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**Annual Review
2011
on Labour Relations and Social Dialogue in South East Europe:
Bulgaria**

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1. Summary

In political terms, the ruling party GERB managed to stabilize its positions by winning the president's seat and a significant number of new mayoral seats in regional and municipal towns of the country at the two-in-one presidential and local elections in October 2011. The gradual revival of the industrial production and the GDP growth observed

over six consecutive trimesters gave grounds to opinions that the country is going out of recession and entering a period of economic revival. These expectations however were cooled down by the debt crisis that burst forth in some European countries and the insecure future of the Eurozone and respectively – of the unified euro currency. The effect for Bulgaria was new tightening of the restrictive policy, urgent initiation of painful reforms (dismissals, increase of the retirement age) and growth of social tension and dissatisfaction in the long run. This forced the two nationally representative trade unions (CITUB and CL Podkrepa) to leave the National Council for Tripartite Cooperation (NCTC) and undertake protest and strike activities. Parallel to that, the discontent with the government policy over subsidy cuts for agricultural producers grew into protest marches of grain producers and blockage of infrastructural sites. Worsening of the business situation has been registered during the last trimester of 2011, which makes employers very cautious in their search for work force. This additionally intensifies the problems of the labour market, which is characterized by big structural imbalances as it is. Its recovery will obviously be slowed down by two more years at the minimum.

2. Socio-economic developments

In 2010 the GDP for the country grew by barely 0.2%. The increase is mainly due to an increase of the brut value added in trade, transport and tourism (7.6%), agriculture (4.6%) and industry (1.6%); whereas the construction sector continues to go down into deep recession (-16.7%). Domestic demand is still weak – the final consumption has registered a new drop of minus 1.1%, whereas the gross capital formation – minus 16.5%. During the first nine months of 2011 there is a hesitant tendency towards an increase of the economic growth rate (the yearly data indicate 1.5% for the first trimester, 2.2% for the second and 1.3% for the third trimester). The inflow of foreign direct investments (FDI) continues to fall. Their total amount in 2010 is 1359.5 million EUR (3.8% of the GDP), having 3281.9 million EUR (9.4% of the GDP) for the preceding year, which represents a 2.4 times decrease. This negative tendency is growing during the current year as well. For the period January-September 2011 a bare 534.5 million EUR have entered the country in the form of FDI (1.4% of the GDP), having 1030.7 million EUR (2.9% of the GDP) for the nine months of the preceding year, which is a nearly 2 times decrease. Export is the main factor for economic growth, at the same time supporting the favourable tendencies in the merchandise balance and the current account. In 2010 the export increased by 33% on a yearly basis, and the export raised by 13.1%. The balance of trade is negative – amounting to 2401 million EUR (6.7% of the GDP), but compared to 2009 - 4173.6 million EUR (11.9% of the GDP), the negative difference intensively shrinks. This has a favourable effect on the current account as well, where the deficit sharply drops from 9.9% to 0.8% of the GDP. During the first nine months of 2011 this tendency continues: the export growth is 32%, the trade balance is negative but a bare 2% of the GDP; the current account is already positive – up to 3.8% of the GDP. The main factor for the increase of the current account balance is the lower trade deficit.

The Consolidated Fiscal Program budget deficit for 2010 amounted to 2822.8 million Bulgarian leva (BGN), which represents 4% of the GDP. Over 90% of the deficit is covered by domestic financing. The measures for fiscal consolidation undertaken by the government and the set objective to reach a balanced budget in 2014 predetermined a tendency towards restriction of the budget deficit – the prognosis for 2011 is 2.5% and the 2012 budgetary frame has set a 1.3% value of the GDP. The only larger privatization deal in 2011 (the sale of Bulgartabac Holding AD) brought the central budget just about 100.1 million EUR, which are allotted by law entirely to the Silver Fund (created in 2008 and accumulating funds for covering future pension deficits). In spite of the negotiated clauses, conditions and quotas for buying up of tobacco, there remain many unclear issues in respect to the future of the former state tobacco processing giant. The

buyer BT Invest is a Russian company registered in Austria, in which the Russian state-owned Foreign Trade Bank holds a 75% stake. It will most probably try to re-sell the acquired shares.

