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2013
Annual Review of
Labour Relations and Social Dialogue in South East Europe:
Bulgaria
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1. Summary

Social dialogue and industrial relations in Bulgaria developed in an unfavorable political and economic climate in 2013. The intensified civil activity was undoubtedly a reaction in response to the deep social, economic, political and moral crisis in Bulgarian society. At the same time, the unprecedented confrontation of protests and counter-protests

that went on throughout the year took away a lot of public energy, necessary for the emergence of healing actions and positive expectations. This situation predetermined the lack of rhythm in social dialogue - energy was concentrated solely on solving extraordinary and urgent situations; for example, various rescue packages, budget updates, branch and sector crises etc. The freezing of the incomes policy was at last overcome but the measures undertaken to this end could not compensate for the time and potential loss. Companies and enterprises rarely reached agreements on wage growth. What is more, refusals to enter negotiations were registered in a lot of companies, as well as the cancellation of many social agreements that have been previously negotiated.

The main factors that outline perspectives for positive changes in employment and industrial relations in the country are; the engagement of Bulgaria in the implementation of Youth Employment Guarantee schemes, the full opening of European labour markets and the forecast of economic growth in the coming years.

2. Socio-economic developments

The hesitant tendency of GDP growth continues. The 0.8% economic growth in 2012 was achieved due to the increase in consumption (+1.8%) and to a lesser extent to gross fixed capital formation (+0.8). In 2010 and 2011 the main driver of growth were exports (14.7% in 2010 and 12.3% in 2011). In contrast exports now contribute a negative quantity (-0.4% in 2012). The cross-section by sectors shows that GVA in agriculture marks the biggest growth rate (+3.5%); for the industrial sector it is +1.9%, whereas the negative tendency continues for the construction sector (-3.5%). Services also mark a negative tendency (-0.2%); even traditionally well-represented sectors have seen a serious drop in recent years: telecommunication services and information (-3.6%) and finance and insurance (-1.9%). In the first three trimesters of 2013 the economic growth maintains a negative tendency – 0.8%, 0.2% and 0.8% respectively and on an annual basis there is (according to the last indicator being from an express assessment of the National Statistical Institute) a prognosis of the annual GDP growth amounting to 0.5-0.6 % for 2013. There are no indications of FDI revival – for 2012 they amounted to barely 1398 million EUR and for the first nine months of 2013 there is a drop in comparison to the same period of the previous year.

The balance of payments for the first nine months of 2013 is negative (minus 248.7 million EUR), with a trade deficit of 1.616 billion EUR and a positive current account amounting to 1.386 billion EUR. For the same period the consolidated state budget balance is also negative – 360.5 million BGN (0.5% of the GDP). The exceeding of expenditures over revenues is due to a large extent to the growth of social payments, government spending and investment costs. It is planned (after the August budget update) that the budget deficit should reach 1.59 billion BGN.

The privatization process in Bulgaria has almost ground to a halt - at the beginning of 2013 revenues from privatization deals amounted to 4 million BGN. The two priority deals envisaged for this year failed: the privatization of BDZ (Bulgarian State Railroads) "Freight Transport" and VMZ-Sopot (Military Machine Building Plant-Sopot). The deal for BDZ Freight Transport was impeded because of distrains upon the company's shares, whereas deal for the Military Machine Building Plant – Sopot was halted because the government of Prime Minister Oresharski decided to restructure it and postpone its sale.

Nominal wage growth rates continue to decrease. In 2012 the average wage increased by 6.6%, due to the low inflation rate (3%) its real growth was 3.5%. The growth rates for the first three trimesters of 2013 are still more hesitant and delayed, which is taking

place against a background of consecutively advancing deflation on an annual basis since August (-0.7% in August, -1.6% in September and -1.4% in October). 195,168 persons have been hired at minimum wage in the second trimester of 2013, which represents 9.1% of all employed. The amount of the minimum wage remains at 39% of the average wage for the country. In respect to employment and unemployment, the negative processes during the last four years manifest a tendency of subsiding. There is evidence of timid employment recovery and even a certain minimum growth on a comparable basis by trimesters. At the same time however, unemployment (besides the seasonal fluctuations) continues to increase although with far lower rates. These two parallel processes are an indicator of a slight increase in the rate of economic activity.

Bulgaria remains the poorest country in the EU. According to Eurostat data, for 2011 (SILC) 21.2% of the population lives in risk of poverty after the social transfers (compared to 17.1% for EU-27). Altogether, people in risk of poverty and exclusion represent 49.3% of the population (24.9% for EU-27). The Gini coefficient (33.6% for 2012) is among the highest in the EU. The combination of a low level of absolute income and high level of polarization and differentiation is evidence of broad-based poverty and at the same time is an extremely dangerous indicator for the emergence and maintenance of social tension.

