



Capacity building for social dialogue at sectoral and company level

Bulgaria

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This report is available in electronic format only.

Introduction

In 2006, the European Foundation for the Improvement of Living and Working Conditions carried out a project on Social Dialogue Capacity Building at the sectoral and company level in the new EU member states, the accession countries (Bulgaria and Romania) and the candidate countries (Croatia and Turkey).

The objective of the project was to help the involved countries build social dialogue capacity by gathering social partners, government representatives and researchers to investigate organisational, financial and skill capacities to engage in sectoral- and company-level social dialogue. The participants should answer questions on the organisational, financial and human and skill capacities of their member organisations, based on a questionnaire prepared by the Dublin Foundation task force team.

The project on Social Dialogue Capacity Building at the sectoral and company level is a follow-up of a similar project held at a national level in 2005.

The methodology used includes carrying out interviews with members of the nationally recognised representative organisations of employers and employees in the eligible countries and their view of the capacity of their members' organisations. The answers reflect their views for the sectoral/branch- and enterprise-level developments. In the case of Bulgaria, these were six employer organisations and two trade unions, which are acknowledged as nationally representative according to the criteria in the national legislation (see Social Dialogue Capacity Building in Bulgaria, national report, 2005).

A development should be noted which led to a change in the nationally representative employer organisations compared with the survey at national level. One of the employer organisations – the employer association in Bulgaria (EABG) (which was created in 2000, aiming to represent Bulgarian large-scale business) and the Bulgarian International and Business Association (BIBA) (created in 1993 from five to six large foreign companies) merged. Thus, on 5 June 2006 the *Confederation of Employers and Industrialists in Bulgaria – The Voice of Bulgarian Business (CEIBG)*, was formed. Its members produce more than two-thirds of Bulgarian export, giving work to about 400,000 employees. The leaders of the new organisation announced their aim to become full members of the Union des Industries de la Communauté Européenne (UNICE), whose only current Bulgarian member association is the Bulgarian Industrial Association – Union of Bulgarian Business (BIA – UBB). Months before establishing the CEIBG, the EABG left the Association of the Bulgarian Employers (AOBE), whose members continue to be the five other employer organisations in Bulgaria. In this survey, the organisational, financial and human capacities of the members of the newly created employers' confederation are reflected.

Several specific points need to be highlighted.

First, we would like to clarify the use of 'sectoral'/'branch' level and the context it is used in. According to the Bulgarian Labour Code, there are four levels of collective bargaining, which are stated in Article 51 as follows:

- (1) Collective agreements shall be concluded by enterprises, branches, sectors) and municipalities.
- (2) Only one collective agreement may be concluded at the level of enterprise, branches, sectors and industry.

'Sector' and 'branch' linguistically are synonyms, although their meaning in the labour legislation is not identical – the first is considered to have a wider scope, while the second should be considered as part of the sector. Nevertheless, referring to the lack of clear distinction between the two in the national legislation, the received answers in the interviews on the questions with 'sectoral' dimensions should be considered equal to 'branch'. Bulgarian labour legislation uses the

standards and practises of the National Statistic Institute (NSI), which uses five classifications with different level of differentiation – the smallest has 16 sectors/branches and the biggest has 74.

Secondly, Bulgaria has neither a law for branch organisations nor other legislative Acts which determine that one sectoral/branch organisation is nationally representative. The representativeness of such organisations is currently a result of their membership in a nationally representative employer organisation. A working group of all nationally recognised employer organisations together with the Ministry of Economy is discussing a version of draft law for branch organisations in Bulgaria. Currently, the opinions of the employer organisations are converging, but there is still much work to be done.

Thirdly, concluding a sectoral/branch collective agreement according to the Bulgarian legislation should be preceded and prepared on the basis of an agreement between the national organisations of the respective employer and trade union sectoral/branch organisations (LC, Article 51b). The agreement between the national organisations sets ‘general provisions in respect of the scope and the procedure framework of the industry and branch level agreements’ (LC, Article 51b).