The inflation in the country is mainly influenced by three factors: international energy prices, the policy of state regulated prices and the shrunken domestic consumption. The average annual consumer price index for 2010 reached 102.4 and the harmonized Eurostat index – 103.0%. The government policy of wage freezing affected the amount of the average wage for the country. In 2010 it grew in real terms by 3.7%, but this was entirely due to the structural changes of employment (the practice of dismissal of low qualified workers with lower wages continues). Under strong trade union pressure the minimum wage for the country was increased by 12.5% as of 1 September 2011. Employment continues to go down, the biggest loss of jobs being in the processing and construction industries. The unemployment coefficient in 2010 reached 10.2% and for the nine months of 2011 it is within the range of 10-12%. The qualitative characteristics of unemployment are deteriorating – predominantly youth and long-term unemployment increases. The relative share of the population at risk of poverty and social exclusion in 2010 is 41.6%, and the monetary poverty level is 20.7% (the highest Eurostat level for the EU-27 countries, SILC). The process of impoverishment is also linked to deepening social inequalities – the Gini index for differentiation of household incomes is one of the highest in Europe (33.2 in 2010).

3. Governmental policies and legislation

There are no indications for significant changes in the government policy. The only response to the crisis is further tightening of the fiscal discipline. The government succeeded to pass through the Parliament a set of fiscal rules incorporated in the so-called “Financial Stability Pact” to guarantee the long-term macroeconomic and financial stability of the country. These rules represent changes in the Law on the Structure of the State Budget, which set up maximum amounts of the expenditures and the consolidated fiscal program deficit, i.e. “the amount of the general expenditure should not exceed 40% of the GDP and the budget balance (in case it is negative) should not exceed 2% of the GDP”. The second step proposed in this direction is to change direct taxes only with qualified majority of two-thirds of the members of Parliament. The purpose of this is to limit the possibility of the next governments “to conduct imprudent fiscal policy”. This initiative is not yet implemented, since it requires constitutional changes. These strict regulations were sharply criticized by the left oppositional parties in the Parliament. The reaction of trade unions was also negative, since fiscal discipline was raised in a cult and the 2% budget deficit is even lower than the reference value of the Maastricht criteria – 3%. The governments are additionally deprived of an important economic policy tool – direct taxes rates. In the long run, the strong restrictive policy puts under question the fulfilment of the national engagements undertaken along the key objectives of Europe 2020 strategy.

In violation of the National Agreement signed in 2010 for a new strategy and elaboration of the pension legislature, the government and the parliamentary group of the ruling party GERB initiated urgent measures for speeding up of the pension reform, which envisage an increase of the retirement age for all categories of work by one year as early as 2012 and an annual increase of the retirement age by 4 months as of 2015, so that it reaches 65 years for men and 65 years for women by 2021. This unpopular measure provoked mass discontent and protests in the country. Trade Unions reacted by organizing a national protest demonstration in front of the Parliament.

Changes connected to conditions for taking leave were adopted in the Labour Code and they entered into force as of 1 March 2011. The changes refer mainly to the schedule for taking paid annual leave and possibilities to postpone it. According to the

new regulations until the end of each year the employers are obliged to approve a schedule for the staff's paid annual leave for the next calendar year in consultations with trade unions. A possibility has been introduced to postpone paid annual leave up to 10 days upon employee's written request and with the consent of the employer.

New criteria for representation of the workers'/employees' and employers' organizations are going to be adopted by the end of the year. These criteria have already been discussed and approved by the National Council for Tripartite Cooperation. They will be used in the forthcoming census of social partners' organizations. Different variants for legislative regulations in respect to the activity of the Temporary Work Agencies are also being discussed.