3. Governmental policies and legislation

Poverty and inability to pay the drastically increased electricity and heating bills caused street protests as early as the beginning of 2013 which gradually grew into protests against the government. To the surprise of many people, including his ministers, Prime Minister Boyko Borisov resigned in March, just a few months before the regular parliamentary elections planned for the middle of the year. At the extraordinary parliamentary elections held on the 12th of May 2013, the incumbent political party GERB won the majority of votes (30.54%), but did not receive support for the formation of a new cabinet by any of the other parties in the Parliament: neither “Coalition for Bulgaria” Party (26.61%), “Movement for Rights and Freedom” (DPS) Party (11.31%) nor the “Attack” Party (7.30%). The distribution of the 240 mandates (97, 84, 36 and 23 respectively) formed a complex puzzle, which lead to new parliamentary paradoxes and absurd situations in the country. Stalemate situations such as: lack of quorum for opening of parliamentary sessions, a “government of experts” with strong political presence of Coalition for Bulgaria and DPS, decisive support by a radical nationalist party (Attack), flagrant nominations for key state positions – all provoked a new wave of public indignation. This time the main reason was a “non-performing political model” and the protesters demanded “resignation and new elections”. The civil protests, which were later supported by student occupations, have been going for 6 months now. At the same time contra-protests in support of the government have also been organized. The political situation is complex and its outcome – unpredictable, although the forecasts and opinions in favour of new elections prevail, the only question being “when?” The left-centrist government of Prime Minister Plamen Oresharski is supported/propped-up “by one nationalistic vote”, the right sphere outside GERB remains unprepared for quick/urgent elections, and as always in such situations there emerge “new messiahs” who seek revenge or a path for political manifestation. The political analysts expect a turbulent 2014 and trade unions warn of deterioration in the socio-economic situation and the emergence of regional and branch conflicts as early as the next few months.

Under the pressure exercised by different parties the government undertook an update of the public budget taking into account the debt and budget deficit increase. This policy will probably also continue in 2014, without endangering the macroeconomic

stability and within the admissible Maastricht parameters and the internally imposed previous Parliamentary criteria (GDP redistribution through the budget below 40% and budget deficit below 2%). The government adopted and implemented urgent measures for social assistance aimed at the poorest sectors of the population, but they are far from sufficient. In budget of 2014 an increase of the MW is envisaged (340 BGN) as of the 1st of January 2014. Upon a proposition from the CITUB, a tax refund from the annual tax from working people whose monthly wage/salary is up to this amount will begin as of 2015. Additional Christmas benefits will be given to the poorest pensioners in December 2013. As of the middle of 2014 there will be a restitution of the Swiss rule for annual pensions; updating all pensions. Employers from small and medium size businesses have been promised support i.e. the removal of numerous administrative barriers and taxes, which would allow economic growth and the creation of new jobs. The government defines the measures it has taken up until now (as well as the future ones) not as “left or right” leaning measures, but as objectively necessary steps for the achievement of economic growth and income increase. Trade unions however insist that there should be new negotiations on pension system reform and that it should be gradually introduced over time; they also insist on changes in taxation and removal of the 10% flat tax; more justice in the primary and secondary distribution of income – all of which together represent a serious test for the ruling government.

Under the country's engagement for Youth Employment Guarantee, measures are elaborated for the promotion of hiring young people finishing their secondary and higher education and the development of apprenticeship and traineeship schemes. In connection with this the National Council for Tripartite Collaboration discussed in December the necessity for changes in the Labour Code to regulate the so-called “trainee contract”. This is a kind of specialized employment contract with remuneration not less than the minimum wage (340 BGN as of the beginning of 2014). The legislative changes will be valid only for trainees up to 29 years of age who have finished their secondary or higher education, but do not have any length of service in their chosen profession. The term of the contract should be between 6 and 12 months and the employer is obliged to ensure a tutor for the trainees with at least 3 years length of service, who will get paid for the training provided.

4. Industrial Relations

The situation in some sectors is worrying and maintains the constant prospect of outbreaks of social unrest. The most important branch actions and protests in 2013 were the following:

- From 13.12.2012 until 30.01.2013, in VMZ Sopot SA there was a strike that lasted 49 days. The lack of sufficient orders for one of the leading state-owned enterprises in the military-industrial complex had led to the accumulation of huge debts and unpaid wages of workers. The strike was carried out as a joint action of the two trade unions represented in the state enterprise – CITUB and the CL "Podkrepa". The workers wanted to preserve their jobs and to ensure the payment of wages. To maintain employment at its current levels and ensure recovery of the enterprise is crucial as it provides the main livelihood for the population of the entire region.
- On 25.09.2013 a protest rally was held in front of the Council of Ministers under the slogan "No to liquidation of Bulgarian Post: better services for citizens and decent income for workers in Bulgarian Post". The protesters from the Trade Union Federation of Communications with CITUB want the state to meet its obligations and to compensate the losses of "Bulgarian Post" due to the so-called "Universal postal service" policy. The annual amount of this compensation exceeds 22 million BGN:

the insufficient financing of Bulgarian Post has led to the accumulation of huge debts in this strategically important state-owned company.