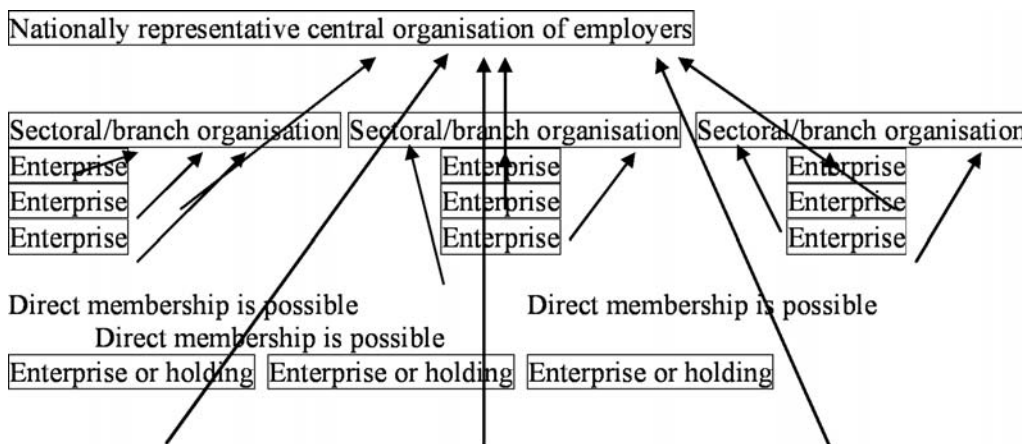
Fourthly, only one labour agreement can be concluded at sectoral, branch and enterprise level (LC, Article 51 (2)).

Lastly, one should keep in mind that one sectoral/branch organisation could be a member of more than one nationally representative employer organisation due to a lack of criteria for sectoral/branch organisations. In this way, one sectoral/branch organisation could be taken into account more than once, which could distort the real picture of the situation.

Social dialogue at sectoral level

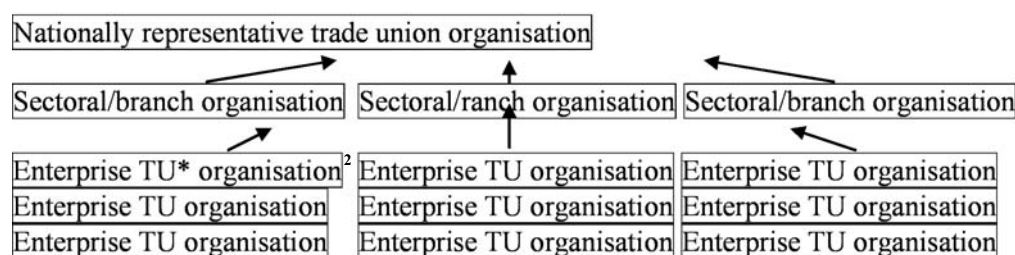
Organisational capacities

Figure 1: *Membership of sectoral/branch organisations and their participation in a central employer organisation*¹



¹ Both employer and trade union nationally representative organisations have *regional structures*, but as far as the questionnaires do address this matter, this aspect is not involved in the report

Figure 2: Membership of sectoral/branch organisations and their participation in central member organisation of trade unions



*Note: TU = trade union

Table 1

Name of the enterprise organisation	Number of sectoral/branch member organisation				
	Industry	Service	Public sector	Agriculture	Total
BCCI	56	24	none	10	90
BIA	42	49	2	7	100
BICA	11	2	none	none	13 ³
CEIBG	16	5	none	1	22
UPBE 'Vuzrazdane'	1	21	none	1	23
UPEE	8	16	1	2	27
Name of trade union	Number of sectoral/branch member unions				
CITUB	20	10	2	2	34
CL 'Podkrepa'	12	5	6	2	25