In the sphere of labour market policies the country keeps to the practice of using European funds under the Operational Programme "Human Resources Development" instead of budget financing. This however implies certain risks, because the absorption of European programme funds is still at a low level and not all necessary active labour market measures can be orientated towards external financing.

4. Industrial Relations

The country maintains a comparatively stable number of collective labour agreements (CLAs) on the different levels. Towards the end of 2011 there are 72 operating agreements, incl. 9 sectoral and 63 branch CLAs. They cover the main national economic activities and their term of validity is in most cases the maximum envisaged by the Labour Code – two years. The parties to the agreement are usually organizations affiliated to the two representative trade unions in the country. CITUB has signed five branch collective agreements and CL Podkrepa one branch agreement. The CLAs on company level are fewer in number compared to the period before the crisis, which indicates that the problems and difficulties in collective bargaining emerge depending on the specific condition in the separate enterprises. In the companies, where the financial and economic conditions are not very good, trade unions are impeded in their efforts to renew or sign a new CLA. As a consequence of these problems on company level, there is a growing tendency of unevenly distributed CLAs on a territorial basis. In regions with economic decline there just a few new CLAs and in some regions there is not even a single CLA.

A number of labour disputes were registered in 2010-2011. In some sectors and branches there were constant centres of social tension. The protests in the sphere of healthcare were provoked by the closure of small hospital establishments, as part of the reform that started in the sector. There are similar problems in the structure of the Bulgarian Academy of Science (BAS), where whole scientific institutes were closed, others were merged and a great number of work places - cut down. The inadequate budget funds for financing science provoked the mass discontent and protest demonstrations of the scientific workers from the system of BAS for two consecutive years. Another typically Bulgarian problem – delayed and unpaid wages – continues to cause serious labour conflicts. According to CITUB's expert assessments the total sum of the delayed wages for 2010 amounts to 300 million BGN. In construction the delay is on the average 3 to 4 months, but in some enterprises from the machine building and tailoring industry it reaches up to six months. The conflicts most often turn into strike activities (Star Konfeks in Sarnitsa) or spontaneous protests (Chugunoleene in Ihtiman). This was the reason why the Chief Labour Inspectorate undertook large-scale inspections in a number of enterprises. A list with the violator companies was made and a term was set for paying off the workers. As a result an amount of over 88 million BGN was paid off just for a few months. But the problem remains and what is more – it deepens in the conditions of crisis.

The unbearable situation in Bulgarian State Railroads and non-observance of the engagements undertaken on behalf of the management of the company under the strike agreement signed in March 2011, lead to the biggest and longest effective strike of the Bulgarian railroad workers at the end of November 2011. The intention of the management to discharge 2000 workers and employees and after that undertake stabilizing measures by means of a loan from the World Bank, as well as its refusal to sign a new CLA are among the main reasons for the biggest conflict during this year, which attained national dimensions and in which participated the two trade unions – CITUB and CL Podkrepa. At the same time however, we witnessed a weakness of trade unionism characteristic for the period of transition – splitting up into a number of union structures and their striving towards independence. This is the main reason why the branch organization of Locomotive Drivers under the Union of Transport Federations in Bulgaria with CITUB separated itself as an independent union, which made it illegitimate from the point of view of national representation. Moreover that this step was undertaken at an extremely unsuitable moment – in the conditions of growing labour conflict, which to a certain extent disunited the trade union power during the strike activities. On the opposite pole was the “Metalitsi” Trade Union Federation with CITUB – it was an example of positive attitude and willingness for consolidation. In spite of the complex situation, the new branch CLA provides protection of union members in cases of dismissal, higher compensations in cases of discharge, termination of the labour relation due to illness or retirement, increase of the minimum wage for the branch, as well as higher additional remunerations for conditions of work, night work, overtime work, etc. After the metallurgical giant “Kremikovtzi” was declared bankrupt and the drastic loss of trade union members (nearly 3000 people for the period 2009-2010), the “Metalitsi” Trade Union Federation continues to broaden its perimeter of influence, creating new organizations in the companies “SKF”, “Palfinger”, “Elektrodi”, “Oskar”, with nearly 800 members.