- On 08.10.2013, the physicians, nurses and health sector employees held a protest rally in front of the Ministry of Health. Insufficient funds for financing the activities in the sector led important medical institutions to accumulate debts that led to their inability to perform their duties. Trade unionists from the Federation of Healthcare Workers expect a deficit in the system for 2013 of about 150 million BGN, and they insist on an updated budget in order that 100% of payments for implemented activities of the health institutions are provided for.
- On 05.11.2013, miners, railway workers and power engineers organized a protest rally under the slogan "To protect the jobs" and in support of the demands of the CITUB and the CL "Podkrepa" to reduce the price of electricity. The campaign was held in connection with the lack of intent to draft a state budget for 2014 and on the gradual nationalization of the huge debt of the National Electric Company, now exceeding 2.5 billion BGN. The added liabilities of the company, mainly due to political reasons (unprofitable contracts signed by the previous governments and wrong government decisions), put the company in actual bankruptcy, and this is one of the main factors for the collapse of the entire energy sector – coal mining, manufacturing, distribution and delivery of electricity. Problems with unpaid wages and poor working conditions have caused periodically effective strikes in separate companies such as; "Black Sea" and mines "Maritsa Iztok" and "Oranovo").

Many problems, most of which have a direct connection with the draft state budget for 2014, provoked a protest rally of 8000 CITUB members on the 20th of November 2013. From the rostrum in front of the Parliament trade union leaders put their demands to be taken into account when discussing the budget between first and second reading in the National Assembly. Among these demands are: freezing the increase of the required age and length of service for retirement, a minimum 10% increase of wages in the public sector, introduction of a tax credit for the "working poor" with a salary up to 400 BGN, legislative changes to the criminalization of non-payment of social security contributions, guaranteed rights of trade union association, collective bargaining and strike-action, and last but not least, recovery of the strategic state economic sectors and enterprises.

In 2013, the Union "Made in Bulgaria", which brings together small and medium businesses – Association of Dairy Processors, Association of Meat Processors, Branch Chamber of Industrial Bread and Pastry Producers, in other words enterprise-producers of Bulgarian goods, intensified its activities. The Union's objectives are to support and promote small manufacturers of goods produced in Bulgaria. In its meetings with national representative organizations of employers and trade union confederations the leadership of the new Union does not hide its ambitions to participate in social dialogue at a national level. However, this can only happen if it is able to cover the criteria for representation in the next census of organizations of employers and workers. As of trade union circles and structures there are no changes to report in 2013.

5. Tripartite Social Dialogue

The main level of collective bargaining remains at enterprise/company level. This decentralization process has been typical for Bulgaria since the beginning of a transformation process, but during the crisis it has been reaffirmed. The decentralization is forced and provoked often by employers' branch organizations. So for example in the production of chemical products it has been a sustained trend since 2002. It is a similar situation in the electronics and electrical engineering industries, as well in some

branches of light and food production industry where the employers are refusing to bargain on branch level. These trends are confirming a practice of collective bargaining on remuneration policies/wages being redirected to company/enterprise level.

Under the conditions of early parliamentary elections (two months ahead of schedule in May 2013) of protests and general political instability the National Council for tripartite cooperation (NCTC) did not function to its full capacity. Even more: as a protest signal against cyclical political changes in the Law on Property Disclosure the employers' organizations have temporarily withdrawn their participation in the NCTC. Legislative amendments include provisions for leaders and members in governing bodies of trade unions and of employers' organizations to declare their incomes and properties in the same way as those holding public positions in state bodies/authorities. The trade unions have declared their disagreement with the aforementioned amendments but did not withdraw from the NCTC. More intensive discussions took place in April 2013 on the occasion of adopting an urgent package of social measures for assisting more vulnerable population groups. Other important disputes took place in August 2013 on state budget actualization and on the budget of the National Security Institute and on the budget of the National Health Insurance Fund for 2014.

Twice in 2013 (from the old and from the new government, elected in May 2013) a mechanism for determining the amount of the minimum wage was proposed (ranging from 35 to 55% from the national average wage and in correlation with the inflation rate and the official poverty line), but certain elements of this mechanism have not met the approval of employers' and trade unions organizations. As a consequence the mechanism was not adopted.

6. Forecasts

There were some indications for a smooth exit from the financial crisis during the last months of 2013: revival of industrial production and increased economic activity, bucked the trend towards a constant decrease in employment with a rise in the number of the self-employed. This gives us reason to expect GDP growth between 1.5 and 2% in 2014, as in the next years it will go beyond 3%.

The labour market recovery will proceed slowly and it will be difficult to create new jobs. Our requirements here are to develop predominantly quality employment (more secure and better paid jobs). Demographical problems and structural defects in the Bulgarian labour market will additionally hinder the process of positive change.

