2012- 2 <sup>nd</sup> quarter	2012-3 <sup>rd</sup> quarter
<b>total</b>	40.8	40.5	40.3	40.5	40.2	40.4	39.7	40.6
By Gender:								
Men	41.2	41.1	40.8	40.8	40.5	40.6	40.1	41.0
women	40.3	40.0	39.9	40.1	39.9	40.1	39.3	40.2
By Forms of property:								
Private sector	41.1	41.1	40.9	41.0	40.7	40.7	40.2	41.1
Public sector	39.3	39.0	38.7	38.9	38.8	39.4	38.2	39.1

Source: National Statistical Institute. Survey on the labour force.

- **Normal work / atypical work**

The atypical employment is not widely spread out in the country – especially considering the part time work. Widely spread out in the private sector is the work without paying the full amount of the social security contributions.

The sociological researches show that about 1/3 from all employed are not insured on the full amount of the received wage/salary. This “grey” employment is not regarded by the official statistics.

Relative share of the employed persons (in %)

	2007	2008	2009	2010	2011	2012- 1 <sup>st</sup> quarter	2012- 2 <sup>nd</sup> quarter	2012- 3 <sup>rd</sup> quarter
By the length of the working time:								
Full time	97.9	98.5	98.4	98.3	98.2	98.2	97.9	98.1
Part time	1.4	1.5	1.6	1.7	1.8	1.8	2.1	1.9
By contract type with the employer:								
Labour contract	96.1	96.2	96.4	96.8	97.5	98.2	97.4	97.0
Freelance contract	1.4	1.4	1.5	1.2	0.9	0.7	1.1	1.3
Without any contract	2.5	2.4	2.1	2.0	1.6	1.1	1.5	1.7
By type of the working activity:								
Permanent job	94.9	95.0	95.3	95.5	95.9	96.8	95.2	94.5
Temporary/agency work	5.1	5.0	4.7	4.5	4.1	3.2	4.8	5.5

*Source: National Statistical Institute. Survey on the labour force.*

- **Migration**

External migration\*

Number of persons	2008			2009			2010			2011		
	total	men	women	total	men	women	total	men	women	total	men	women
Settled in the country	1236	674	562	3310	1921	1389	3518	1910	1608	4722	2402	2320
Deported from the country	2112	766	1346	19039	8353	10686	27708	12607	15101	9517	4460	5057
Mechanical Increase	-876	-92	-784	-15729	-6432	-9297	-24190	-10697	-13493	-4795	-2058	-2737

*Source: National Statistical Institute (Population and demography)*

\* Includes only the persons who have declared before administrative authorities a change of the permanent address- from country to abroad and from abroad to the country.

- **Human Development Index (HDI)**

<b>Bulgaria</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
HDI	0.758	0.765	0.766	0.768	0.771
Ranking (from 187 countries)					55
HEALTH-Index Life expectancy at birth (years)					0.842 73,4
EDUCATION-Index Mean years of schooling of adults over 25 (years)					0.802 10,6
INCOME-Index GDP per capita in PPP \$					0.678 11456

*Source: Human Development Report 2011, UNDP*

- **Gini-coefficient**

Gini-coefficient	2007	2008	2009	2010	2011
Bulgaria	35.3	35.9	33.4	33.2	35.1
EU-27	30.6	30.7	30.4	30.5	30.7
Ranking (BG in EU-27)	4	2	5	6	2

Source: Eurostat (SILC)

- **Collective agreement coverage**

The experts evaluation is based on the changes in the number of signed/concluded collective agreements, on the approximately numbers of the covered persons and on the employed persons number. In this case the indicator for a coverage grade is influenced more from the number of the employed persons than the other factors which play not such significant role /the number of the signed/concluded collective agreements and the approximately number of the covered persons remain relatively sustainable/. The increase of the employed number in 2008 decreases the coverage rate indicator and on the contrary – under the influence of the crisis the employers have laid off firstly the labour force with a low qualification and in branches with a low coverage of collective agreements. In this case the indicator rate of the employed labour coverage with collective agreements is under the strong influence of the employment structural changes and particularly under those of the employed labour. Additional influence comes from the fact, that in the last 3 years the validity of collective agreements in 5 branches was spread out.

Collective agreements coverage grade/rate for the employed persons (in %)

2007	2008	2009	2010	2011	2012
33	30	32	35	38	38

Source: Experts evaluation – ISTUR of CITUB

- **Ongoing important collective bargaining agreements**

An ILO-IMF sponsored consultation on jobs creation and strategies for generating decent work, organized in full coordination with the ITUC, took place in Sofia in July 2012. The consultation aimed at bringing together around 40 participants representing Bulgaria's Ministries of Finance and Labour and Social Policy, the Bulgarian National Bank, trade unions, industrial associations, and international institutions to discuss policy options to create jobs in the country at time of great uncertainty and economic turbulence. The ILO-IMF tripartite consultation in Bulgaria is one of three pilot projects – with the Dominican Republic and Zambia being the other two - that aims to enhance social dialogue and recognize the crucial role it can play in building the consensus needed to tackle the difficult adjustment required by the economic and financial crisis.