5. Tripartite Social Dialogue

The good intentions of the present government to renew the social dialogue on a national level and set up social partnership structures on a regional level as well were appreciated by the trade unions, but they did not turn into a consistent policy. The Agreement on the Pension Reform signed at the end of 2010 was violated and an increase of the retirement age by 4 months each year was unilaterally imposed as of 2012 until it reaches 65 years for men and 63 years for women. This forced the two trade union confederations to end their participation in the National Council for Tripartite Cooperation and organize a protest meeting-demonstration of many thousands at the end of November 2011. As a contra-proposal trade unions offered a package of 8 measures to improve the collection rate and incomes in the pension fund, but in the long run the government imposed an accelerated increase of the retirement age. The suggestions for full cancellation of fringe/additional remuneration for each year of length of service and professional experience can be considered as an anti-union attack – this option was removed by the new public administration remuneration system as of 2012, and there is real danger that this practice would expand to spread over the real sector as well.

A partial success on a national level was achieved only in respect to the minimum wage for the country – as of 1 September 2011 it was increased by 12.5% and a new increase of 7.4% was negotiated as of 1 May 2012. The remaining incomes – wages, pensions, social benefits – were frozen in 2010 and 2011 and this creates extremely dangerous preconditions for real incomes decrease and poverty expansion in the country. Having such a situation of unilaterally imposed decisions (sometimes even without consultations with the social partners), tripartite social dialogue in Bulgaria is “at stake”.

In response to that CITUB invited its regional structures to terminate their participation in the local tripartite cooperation bodies as well.

6. Forecasts

Industrial relations and social dialogue face enormous domestic and external challenges. On the one side, Europe 2020 Strategy sets up rather ambitious objectives before each member country in the sphere of labour, incomes and employment, but on the other – the new economic management makes the social dimension of Europe pointless, putting under question the national systems for social protection and the progress achieved through social dialogue and collective bargaining. This is an indicator for the emergence of asymmetry between the economic and social dimension of European policy and management and this is gladly embraced by the government of Bulgaria – in the direction of limitation of the role and scope of collective labour negotiations. In domestic aspect, the restrictive fiscal policy is confronted by the priorities to surmount poverty and alleviate the sharp social inequalities, which means that there are deep controversies between the aims and instruments of the policy itself.

The crisis will undoubtedly slow down the economy of the country and the expectations in relation to the labour market are even more pessimistic - both in regard to employment and work force price. The enormous dependence of the economic development and the employment of the country on FDI, the low domestic potential of raising the investment activity as well as the weak domestic consumption are the main “anchors”, which will hold back the GDP growth rate the next 2-3 years and keep it at a relatively low level. From the point of view of hired labour income increase, there are certain reserves in the primary distribution of income – the relative share of hired workers income in GDP remains around 35% for long and is the lowest among European countries. This means that special attention should be paid to collective negotiation of wages on branch and company level in the next few years, as far as the national negotiations would be put under excessive internal and external pressure.

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 2 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 |
| 2007 | 68 | 10 | 58 | 1734 | 1331 | 403 |
| 2008 | 67 | 10 | 57 | 1828 | 1493 | 335 |
| 2009 | 73 | 10 | 63 | 1499 | 1261 | 238 |
| 2010 | 71 | 10 | 61 | 1596 | 1321 | 278 |
| 2011 | 72 | 9 | 63 | - | - | - |