The repeal of the last restrictions for hiring Bulgarian citizens in EU member states in force from the 1st of January 2014, (despite the expected "brain drain" and emigration of the youthful labour force), will have rather a positive impact on the economy and living standard of the population in Bulgaria in the mid-term because it will accelerate cohesion and the process of catching-up with the average income in Europe.

Trade unions should address the ongoing trends towards deregulation and decentralization in collective bargaining with new mechanisms for counteraction and influence – consolidation of main/basic members; establishment of experts' networks; application of branch models (including modern remuneration systems). On the national level efforts will be concentrated on improving labour and social legislation and spreading-out/extension of minimum social standards which should guarantee the process of social inclusion.

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. On the first two levels only one labour contract can be signed / concluded, and usually the branch/sectoral agreements give the general and minimum framework; enterprises can negotiate more favourable clauses and indicator levels. On the municipality level collective agreements are concluded for activities which are financed from municipality budgets. Typical examples for these types of agreements are those for employees in schools.

A characteristic feature of the Bulgarian model is that a collective agreement is valid for trade union members – the trade union organization is party to the agreement, but the Labour Code foresees also the 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 4 years when the clause for “spreading-out”/extension over all 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 (February 2010 and September 2012), breweries (May 2010, November 2011 and September 2013), cellulose-paper, wood processing and furniture (August 2010 and July 2012) and mining (May 2011).

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
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	1616	1332	284
2012	64	8	56	1581	1308	273

Source: General Labour Inspectorate and CITUB

- **System of tripartite social dialogue**

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

On a 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 national representation. NCTC is a consultative body in which amendments in social and labour

legislation are discussed, as well as policies and documents in the fields of the labour market, vocational training, wages/salaries, incomes and living standards of the population.

The sectoral/branch and municipality councils for tripartite cooperation have been developed on the same principles but within them, problems and issues, which are specific for the respective level, are discussed, for example the policies on employment in the branches and the labour market in municipalities etc.

Other management bodies have also been developed on the same tripartite principles, such as: the Governing Council of the National Agency for Vocational Education and Training, the Supervisory Council of the National Social Security Institute and 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	2008	2009	2010	2011	2012	2013- I Q	2013- II Q
Health insurance (number of insured persons, in relation to the LF = employed + unemployed persons)	80.2	76.7	72.8
Pension insurance (number of insured persons related to all employed)	74.5	76.0	79.7	84.0	84.4	76.0	75.2
Insurance for unemployment (number of insured persons, related to all employees)	88.2	88.0	88.9	92.7	96.4	91.9	92.9

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 by different contingents based on the following features:

1. All employees including all self-employed persons are obliged to pension insurance.
2. Only employees are insured for unemployment.
3. All persons are obliged by law to health insurance but in practice a significant part of the self-employed are not doing that.

- **Education and vocational training**

The focus in 2013 and the following years is based on two distinct directions:

Firstly, the creation and licensing of new Centres for Information and Professional Orientation (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 dissemination process for the employed about the possibilities for re-qualification and placement in new jobs. This could be a very effective tool especially under crisis conditions and during gradual economical recovery when deep structural reforms in the field of employment policies and the respective re-orientation of the labour force towards new employment forms are needed.

Secondly, the introduction of a system for dual vocational education similar to existing systems in Germany and Austria. This dual system should contribute to improving the adaptability of young people graduating from secondary schools to real labour market needs. There are debates in this direction amongst employers' and employees' organizations as well in Parliament. The intentions for introducing/implementing a dual system of education were announced by the government, and thus should happen in an accelerated time frame, even perhaps in 2014.

- **Employment rate**

Employment coefficients (in %)

	2008	2009	2010	2011	2012	2013- 1 st quarter	2013-2 nd quarter	2013-3 rd quarter
For the population aged 15 years and over								
total	50.8	49.4	46.7	45.6	46.6	45.6	47.0	48.2
men	56.5	54.9	51.3	49.6	50.8	49.7	51.1	52.9
women	45.5	44.4	42.4	41.9	42.6	41.7	43.1	43.9
For the population aged 15 – 64								
total	64.0	62.6	59.7	58.5	58.8	57.7	59.5	61.1
men	68.5	66.9	63.0	60.9	61.3	60.1	61.7	63.9
women	59.5	58.3	56.4	56.2	56.3	55.3	57.1	58.3
For the population aged 20- 64								
total	70.7	68.8	65.4	63.9	63.0	61.7	63.6	65.3
men	76.1	73.8	69.1	66.6	65.8	64.3	66.1	68.3
women	65.4	64.0	61.7	61.2	60.2	59.1	61.0	62.2

Source: National Statistical Institute. Labour force survey.