Table 2

Name of the enterprise organisation	Number of enterprises				
	Industry	Service	Public sector	Agriculture	Total
BCCI	No data	-	-	-	-
BIA	1,724	2,492	58	60	4,334
BICA	No data	-	-	-	-
CEIBG	2,100	1,200	none	320	3,520
UPBE 'Vuzrazdane'	470	6,520	none	545	7,535
UPEE	859	1,100	51	70	2,080 ⁴
Name of trade union	Number of employees				
CITUB	148,700	126,500	26,200	8,600	310,000
CL 'Podkrepa'	70,000	18,500	46,500	5,000	155,000

² The statutes of CITUB and CL'Podkrepa' allow the existence of only one organisation of each of them in one enterprise.

³ The number is taken from the presentation of BICA. Some 34 holdings and investment associations are direct members (according to the BICA website).

⁴ UPEE has declared 4,185 direct members. The 2,080 mentioned above employ one or more employees. The status of the remaining 2,105 is similar to the self-employed status, but they identify themselves as micro-employers.

As mentioned above, the member organisations (both employer and trade union) cannot be recognised as nationally representative by any criteria, but their membership is nationally representative.

The biggest number of member employer organisations is within industry and service, with less in the public sector. Three of the employer organisations declare enterprises in the public sector. CITUB and CL'Podkrepa', the trade union organisations, have two and six member organisations, respectively, in the public sector. Nevertheless, they are amongst their strongest member organisations, such as the teacher unions of both confederations, which are often the focus of public attention.

Since 2000, the number of enterprises in the sectoral/branch employer organisations has been increasing, as stated by all five of the central organisations interviewed. This is explained by the growing number of small and medium-sized enterprises that have joined sectoral/branch organisations.

Also since 2000, the number of workers (members) in the sectoral/branch unions of the two confederations have remained relatively stable, and only one of the sectors – the service sector – shows an increased number of employees. This is a result of the developing tourist sector in the country, as well as the development of private services overall in the sector.

Employer organisations lack the resources for giving legal or any other assistance to their member organisations. In addition, according to the information received, there is no difference in the sectors/branches.

The two trade union member organisations have a moderate lack of resources for giving legal or any other assistance to their members. The situation is reported to be better in the transport federation and the teachers' union (CL 'Podkrepa'), where they have their own judicial experts who are part of the permanent federation staff.

The organisational capacities of the sectoral/branch employer organisation members of the five confederations to conclude sectoral/branch collective agreements varies between good and moderate. It seems all share the opinion, expressed by BIA, that the bigger members have better capacity than the smaller members. The opinion of the training efforts and preliminary talks with the trade unions (UPEE) is positive.

The organisational capacities of the employers' member organisations in the industrial sector receive the highest positive opinion, while agriculture is the worst. The common situation with the trade unions is that the best, but still moderate, organisational capacities are within the industrial sector, but not that good in agriculture. At the same time, the trade unions evaluate as 'moderate' the capacities of the organisations in the private service sector, mainly thanks to the bank and tourism sectors/branches (CITUB). They evaluate the public sector as 'moderate' (although some of the strongest unions and expertise are within this sector). This is explained by the ban on strikes, according to the Collective Disputes Settlement Law for some of the branches in the public sector (such as energy, health care, telecommunications, ministries of defence and interior, as well as courts, prosecution and investigation), which restricts the collective labour agreements negotiations process (CL 'Podkrepa'). The organisational capacities of the sectoral/branch trade unions to conclude collective agreements in agriculture are evaluated as 'poor', mostly due to the very limited trade union presence in that sector, which is mainly in the wood industry and forestry, some scientific agricultural institutes and a very limited number of farmer workers.

Financial capacities

Two of the five employer organisations have enough financial resources for undertaking collective bargaining (BIA and UPEE), while the other three (BCCI, CEIBG and Vuzrazdane) are at the opposite end of the spectrum, with a 'great lack

of resources'. BIA and UPEE also point out that there are no differences for the different sectors; the other three did not answer that question.