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 next census was postponed for the end of 2011 and the beginning of 2012 because of adopting new criteria for representation of the employers and trade union organizations. Currently 2 trade unions and 6 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- Nine months |
|------------------------------------------------------------------------------------------------------------|------|------|------|------|----------------------|
| Health insurance (number of insured persons, in relation to the LF = employed + unemployed persons) | 80.5 | 80.2 | 76.7 | 72.8 | ... |
| Pension insurance (number of | | | | | |

| | | | | | |
|-------------------------------------------------------------------------------------------|------|------|------|------|------|
| insured persons related to all employed) | 77.1 | 74.3 | 76.0 | 78.5 | 79.8 |
| Insurance for unemployment (number of insured persons, related to all employed) | 94.9 | 94.7 | 96.1 | 95.9 | 98.7 |

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

The process of elaboration of the state educational requirements/standards is focusing on “the results from education”, and this is a serious precondition for implementation of the European tools in the continuing vocational training – the European Qualification Framework/ the National Qualification Framework, ECVET, Europass, validation and recognition of the informal education/informal learning and others.

At the end of 2010 the number of the operating /licensed Centres for Vocational Training /CVT/ is 814, 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 2010 only one Centre 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 three. The focus in 2011 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- 1 st quarter | 2011-2 nd quarter | 2011- 3 rd quarter |
|--------------------------------------------------|-------------|-------------|-------------|-------------|----------------------------------|---------------------------------|-------------------------------------|
| For the population aged 15 years and over | | | | | | | |
| total | 49.0 | 50.8 | 49.4 | 46.7 | 44.7 | 45.3 | 46.6 |

| | | | | | | | |
|----------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| men | 54.4 | 56.5 | 54.9 | 51.3 | 48.7 | 49.3 | 50.9 |
| women | 44.0 | 45.5 | 44.4 | 42.4 | 41.0 | 41.6 | 42.7 |
| For the population aged 15 - 64 | | | | | | | |
| total | 61.7 | 64.0 | 62.6 | 59.7 | 57.3 | 58.2 | 59.9 |
| men | 66.0 | 68.5 | 66.9 | 63.0 | 59.9 | 60.7 | 62.4 |
| Women | 57.6 | 59.5 | 58.3 | 56.4 | 54.8 | 55.8 | 57.3 |
| For the population aged 20- 64 | | | | | | | |
| total | 68.4 | 70.7 | 68.8 | 65.4 | 62.6 | 63.4 | 65.4 |
| men | 73.4 | 76.1 | 73.8 | 69.1 | 65.5 | 66.3 | 68.3 |
| women | 63.5 | 65.4 | 64.0 | 61.7 | 59.7 | 60.6 | 62.6 |

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

- **Unemployment rate**

Unemployment coefficients (in %)

| Calculated on the basis: | 2007 | 2008 | 2009 | 2010 | 2011- 1 st quar- ter | 2011- 2 nd quarter | 2011- 3 rd quarter |
|--------------------------------------------------------|------|------|------|------|---------------------------------------|----------------------------------|----------------------------------|
| K ₁ : Population aged 15 years and over | 6.9 | 5.6 | 6.8 | 10.2 | 12.0 | 11.2 | 10.2 |
| K ₂ : Population aged 15-64 | 6.9 | 5.7 | 6.9 | 10.3 | 12.1 | 11.3 | 10.3 |
| K ₃ : Registered in the employment of-fices | 7.75 | 6.31 | 7.59 | 9.47 | 10.79 | 9.92 | - |

Source: For K₁ and K₂ . National Statistical Institute (survey on the labour force) and for K₃ – National Employment Agency (registered unemployment in the Employment Of-fices).