- **Unemployment rate**

Unemployment coefficients (in %)

Calculated on the basis:	2008	2009	2010	2011	2012	2013 1 st quarter	2013 2 nd quarter	2013 3 rd quarter
K ₁ : Population aged 15 years and over	5.6	6.8	10.2	11.2	12.3	13.8	12.9	12.0
K ₂ : Population aged 15-64	5.7	6.9	10.3	11.3	12.4	13.8	13.0	12.1
K ₃ : Registered unemployed persons in the employment offices	6.3	7.6	9.5	10.1	11.1	11.9	11.1	10.8

Source: For K₁ and K₂ - National Statistical Institute (Labour force survey) and for K₃ - National Employment Agency (registered unemployment in the Employment Offices).

- **Average monthly salaries**

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

	2008	2009	2010	2011	2012	2013 – 1 st quarter	2013 - 2 nd quarter	2013 – 3 rd quarter
total	278	311	331	351	397	398	408	405
Public sector	333	344	383	389	407	404	422	423
Private sector	260	279	312	338	394	396	403	399

Source: National Statistical Institute. Statistics of employment and work expenses (data for 2012 and 2013 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 percentage points in favour of men and it is explained mainly with the employment specifics – women are massively employed in the so called “feminized” branches and sectors such as; textiles, the 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 other hand are the so-called “male” sectors as metallurgy, energy/power engineering, coal extraction and ore extraction which maintain wage levels far over the average in the country. There is no concrete evidence for wage differences per gender in the same working place or at least there are no statistics on such data.

It is evident that in the sectors in which women are mostly better paid/receiving high wages (energy, banks and insurance, media and information technologies) the pay gap between themselves and their male colleagues is 20%.

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

	2008	2009	2010	2011	2012	2013- 1st quarter	2013-2nd quarter	2013- 3rd quarter
men	305	344	361	389	443	439	448	447
women	250	279	301	313	352	357	369	363
Relation w/m	82.0	81.1	83.4	80.5	79.5	81.3	82.4	81.2

Source: National Statistical institute. Employment statistics and work expenses (data for 2012 and 2013 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 reduction under crisis conditions; which demonstrates that employers are not flexible enough in working time organization and are easily choosing dismissal of workers rather than looking for ways to maintain employment levels.

The Average number of practically worked-off hours, weekly for one employed person (in hours)

	2008	2009	2010	2011	2012	2013-1 st quarter	2013- 2 nd quarter	2013-3 rd quarter
total	40.5	40.3	40.5	40.2	40.1	39.8	39.5	40.6
By Gender:								
Men	41.1	40.8	40.8	40.5	40.4	40.1	39.9	40.9
women	40.0	39.9	40.1	39.9	39.8	39.4	39.1	40.3
By Forms of property:								
Private sector	41.1	40.9	41.0	40.7	40.6	40.2	40.0	41.1
Public sector	39.0	38.7	38.9	38.8	38.8	38.7	38.0	39.2

Source: National Statistical Institute. Labour force survey.

- **Normal work / atypical work**

Atypical employment is not wide-spread throughout the country – especially part-time and temporary work. More widely spread in the private sector is “grey” employment. The largest number of illegally employed persons can be observed in the sphere of construction, hotels and restaurants, and agriculture. Illegal employment has two main dimensions – as work without employment contracts and as employment under contract but with “hidden” clauses (envelope wages). Whereas we can observe a stable tendency of decreased employment without contracts since 2003, “hidden clauses” employment shows a contradictory trend. In 2012 10% of the those employed reported receiving higher remuneration than the sum stated in the contract with their main employer. According to the survey results of the Center for Study of Democracy this level is identical to the level in 2003.

Relative share of the employees (in %)

	2008	2009	2010	2011	2012	2013 1 st quarter	2013 2 nd quarter	2013 3 rd quarter
By the length of the working time:								
Full time	98.5	98.4	98.3	98.2	98.0	97.6	97.6	97.9
Part time	1.5	1.6	1.7	1.8	2.0	2.4	2.4	2.1
By contract type with the employer:								
Labour contract	96.2	96.4	96.8	97.5	97.5	97.6	97.0	96.5
Freelance contract	1.4	1.5	1.2	0.9	1.0	1.1	1.2	1.2
Without any contract	2.4	2.1	2.0	1.6	1.5	1.3	1.8	2.3
By type of the working activity:								
Permanent job	95.0	95.3	95.5	95.9	95.5	95.4	93.9	93.2
Temporary/agency work	5.0	4.7	4.5	4.1	4.5	4.6	6.1	6.8

Source: National Statistical Institute. Labour force survey.