- **Trade union density**

The explanations about the changes in the grade for collective agreements coverage of the employees are valid as well for the trade union density. As a rule, when having a higher employment rate /as we have had it in 2008/ the relative share of the trade union members is lower. When the number of the employed in the national economy decreased the trade union density has increased because the majority of the dismissed/laid off are not trade union members. This rule however is not valid in 2012. More and more trade union members are losing their jobs.

Trade union density /number of trade union members to the number of all employed – in %/

2007	2008	2009	2010	2011	2012
17.5	16.9	17.3	18.9	21.2*	20.0

Source: Experts evaluation – ISTUR of CITUB, \* Data from National representative survey “Work-climate-index” (ISTUR of CITUB)

- **Employer’s organizations density**

According the data from the census 2007-2008 the employers organizations are covering about 5% from all the companies in the country and about 42% of the employed workers/employees in these companies. All this data shows that the employers’ organizations are including mostly the middle sized and big companies as the small sized and micro-enterprises are not members in any of the sixth nationally representative employers’ organizations.

- **Workplace representation**

The Bulgarian labour legislation is not stipulating establishment of the works councils in the companies/enterprises. Workplace representation can be realized from the trade union organizations in the working place and where there are not such organizations the representation is realized through the general assembly or the assembly of the representatives of the entire company staff.

In 1997 a Law on Health and Safety in the Working Place has been passed/adopted according to which in companies with 50 or more than 50 employees Committees on working conditions/health and safety/ have to be established. In all other companies / having less than 50 employees/ Groups on working conditions have to be established and one half of the staff in these groups has to be determined by the general assembly/assembly of the representatives and the other half has to be employers’ representatives.

In 2001 to the general assembly/assembly of the representatives additional functions were committed/granted – for example the right to choose representatives for the economic and social interests of the employees; representative for participation in the General Assembly of shareholders/partners/associates; for companies with 50 and more than 50 employees- to choose a representative in the company governing bodies. With the amendments in the Labour Code, in force from 1 July 2006, an obligation of the parties in information and consultation process has arisen. Separately from this a Law on the election of workers/employees representatives in the European Works Councils in MNC and for the bodies of supervision/management in the European trade companies and European cooperative societies is in realization. In 2012 CITUB jointly with BIA launched a country-wide campaign "Be info" to promote and encourage the process of information and consultation in establishments, which as yet do not have elected employees’ representatives.

- **Trade unions** (no detailed information from the last census 2011-2012 available)

**a. National Trade Union Confederations**

Name in Bulgarian	Name in English	Number of members		International affiliation
		2003*	2008*	
Trade union confederations recognized as nationally representative				
Конфедерация на независимите синдикати в България	Confederation of Independent Trade Unions in Bulgaria	393 191	328 232	ETUC ITUC

	(CITUB)			
Конфедерация на труда Подкрепа (КТ Подкрепа)	Confederation of Labour Podkrepa (Podkrepa CL)	106 309	91 738	ETUC ITUC

Source: Ministry of Labour and Social policy,

\* Data from the official censuses carried out in 2003 and late 2007 - beginning of 2008

### b. Trade Union Federations by branches

#### TRADE UNION FEDERATIONS AFFILIATED TO CITUB

№	Name in Bulgarian	Name in English	Number of members		International affiliation
			2003	2008	
1	Синдикат на българските учители	Bulgarian Union of Teachers (BUT)	79753	75170	ETUCE EI
2	Федерация на независимите синдикални организации от леката промишленост	Light Industry Trade Union Organisations Federation (FOSIL/LITUOF)	24362	13162	IndustriAll-Europe and Global
3	Федерация на синдикатите в здравеопазването	Federation of Trade Unions – health services (FTUHS/ ITUFC)	22229	18575	EPSU PSI
4	Национална синдикална федерация Метал - електро	National Trade Union Federation Metal-Electro (NTUF Metal-Electro)	14766	10417	IndustriAll-Europe and Global
5	Синдикат на железничарите в България	Trade Union of the Railways Workers in Bulgaria (TURWB)	22683	22048	ETF
6	Национална федерация на труда Химия и индустрия	National Labour Federation Chemistry and Industry (NLF Chemistry and Industry)	13469	5867	IndustriAll-Europe and Global
7	Федерация на независимите синдикати на миньорите	Federation of the Independent Trade Unions of Miners (FISM)	14720	10960	IndustriAll-Europe and Global
8	Съюз на транспортните синдикати в България	Federation of Transport Trade Unions in Bulgaria (FTTUB)	16081	13960	ETF ITF
9	Синдикална федерация на съобщенията	Trade Union Federation of Communications (TUFC)	19355	9840	
10	Федерация на независимите строителни синдикати	Federation of Independent Trade Unions in Construction (FITUC)	12223	7236	EFBWW BWI
11	Федерация на синдикатите от държавното управление и организации	Federation of Independent Trade Unions of State Government and Organisations (FITUGO)	19031	18727	EPSU PSI