The trade unions suffer a great lack of financial resources to undertake collective bargaining. According to CL 'Podkrepa', the situation is described as extremely difficult in the chemical industry, machine-building industry, metallurgy and mining industry (the number of miners in Bulgaria has recently decreased tenfold compared with the beginning of the transition, when the trade unions were very strong in this branch).

The member employer organisations receive financial resources from sources other than the membership fee – payment of additional services (BIA); own economic activities and support from the state (CEIBG); services, donations from member enterprises, participation in projects and financing of staff training from the head organisation (UPEE); and services, publications and training (BCCI). Only Vuzrazdane reports no additional financial resources.

The trade unions also report additional financial resources from training activities and external donors (CL 'Podkrepa', project and programmes participation (CITUB)), but the common opinion is that external financial support is still very limited.

Personnel capacities

Table 3

Name of the enterprise organisation	Number of employees in the offices of the sectoral member organisations						
	Industry	Service	Public sector	Agriculture	Total		
BCCI	No data	-	-	-	-	Men	
						Women	
BIA	91	94	3	12	200	Men	72%
						Women	28%
BICA	No data	-	-	-	-	Men	
						Women	
CEIBG	48	15	none	5	68	Men	
						Women	
UPBE 'Vuzrazdane'	5	50	none	3	58	Men	86%
						Women	14%
UPEE					range from 30 to 55	Men	35%
						Women	65%
Name of trade union	Number of employees in the offices of the sectoral/branch union organisations						
CITUB	46	78	11	3	138	Men	48%
						Women	52%
CL 'Podkrepa'	75	10	45	5	135	Men	58%
						Women	42%

As shown in Table 3, most of the employees in the offices of the sectoral/branch member employer organisations are men (the exception is UPEE). At the trade unions, the situation is reversed – most of the staff in the offices of the

sectoral/branch member organisations are women. This could be explained by the fact that some of the professions are feminised, but mostly by the fact that men are occupying higher positions, while most of the expertise and technical staff is female.

All five employer organisations underline that they have a moderate lack of skilled personnel for running collective bargaining. However, this is compensated by the possibility and the practise of using experts from the member enterprises (BIA). One of the organisations (UPEE) underlines the importance of collective bargaining, and as a result they have established a special union within the central organisation that consults the sectoral members, organises training and prepares needed documentation. The trade unions suffer a moderate lack of human resources for running collective bargaining; however, the existing personnel are skilled enough for the job. The lack of financial resources, difficult industrial relationships at branch level and a hostile employers' environment (CL 'Podkrepa') are listed as reasons for this moderate lack of resources. CITUB points out the sectors where there is enough skilled personnel to run collective bargaining – education, industry, health services and defence.

Roles and competencies

Employers

Table 4

Name of the organisation	Mandate of S/B organisations to negotiate C/BL agreements	Number of C/B LA in 2005 by sectors					Per cent of enterprises covered by S/BCA
		Industry	Service	Public sector	Agriculture	Total	
BCCI	All of them	No data	-	-	-	-	<20–50%
BIA	All of them	27	16	-	3	46	>50%
BICA	No data						
CEIBG	Some of them	3	-	-	1	4	<20%
UPBE 'Vuzrazdane'	All of them	-	-	-	-	0	0%
UPEE	All of them	-	-	-	-	0 ⁵	0%

Most interviewees characterise the sectoral/branch collective negotiation process as 'quite good', and only the CEIBG has the opinion that it is 'quite disappointing' because of a lack of interest at company level from the member enterprises. The expressed opinions describe the situation as follows – CA are signed in almost all sectors/branches with bigger and medium- sized enterprises, while in the sectors/branches with mainly small enterprises, there are no signed CAs because there are no trade unions in them (BIA).