- **Migration**

External migration by sex*

Number of persons	2010			2011			2012		
	total	men	women	total	men	women	total	men	women
Immigrants in the country	3518	1910	1608	4722	2402	2320	14103	8182	5921
Emigrants from the country	27708	12607	15101	9517	4460	5057	16615	8836	7779
Mechanical Increase	-24190	-10697	-13493	-4795	-2058	-2737	-2512	-654	-1858

Source: National Statistical Institute (Population and demography)

* Includes only those 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) and its components**

BULGARIA	2008	2009	2010	2011	2012
HDI – Value	0.756	0.766	0.778	0.780	0.782
Ranking (from 186 countries)*					57
Life expectancy at birth (years)					73.6
Mean years of schooling (years)					10.6
Expected years of schooling (years)					14.0
Gross national income per capita (PPP \$)					11 474
Nonincome HDI - Value					0.826

Source: Human Development Report 2013, UNDP

*Ranking scale:1-47 (Very high HD); 48-94 (High HD); 95-141 (Medium HD); 142-186 (Low HD)

- **Gini-coefficient**

Gini-coefficient	2008	2009	2010	2011	2012
Bulgaria	35.9	33.4	33.2	35.0	33.6
EU-27	30.7	30.4	30.5	30.7	30.4
Ranking (BG in EU-27)	2	5	6	2	5

Source: Eurostat (SILC)

- **Collective agreement coverage**

Expert evaluation is based on: the changes in the number of signed/concluded collective agreements, the approximately numbers of the covered persons and the number of employed persons. In this case the indicator for a coverage grade is influenced more by the number of employed persons than the other factors which play a less significant role (the number of signed/concluded collective agreements and the approximate number of covered persons remain relatively sustainable). The data from nationally representative empirical research indicates relatively lower coverage grades for employed persons with CBA-s (under 30%), which could also be explained with the low popularity of the process of collective bargaining in Bulgaria.

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

2008	2009	2010	2011	2012
30	32	35	38	29*

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

- **Ongoing important collective bargaining agreements**

This process is in preparation for a national agreement between social partners on joint actions with regards to application of the European Framework Agreement on Work Related Stress (2004) and the European Framework Agreement on Harassment and Violence at Work (2007). The draft project has been developed with CITUB experts (in coordination with “Podkrepa” CL). It consists of concrete guidelines and instruments for social partner joint actions at all levels, where social dialogue and collective bargaining have been realized. The guidelines and instruments are in accordance with the experience of the European social partners in implementing national framework agreements as well in compliance with good practices of the trade union federations of CITUB (Bulgarian Union of Teachers (BUT), the Federation of Transport Trade Unions in Bulgaria (FTTUB) and the Federation of Trade Unions – health services (FTUHS/ITUFC)) in solving issues related to stress, (harassment) and violence at work. The aim is to facilitate discussions between social partners by opening debates on the draft proposal of the CITUB and to reach an agreement for signing a National Framework agreement on stress and violence at work.

- **Trade union density**

The explanations about the changes in grade for collective agreement coverage of employees are also valid for 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 employees in the national economy decreased trade union membership density increased due to the fact that the majority of the dismissed/laid off were not trade union members. Data from empirical sociological research indicates a slight increase in trade union density (around 21-22%), but as a whole the trend towards a decrease in trade union membership (in absolute figures) has not been slowed.

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

2008	2009	2010	2011	2012	2010	2012
16.9	17.3	18.9	18.9	19.0	21.2*	21.9*

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

- **Employer’s organizations density**

According data from the latest census 2011-2012 the four employer’s organizations - the Bulgarian Industrial Association (BIA), the Bulgarian Chamber of Commerce and Industry (BCCI), the Confederation of Employers and Industrialists in Bulgaria (CEIBG) and the Bulgarian Industrial Capital Association (BICA) – all reported an increase in their membership. These figures mostly represent mid-sized and large companies as small and micro-enterprises are not members of any of the four nationally representative employers’ organizations.

- **Workplace representation**

Bulgarian labour legislation does not stipulate the establishment of works councils in companies or enterprises. Workplace representation can be realized from trade union organizations directly in the workplace and where there are no such organizations the representation can be 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 was passed/adopted according to which companies with 50 or more employees must establish committees on working conditions/health and safety. In all other companies (with less than 50 employees) groups on working conditions have to be established. 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 made up of employers' representatives.

In 2001 the general assembly/assembly of representatives' additional functions were committed/granted – for example; the right to choose representatives for the economic and social interests of the employees; the right to choose representatives for participation in the General Assembly of shareholders/partners/associates; and for companies with 50 and more than 50 employees – the right to choose a representative in company governing bodies.

With the amendments in the Labour Code, in force from July the 1st 2006, an obligation of the parties in the information and consultation process has arisen. Separately from this, a Law relating to the election of workers/employees representatives in; European Works Councils, in the MNC, in bodies of supervision/management in European trade companies and in European cooperative societies is now in place.

In 2012-2013 the CITUB, jointly with the Employers' Organization 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. After realisation of the first (information) stage of the campaign when 171 establishments/companies throughout the country were visited, the next stage (consultation stage) was prolonged until the end of the year. It is expected that as a direct results of this process a minimum of 10-20% of visited companies should create systems for information and consultation in the short-term, and in the long-term, establish trade union organizations.