- **Average monthly salaries**

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

| | 2007 | 2008 | 2009 | 2010 | 2011- 1 st quarter | 2011- 2 nd quarter | 2011- 3 rd quarter |
|----------------|------------|------------|------------|------------|----------------------------------|----------------------------------|----------------------------------|
| total | 220 | 278 | 311 | 331 | 343 | 357 | 354 |
| Public sector | 266 | 333 | 344 | 383 | 371 | 388 | 385 |
| Private sector | 203 | 260 | 279 | 312 | 333 | 346 | 343 |

Source: National Statistical Institute. Statistics of employment and work expenses (data for 2010 and for 2011, 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 | 2011-1st quarter | 2011-2nd quarter | 2011-3rd quarter |
|--------------|------|------|------|------|------------------|------------------|------------------|
| men | 240 | 305 | 344 | 361 | 380 | 395 | 391 |
| women | 200 | 250 | 279 | 301 | 308 | 321 | 318 |
| Relation w/m | 83.3 | 82.0 | 81.1 | 83.4 | 81.0 | 81.3 | 81.3 |

Source: National Statistical institute. Employment statistics and work expenses (data for 2009 and for 2011, 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 |
|---------------|---------------|---------------|-----------------------|---------------|
| 92 | 112 | 123 | 123 | 138 |

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 /laying off 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 | 2011-1 st quarter. | 2011-2 nd quarter | 2011-3 rd quarter |
|--------------------|------|------|------|------|-------------------------------|------------------------------|------------------------------|
| total | 40.8 | 40.6 | 40.0 | 40.2 | 40.1 | 39.6 | 40.4 |
| По пол: | | | | | | | |
| Men | 41.2 | 41.0 | 40.4 | 40.5 | 40.3 | 39.8 | 40.8 |
| women | 40.3 | 40.0 | 39.6 | 39.9 | 39.9 | 39.3 | 40.0 |
| Forms of property: | | | | | | | |
| Private sector | 41.1 | 41.1 | 40.5 | 40.7 | 40.5 | 40.0 | 41.0 |
| Public sector | 39.3 | 39.0 | 38.7 | 38.9 | 39.2 | 38.4 | 38.6 |

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- 1 st quarter | 2011- 2 nd quarter | 2011- 3 rd quarter |
|-------------------------------------|------|------|------|------|----------------------------------|----------------------------------|----------------------------------|
| By the length of the working time: | | | | | | | |
| Full time | 97.9 | 98.5 | 98.4 | 98.3 | 98.2 | 98.2 | 98.3 |
| Part time | 1.4 | 1.5 | 1.6 | 1.7 | 1.8 | 1.8 | 1.7 |
| By contract type with the employer: | | | | | | | |
| Labour contract | 96.1 | 96.2 | 96.4 | 96.8 | 98.0 | 97.6 | 97.0 |
| Freelance contract | 1.4 | 1.4 | 1.5 | 1.2 | 0.9 | 0.8 | 1.0 |
| Without any contract | 2.5 | 2.4 | 2.1 | 2.0 | 1.1 | 1.6 | 2.0 |
| By type of the working activity: | | | | | | | |
| Permanent job | 94.9 | 95.0 | 95.3 | 95.4 | 96.9 | 95.9 | 94.7 |
| Temporary/agency work | 5.1 | 5.0 | 4.7 | 4.5 | 3.1 | 4.1 | 5.3 |

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

• **Migration**

External migration*

| Number of persons | 2007 | | | 2008 | | | 2009 | | | 2010 | | |
|---------------------------|-------|------|-------|-------|-----|-------|--------|-------|-------|--------|--------|--------|
| | total | men | women | total | men | women | total | men | women | total | men | women |
| Settled in the country | 1561 | 877 | 684 | 1236 | 674 | 562 | 3310 | 1921 | 1389 | 3518 | 1910 | 1608 |
| Departed from the country | 2958 | 1119 | 1839 | 2112 | 766 | 1346 | 19039 | 8353 | 10686 | 27708 | 12607 | 15101 |
| Mechanical Increase | -1397 | -242 | -1155 | -876 | -92 | -784 | -15729 | -6432 | -9297 | -24190 | -10697 | -13493 |

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)**

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

Source: Human Development Report 2011, UNDP

• **Gini-coefficient**

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

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 2 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 |
|------|------|------|------|------|
| 33 | 30 | 32 | 35 | 38 |

Source: Experts evaluation – ISTUR of CITUB

- **Ongoing important collective bargaining agreements**

The efforts of the trade unions are targeted at signing a Tripartite Pact or a National mid-term Agreement on social-economic development in Bulgaria. A necessity of bargaining a new package of anti crisis measures is in discussion.