It is necessary to emphasise that Art.51b (3) of the Bulgarian Labour Code states that 'the representative organisations of the employees shall prepare and submit a common draft to the representative organisations of the employers (Art 51b(3))', which means the trade unions must take the initiative to trigger the process.

⁵ In 2005, the main achievement was the negotiation and signing of the agreement for the 'frame of the parameters of the social dialogue of the private security sector'. The UPEE participated in the negotiations for signing CA in the chemical industry, but these efforts were in vain, as the other employer organisations in the sector did not sign the final text (UPEE statement). Also, the Branch Union of UPEE in transport signed an innovative regional–sectoral agreement for the region of Pernik (South-Western Region).

The different employer organisations see encouraging experience for the sectoral/collective negotiation process in different sectors, but generally those are the industrial sector, private service sector and even in the public sector, thanks to the development of the sectoral collective bargaining in the health care (UPEE).

All the organisations foresee an increasing importance of sectoral/branch collective bargaining in the coming three years, as both central employer organisations and the government encourage this process.

Trade unions

Table 5

Name of the organisation	Mandate of S/B organisations to negotiate C/BL agreements	Number of C/B LA in 2005 by sectors					Per cent of members covered by S/BCA
		Industry	Service	Public sector	Agriculture	Total	
CITUB	All of them	11	7	13	4	35	<20–50% (38%)
CL 'Podkrepa'	All of them	37	11	8	3	59 ⁶	20–50%

The trade unions take completely different positions regarding the process of sectoral/branch collective negotiation and bargaining. While for CITUB things seem to be 'quite good', CL 'Podkrepa' qualifies them as 'quite disappointing'. The reasons are lack of political will from the branch employer organisations to use the labour code dispositions for extension of the scope of the sectoral/branch collective agreement to all enterprises in the sectors, which creates disloyal competitiveness.⁷

However, some positive developments in the industrial sector (machine building), public sector (tax and customs administrations) (CL 'Podkrepa') and private service sector and agriculture (CITUB) are highlighted. Again, CITUB shares the opinion of employer organisations of the increasing role of the sectoral/branch collective bargaining in the next three years, partially due to Bulgaria joining the EU on 1 January 2007. On the other hand, for CL 'Podkrepa', it will remain the same because of a lack of appropriate governmental policies to encourage the effectiveness of the sectoral/branch collective bargaining, while on the other hand is the hostile attitude of employers (non-members of central employer organisations) to the sectoral/branch collective bargaining process.

Summary

From the interviews, we can make the following conclusions about social dialogue at sectoral/branch level in Bulgaria:

- The employer and trade union organisations at sectoral/branch level suffer a lack of resources, both financial and human, to give legal or any other assistance to their members. Thus, financial resources for most of the activities of the member organisations, both for employers and trade unions, are limited.

⁶ This has to be checked again with the interviewee Mr V. Mitov, as my knowledge about this process prompts it would be some confusion and this could be more the number of all the C/BLA for CL 'Podkrepa' and not only those for year 2005.

⁷ The Labour Code, Art.51 b(4), states, 'Where the collective agreement on industry and branch level has been concluded by all the representative organisations of the employees and the employers in the industry and the branch, the Minister of Labour and Social Policy may, upon their joint request, extend the application of the agreement or of individual clauses thereof to all the enterprises of that industry or branch.'

Capacity building for social dialogue at sectoral and company level

- All the organisations have additional sources of income besides the membership fee, such as training, paid services, project participation and publishing activities, but even these are insufficient.
- The organisations with more and bigger members suffer less lack of capacity (organisational, financial or personnel).
- Men are the prevailing staff in employers' member organisations in most of the cases, while at trade unions, women are of equal percentage or even prevailing.
- The member organisations with small members/enterprises are in the most difficult situation. At the same time, trade unions do not have structures in micro and small enterprises.
- Branch organisation draft law needs to be agreed by the employer organisations. At the same time, this could accelerate restructuring of the employers' space
- Trade unions insist on the provision of the labour code allowing the extension of the scope of the sectoral/branch collective agreement to all the enterprises in a sector, stressing the necessity of putting it into practice.
- The sectoral/branch collective agreement will have a growing importance in the coming years.