- **Trade unions**

a. National Trade Union Confederations

Name in Bulgarian	Name in English	Number of members*		International affiliation
		2012	2008	
Trade union confederations recognized as nationally representative				
Конфедерация на независимите синдикати в България	Confederation of Independent Trade Unions in Bulgaria (CITUB)	275 762	328 232	ETUC ITUC
Конфедерация на труда Подкрепа (КТ Подкрепа)	Confederation of Labour Podkrepa (Podkrepa CL)	88 329	91 738	ETUC ITUC

Source: Ministry of Labour and Social policy,

* Data from the official censuses carried out in 2011-2012 and 2007-2008

b. Trade Union Federations by branches

TRADE UNION FEDERATIONS AFFILIATED TO THE CITUB

№	Name in Bulgarian	Name in English	Number of members		International affiliation
			2013	2008	
1	Синдикат на българските учители	Bulgarian Union of Teachers (BUT)	70587	75170	ETUCE EI
2	Федерация на независимите синдикални организации от леката промишленост	Light Industry Trade Union Organisations Federation (FOSIL/LITUOF)	8904	13162	IndustriAll-Europe and Global
3	Федерация на синдикатите в здравеопазването	Federation of Trade Unions – health services (FTUHS/ ITUFC)	23152	18575	EPSU PSI
4	Национална синдикална федерация Метал - електро	National Trade Union Federation Metal-Electro (NTUF Metal-Electro)	9509	10417	IndustriAll-Europe and Global
5	Синдикат на железничарите в България	Trade Union of the Railways Workers in Bulgaria (TURWB)	16118	22048	ETF
6	Национална федерация на труда Химия и индустрия	National Labour Federation of Chemistry and Industry (NLF Chemistry and Industry)	2871	5867	IndustriAll-Europe and Global
7	Федерация на независимите синдикати на миньорите	Federation of the Independent Trade Unions of Miners (FISM)	9515	10960	IndustriAll-Europe and Global
8	Съюз на транспортните синдикати в България	Federation of Transport Trade Unions in Bulgaria (FTTUB)	11904	13960	ETF ITF
9	Синдикална федерация на съобщенията	Trade Union Federation of Communications (TUFC)	9128	9840	
10	Федерация на независимите строителни синдикати	Federation of Independent Trade Unions in Construction (FITUC)	4120	7236	EFBWW BWI
11	Федерация на синдикатите от държавното управление и организации	Federation of Independent Trade Unions of State Government and Organisations (FITUGO)	25646	18727	EPSU PSI
12	Синдикална федерация МЕТАЛИЦИ	Trade union of METALWORKERS (TU METALIZY)	3572	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	4466	5341	UNI - EUROPA

		Services (ITUFECCTCS)			
14	Федерация на независимите синдикални организации от българската армия	Federation of Independent Trade Unions in the Bulgarian Army (FITUBA)	6432	7931	
15	Национална федерация на енергетиците	National Federation of Energy Workers (NFE/NFEW)	9974	10019	IndustriAll-Europe and Global EPSU/PSI
16	Национален браншов синдиката Водоснабдител	National branch water – supply trade union (NBTU Vodosnabdittel)	10916	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)	5783	7033	EFBWW BWI
18	Синдикат на автотранспортните синдикати	Trade Union of Road Transport Workers (TURTW)	1089	1845	
19	Федерация на независимите синдикални организации от хранителната промишленост	Federation of Independent Trade Unions in the Food Industry (FITU-FOOD)	2126	3002	EFFAT IUF
20	Независим синдикат на тютюноработниците	Independent Trade Union of Tobacco Workers (ITUTW)	1131	1433	
21	Федерация на независимите синдикати в земеделието	Federation of Independent Agricultural Trade Unions (FIATU)	5620	5845	EFFAT IUF
22	Независима синдикална федерация на енергетиците в България	Independent Labour Federation of the Workers in Energy (NSFEB /ILFWE)	6224	6569	EPSU PSI
23	Независим учителски синдикат	Independent Teachers' Trade Union (ITTU)	5437	4511	
24	Моряшки синдикат	Seamen's Syndicate – Bulgaria	1355	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)	2137	2169	IndustriAll-Europe jointly with FTISI “Podkrepa”
26	Синдикат Пиво, Храни и Напитки	Trade Union of Beer, Food and Beverages (TUBFB)	888	907	EFFAT IUF
27	Независима федерация Култура	Independent Trade Union Federation of Culture (ITUF CULTURE)	1791	1261	
28	Независима синдикална федерация на кооперативните организации	Independent Trade Union Federation of Cooperative Organisations (ITUFC)	1490	2079	