12	Синдикална федерация МЕТАЛИЦИ	Trade union METALWORKERS (TU METALIZY)	10014	7387	IndustriAll- Europe and Global
13	Независима синдикална федерация на търговията, кооперациите, туризма и общественото обслужване	Independent Trade Union Federation of Employees in Commerce, Cooperatives, Tourism, Credit and Social Services (ITUFECCTCS)	7130	5341	UNI EUROPA
14	Федерация на независимите синдикални организации от българската армия	Federation of Independent Trade Unions in Bulgarian Army (FITUBA)	8759	7931	
15	Национална федерация на енергетиците	National Federation of Energy Workers (NFE/NFEW)	11424	10019	IndustriAll- Europe and Global EPSU/PSI
16	Национален браншов синдиката Водоснабдител	National branch water – supply trade union (NBTU Vodosnabditel)	10515	11674	EPSU PSI
17	Федерация на независимите синдикални организации от горското стопанство и дървопреработващата промишленост	Federation of Trade Union Organisations in Forestry and Woodworking Industry in Bulgaria (FSOGSDP)	6612	7033	EFBWW BWI
18	Синдикат на автотранспортните синдикати	Trade Union of Road Transport Workers (TURTW)	2900	1845	
19	Федерация на независимите синдикални организации от хранителната промишленост	Federation of Independent Trade Unions in the Food (FITU-FOOD)	5051	3002	EFFAT IUF
20	Независим синдикат на тютюноработниците	Independent Trade Union of the Tobacco Workers (ITUTW)	4800	1433	
21	Федерация на независимите синдикати в земеделието	Federation of Independent Agricultural Trade Unions (FIATU)	7078	5845	EFFAT IUF
22	Независима синдикална федерация на енергетиците в България	Independent Labour Federation of the Workers in Energy (NSFEB /ILFWE)	6353	6569	EPSU PSI
23	Независим учителски синдикат	Independent Teachers' Trade Union (ITTU)	5290	4511	
24	Моряшки синдикат	Seamen's Syndicate – Bulgaria	2438	3310	ETF ITF
25	Синдикална федерация на организациите от електрониката, машиностроенето и информатиката	Trade Union Federation of Organizations of Electronics, Machine- building and Informatics (TUFOEMI)	3246	2169	IndustriAll- Europe jointly with FTISI "Podkrepa"
26	Синдикат Пиво, Храни и Напитки	Trade Union Beer, Food and Beverages (TUBFB)	1082	907	EFFAT IUF

27	Независима федерация Култура	Independent Trade Union Federation Culture (ITUF CULTURE)	2703	1261	
28	Независима синдикална федерация на кооперативните организации	Independent Trade Union Federation of the Cooperative Organisations (ITUFC)	3552	2079	
29	Синдикат Корабостроител	Trade Union Korabostroitel (Shipbuilder) (TU Korabostroitel)	1999	1301	
30	Федерация на синдикатите от военнопромишления комплекс	Federation of Trade Unions of the Military Industrial Complex (FTUMIC)	3789	2971	
31	Синдикална федерация на организации от туризма	Trade Unions of Tourism in Bulgaria (TUTB)	2387	1765	
32	Национален радио-телевизионен синдикат	National Radio and TV Trade Union (NRTVTU)	322	297	
33	Национален банков синдикат	National Banking Union (NBS)	3662	2168	
34	Национален браншов синдикат Висше образование и наука	National Branch Trade Union Higher Education and Science (NBTU-HES)	3738	4014	
35	Национален синдикат на икономистите и одиторите в България	National Trade Union of Economists and Auditors in Bulgaria (NTUEAB)	Established in 2007	257	

TRADE UNION FEDERATIONS AFFILIATED TO PODKREPA CL

№	Name in Bulgarian	Name in English	Number of members		International affiliation
			2003	2008	
1	Федерация Атомна енергетика	Federation Nuclear Energy	Established in 2004	1224	IndustriAll-Europe
2	Федерация Енергетика	Federation Energy	6443	5766	IndustriAll-Europe and Global EPSU/PSI
3	Федерация Земеделие и горско стопанство	Federation Agriculture and Forestry	1797	1528	IUF
4	Федерация Култура	Federation Culture	655	726	
5	Федерация Лека промишленост	Federation Light Industry	4163	3464	IndustriAll-Europe and Global
6	Синдикална федерация на машиностроителите и металоработниците	Trade union federation of metal workers	6090	6028	IndustriAll-Europe and Global
7	Медицинска федерация	Medical federation	8188	6430	EPSU PSI
8	Федерация Металургия	Federation	4937	3777	IndustriAll-