Social dialogue at company level

Employers

Table 6

Name of the organisation	Per cent of existing trade unions at company level	Per cent with collective agreement		
		Companies with more than 250 employees	Companies with 50–249 employees	Companies with less than 50 employees
BCCI		mainly		
BIA	Less than 10%	90–95%	70–90%	0–5%
BICA	No data			
CEIBG	10–19% of the companies		mainly ⁸	
UPBE 'Vuzrazdane'	Less than 10%	70%	50%	10%
UPEE	10–12%	Almost 100%, but we have only several enterprises of that size	About 10–15%	Hard to evaluate, because in the union there are many micro companies and self-employed

The low density of trade union presence at company level is due to the fact that 98% of the enterprises in Bulgaria are small enterprises and 91% are micro enterprises with staff up to 10 persons. There are generally no trade unions in the small companies.

⁸ A survey on multinational companies operating in Bulgaria shows that generally they have a positive impact on the industrial relations development of enterprises in the country. This may explain why CEIBG has the highest percentage of collective agreements in this range, as the multinational companies that are operating within this range of workers are also members of BIBA, one of the founders of CEIBG. Of course, there is also some negative experience too, but this is not part of this survey.

All the employment contracts with the workers in Bulgaria are made in a written form, as this is the imperative requirement of the law. Since 2003, all employers are obliged to register the employment contracts at the National Social Security Institute, which aimed to minimise the non-payment of social contributions to the pension and health insurance funds as well as payments to the tax administration.

The general statement of the interviewees is that the sectoral/branch employer organisations are not involved in collective bargaining at company level. The Labour Code states that collective labour agreement at company level is to be concluded by the employer and the trade union organisation within the enterprise. However, one of the organisations, CEIBG, declares that representatives of the sectoral/branch employer organisation participate on enterprise-level collective bargaining 'always or very often'.

All the employer organisations foresee an increasing role of collective bargaining in the next three years, which is also due to the possibility of new trade union organisations emerging parallel to the procedures on information and consultation of employees. The employers also find advantages in social dialogue as an instrument to oppose the shadow economy.

Trade unions

CITUB

Table 7

	Very seldom	Seldom	Often	Per cent of companies having (estimation)
Shop steward		yes		
Trade union			yes	
Several trade unions at the working place			yes ⁹	

CL 'Podkrepa'

Table 8

	Very seldom	Seldom	Often	Per cent of companies having (estimation)
Shop steward	No shop stewards			0%
Trade union			yes	<30%
Several trade unions at the working place	No – according to the statute of Podkrepa, only one 'sekcija' (trade union section) of Podkrepa can exist in one factory.			0%

⁹ The answer given here means that there could be more than one trade union at company level, but belonging to different head organisations. Originally, according to the statute of CITUB, only one basic organisation of CITUB can exist in an enterprise.

The trade unions have a different viewpoint from employer organisations on their presence in the enterprises, which more or less can be explained by the different approach and perception of the matter.

The setting of a trade union in a company is legally regulated in the Labour Code, where the employers and the state institutions are obliged to create conditions and to support the trade union organisations in performing their inherent functions.

The Labour Code Article 4(1) defines the right of setting trade union organisation without preconditions, but only taking into consideration the status of the organisation. Both trade unions have the same preconditions for setting up a trade union in a company (CITUB calls it 'bazova organizatsia' (basic unit), while CL 'Podkrepa' calls it 'sekcija' (section), as mentioned above). The minimum number of workers should be five, and both have organised elections at company level with a mandate of four years.

As mentioned above, the written labour contracts are obligatory according to Bulgarian legislation, which is due to trade union efforts.