29	Синдикат Корабостроител	Trade Union Korabostroitel (Shipbuilder) (TU Korabostroitel)	1223	1301	
30	Федерация на синдикатите от военнопromишления комплекс	Federation of Trade Unions of the Military Industrial Complex (FTUMIC)	2687	2971	
31	Синдикална федерация на организации от туризма	Trade Unions of Tourism in Bulgaria (TUTB)	1198	1765	
32	Национален радио-телевизионен синдикат	National Radio and TV Trade Union (NRTVTU)	237	297	
33	Национален банков синдикат	National Banking Union (NBS)	2208	2168	
34	Национален браншов синдикат Висше образование и наука	National Branch Trade Union of Higher Education and Science (NBTU-HES)	4215	4014	
35	Национален синдикат на икономистите и одиторите в България	National Trade Union of Economists and Auditors in Bulgaria (NTUEAB)	29	257	
36	Съюз на българските музикални и танцови дейци	Union of Bulgarian Musicians and Dancers (UBMC)	1973	Before 2012 - member of ITUF CULTURE	

Source: Data from the internal registration system of CITUB

TRADE UNION FEDERATIONS AFFILIATED TO PODKREPA CL

№	Name in Bulgarian	Name in English	Number of members		International affiliation
			2013	2008	
1	Федерация Атомна енергетика	Federation of Nuclear Energy	2030	1224	IndustriAll-Europe
2	Федерация Енергетика	Federation of Energy	5573	5766	IndustriAll-Europe and Global EPSU/PSI
3	Федерация Земеделие и горско стопанство	Federation of Agriculture and Forestry	1906	1528	IUF
4	Федерация Култура	Federation of Culture	1025	726	
5	Федерация Лека промишленост	Federation of Light Industry	3096	3464	IndustriAll-Europe and Global
6	Синдикална федерация на машиностроителите и металоработниците	Trade union federation of metal workers	5182	6028	IndustriAll-Europe and Global
7	Медицинска федерация	Medical federation	9140	6430	EPSU PSI
8	Федерация Металургия	Federation of Metallurgy	2010	3777	IndustriAll-Europe and Global

9	Синдикална миньорска федерация	Miners federation	7721	7019	IndustriAll-Europe and Global
10	Федерация Строителство, индустрия и водоснабдяване	Federation of construction and water supply	5428	5081	EFBWW EPSU BWI
11	Федерация Съобщения	Federation of Communications	2520	3687	
12	Федерация на транспортните работници	Federation of the transport workers	6140	7342	ETF
13	Федерация Техническа индустрия, наука, информатика	Federation of Technical industry, science, informatics	1577	985	IndustriAll-Europe jointly with TUFOEMI - CITUB
14	Федерация Търговия, Услуги, Контролни органи и Туризъм	Federation of Commerce, Services, Control bodies and Tourism	2916	1813	EPSU IndustriAll-Global
15	Федерация Химия	Federation of Chemical Industry	2360	3802	IndustriAll-Europe and Global
16	Федерация Хранителна и питейна промишленост	Federation of the Food and beverages industry	1153	2917	EFFAT IUF
17	Синдикат на административните служители	Union of the administrative employees	5742	4833	EPSU PSI
18	Национален железничарски синдикат	National railway union	1804	1804	
19	Съюз на журналистите в България Подкрепа	Union of journalists, Podkrepa	187	9	EFJ IFJ
20	Синдикат Образование	Union of Education	17462	15300	ETUCE EI
21	Синдикат Отбрана	Union of Defence	1115	1270	PSI
22	Национален синдикат Телевизия и радио	National Union of Television and radio	204	26	
23	Синдикат Тютюнева промишленост	Union of the Tobacco industry	1307	1447	
24	Национален професионален синдикат на работещите в сигурността и охраната	National Union of the employees in the private security services	1621	1081	
25	Синдикат на свещено и църковно служителите	Union of priests churchmen	821	Since December 2010	

Source: Data from the internal registration system of 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)	93 branch organisations in 26 sectors; 13 082 companies with 644 723 employees; 120 regional chambers;	<u>BUSINESSEUROPE</u> , IOE – International Organization of Employers
2	Българска търговско промишлена палата (БТПП)	Bulgarian Chamber of Commerce and Industry (BCCI)	103 sectoral/branch organisations; 21 977 companies with 665 714 employees; 28 regional chambers;	International chamber of commerce, Paris; World Trade Centers Association, USA; <u>EUROCHAMBRES</u>
3	Асоциация на индустриалния капитал в България (АИКБ)	Bulgarian Industrial Capital Association (BICA)	38 sectoral/branch organisations; 6 626 companies with 335 805 employees; 75 regional structures.	European Centre of Employers and Enterprises Providing Public Services (<u>CEEP</u>)
4	Конфедерация на работодателите и индустриалците в България (КРИБ)	Confederation of Employers and Industrialists in Bulgaria (CEIBG)	70 sectoral/branch organisations; 5 336 companies with 504 984 employees; 101 territorial bodies.	International Chamber of Commerce (ICC)

Source: Ministry of Labour and Social Policy. Data from official census of employer organisations held in 2011-2012.