Recently all these efforts are without a success because of the significant differences between the social partners and the state in relation to incomes policy and the essence of the implemented reforms in extremely important public sectors. In the frame of the Global Jobs Pact for the ILO member countries an International Conference on the topic “Recovery through growth and employment - the fight and the good practices of the Bulgarian trade unions” took place in Sofia in November 2011. During the Conference the necessity for a new type of economic and social policy was confirmed, which policy should focus on the qualitative employment, and not on putting the fiscal stability as a development target in itself.

- **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.

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

| 2007 | 2008 | 2009 | 2010 | 2011 |
|------|------|------|------|-------|
| 17.5 | 16.9 | 17.3 | 18.9 | 21.2* |

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

- **Employer's organizations density**

According to the data from the last 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 six nationally representative employers' organizations. In 2011-2012 a new census and fixing/determining the representativeness of the trade unions and employers organizations have to be carried out.

- **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.

- **Trade unions (till the next census no any changes can be registered)**

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 (CITUB) | 393 191 | 328 232 | ETUC ITUC |
| 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 | ETUF:TCL ITGLWF |
| 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 | EMF IMF |
| 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 | EMCEF ICEM |
| 7 | Федерация на независимите синдикати на миньорите | Federation of the Independent Trade Unions of Miners (FISM) | 14720 | 10960 | EMCEF ICEM |
| 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 METAL-WORKERS (TU METALIZY) | 10014 | 7387 | EMF IMF |
| 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 | Federation of Independent Trade Unions in Bul- | 8759 | 7931 | |

| | | | | | |
|----|------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|-------|-------|--------------------------------------|
| | българската армия | garian Army (FITUBA) | | | |
| 15 | Национална федерация на енергетиците | National Federation of Energy Workers (NFE/NFEW) | 11424 | 10019 | EMCEF EPSU ICEM PSI |
| 16 | Национален браншов синдиката Водоснабдител | National branch water – supply trade union (NBTU Vodosnabditeľ) | 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 (TU-FOEMI) | 3246 | 2169 | EMF 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 (Ship-builder) (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 | EMCEF |
| 2 | Федерация Енергетика | Federation Energy | 6443 | 5766 | EMCEF EPSU ICEM 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 | ETUF:TCL EMCEF ITGLWF |
| 6 | Синдикална федерация на машиностроителите и металоработниците | Trade union federation of metal workers | 6090 | 6028 | EMF IMF |
| 7 | Медицинска федерация | Medical federation | 8188 | 6430 | EPSU PSI |
| 8 | Федерация Металургия | Federation Metallurgy | 4937 | 3777 | EMF IMF |
| 9 | Синдикална миньорска федерация | Miners federation | 10160 | 7019 | EMCEF ICEM |
| 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 | EMF jointly with TU-FOEMI - CITUB |
| 14 | Федерация Търговия | Federation Com- | 1405 | 499 | |

| | | | | | |
|----|--------------------------------------------------------------------------|------------------------------------------------------------------|------------------------|-------|---------------|
| | | merce | | | |
| 15 | Федерация Услуги и контролни органи | Federation Services and control bodies | 2768 | 1314 | EPSU ICEM |
| 16 | Федерация Химия | Federation Chemical Industry | 3862 | 3802 | EMCEF ICEM |
| 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 industry | Established in 2006 | 0 | |
| 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 (till the next census no any changes can be registered)**

Employer's Organisations

| | 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 | 29 branch/ sector organisations in 12 sectors, 28 regional chambers, and | International chamber of commerce, Paris; |

| | | | | |
|---|-------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|
| | | (BCCI) | 264 municipal bodies, 2662 companies with 528 615 employees | World trade centers association, USA; EUROCHAMBRES |
| 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