		Metallurgy			Europe and Global
9	Синдикална миньорска федерация	Miners federation	10160	7019	IndustriAll-Europe and Global
10	Федерация Строителство, индустрия и водоснабдяване	Federation construction and water supply	6587	5081	EFBWW EPSU BWI
11	Федерация Съобщения	Federation Communications	12385	3687	
12	Федерация на транспортните работници	Federation of the transport workers	7201	7342	ETF
13	Федерация Техническа индустрия, наука информатика	Federation Technical industry, science, informatics	1525	985	IndustriAll-Europe jointly with TUFOEMI - CITUB
14	Федерация Търговия	Federation Commerce	1405	499	
15	Федерация Услуги и контролни органи	Federation Services and control bodies	2768	1314	EPSU IndustriAll-Global
16	Федерация Химия	Federation Chemical Industry	3862	3802	IndustriAll-Europe and Global
17	Федерация Хранителна и питейна промишленост	Federation Food and beverages industry	2416	2917	EFFAT IUF
18	Синдикат на административните служители	Union of the administrative employees	3270	4833	EPSU PSI
19	Национален железничарски синдикат	National railway union	2573	1804	
20	Съюз на журналистите в България Подкрепа	Union of journalists, Podkrepa	12	9	EFJ IFJ
21	Синдикат Образование	Union Education	16106	15300	ETUCE EI
22	Синдикат Отбрана	Union Defense	2085	1270	PSI
23	Национален синдикат Телевизия и радио	National union Television and radio	0	26	
24	Синдикат Тютюнева промишленост	Union Tobacco industry	2728	1447	
25	Национален професионален синдикат на работещите в сигурността и охраната	National union of the employees in the private security services	Established in 2006	1081	
26	Национален моряшки синдикат	Union of the sailors	Established after 2003	33	
27	Национален синдикат на служителите на МВР	Union of the employees of the Minsirty of interior	Established after 2003	0	
28	Национален синдикат на работещите в кино и телевизионната индустрия	National union of employees in the cinema and TV	Established in 2006	0	

		industry			
29	Синдикат на локомотивните машинисти	Union of the locomotive drivers	Established in 2007	172	

*Source:* Data from the internal registration systems of CITUB and Podkrepa CL

- **Employer's Organizations**

	Name in Bulgarian	Name in English	Number of members	International affiliation
1	Българска стопанска камара – Съюз на българския бизнес (БСК)	Bulgarian Industrial Association - Union of the Bulgarian Business (BIA)	69 branch organisations in 26 sectors, 1863 companies, has 26 regional industrial chambers, and 129 municipal bodies	<u>BUSINESSEUROPE</u> , IOE – International Organization of Employers
2	Българска търговско промишлена палата (БТПП)	Bulgarian Chamber of Commerce and Industry (BCCI)	29 branch/ sector organisations in 12 sectors, 28 regional chambers, and 264 municipal bodies, 2662 companies with 528 615 employees	International chamber of commerce, Paris; World trade centers association, USA; <u>EUROCHAMBRES</u>
3	Съюз за стопанска инициатива (ССИ)	Union for Private Economic Enterprise ( <u>UPEE</u> )	24 sector/branch associations in 14 sectors, 852 companies with 83 902 employees, 104 municipal offices.	<u>UEAPME</u> , IOE – International Organization of Employers
4	Български съюз на частните предприемачи Възраждане (БСЧП Възраждане)	Union of Private Bulgarian Entrepreneurs 'Vazrazhdane' (UPBE)	11 sector/branch associations in 12 sectors, 752 companies with 52 062 employees and 74 municipal offices	
5	Асоциация на индустриалния капитал в България (АИКБ)	Bulgarian Industrial Capital Association (BICA)	9 branch chambers in 9 sectors, 1194 companies with more than 130 000 employees and regional structures in 60 municipalities.	European Centre of Employers and Enterprises Providing Public Services ( <u>CEEP</u> )
6	Конфедерация на работодателите и индустриалците в България - Гласът на българския бизнес (КРИБ)	Confederation of Employers and Industrialists in Bulgaria – The Voice of the Bulgarian Business (CEIBG)	27 branch associations in 15 sectors, 3278 companies with 351 965 employees and 66 municipal bodies.	International Chamber of Commerce (ICC)

*Source:* Ministry of Labour and Social Policy. Data from official census of employer organisations held in end 2007 - beginning of 2008. No detailed information from the last census 2011-2012 available but UPEE and UPBE no more recognized as national representative. After the census UPBE fused with BICA.