Table 9: CL 'Podkrepa'

Companies	Per cent with collective agreement
More than 250 employees	More than 50%
50–249 employees	More than 25%
Less than 50 employees	More than 10%

At the time of the interview, CITUB did not have such a classification. At any rate, the results, given here, confirm the trend of the presence of trade unions mainly in the big enterprises and those with up to 250 workers, while the majority of employees are out of the trade union organisations at any level.

Both trade unions' sectoral/branch member organisations participate in enterprise-level collective bargaining. As one of the interviewees noted, in the companies with trade unions, the workers benefit from better protection of their rights and interests and more strict compliance with the Labour Code. CL 'Podkrepa' signed an agreement with the Executive Agency National Labour Inspection in 2003. According to this agreement, the trade unions in the enterprises immediately alert the labour inspectors in case of a violation of labour legislation. Thus, better monitoring of the labour legislation and the working conditions are guaranteed.

According to CITUB, the evaluation of the role of company-level collective bargaining within the next three years will increase, while CL 'Podkrepa' states it 'will remain the same' and that there are 'no specific realities in industrial relations to hope for any changes'.

Works Councils

The first attempts to legally establish works councils in Bulgaria were made in 1992, when a draft law was prepared. This met with a negative reaction from the trade unions, which felt threatened from the texts in the document, and they started lobbying against it in the parliament. On the one hand at that time, CL 'Podkrepa' had a very strong parliamentary lobby, while on the other hand, the government had to confront different issues from many strong key actors on the political stage, so the draft law was never voted on by the parliament. Since 2000, the newly created (at that time) Employers' Association in Bulgaria (EABG) raised the issue in public, and this is continued by its successor, CEIBG.

It is not common to have works councils in Bulgarian companies, and only some of the employer organisations (BIA, BCCI, CEIBG) report on that issue. The data shows a very low presence of works councils – from 0% to 5% in the companies with more than 250 employees and those with 50–249 workers. The density is zero in enterprises with fewer than 50 workers.

It should be pointed out that Bulgaria made some changes in the Labour Code, and later adopted a new law on information and consultation of employees in transnational companies. This was done in respect of three EU Directives related to information and consultation procedures for employees of these companies, namely:

- the establishment of European Works Councils or a procedure in community-scale undertakings and community-scale groups of undertakings for the purposes of informing and consulting employees (1994/45/EC);
- supplementing the Statute for a European Company with regard to the involvement of employees (2001/86/EC);
- supplementing the Statute for a European Cooperative Society with regard to the involvement of employees (2003/72/EC).

The law has been in force since 1 July 2006. The procedures on information and consultation have been in force since 1 July 2006 for all enterprises with more than 100 employees, and for those with more than 50 employees, it will be in force from 23 March 2008.

The interviewee from BIA draws attention to the fact that there are few works councils, and where they have been created, it was always initiated by the trade unions. This could be supported by the fact that CITUB has started a pilot project in the region of Varna for the establishment of works councils in companies of that region.

Since the EU Directive on Information and Consultation began to be implemented step by step just two months ago, no evaluation of that process can yet be made. In this respect, the interviewees expressed opinions on how far and how easy or not it was implemented and adopted in the national legislation. The estimations both of employers and trade unions are that the EU Directive on Information and Consultation will increase information and consultation at workplaces, although they differ as to the degree of impact ('very much', 'quite a lot' and 'not so much') in their expectations.

The most common conflict at the workplace is undoubtedly wages (according to six of the interviewees). Next is conflict on work conditions (four interviewees) and one vote each went to conflict on dismissals and conflict on working hours. This is a very sensitive matter for Bulgaria, as the country has the lowest wages, pensions and incomes of all EU Member States (as of 1 January 2007).

There is an existing conflict resolution mechanism at workplaces – the National Institute for Conciliation and Arbitration – NICA (Nacionalen Institut za pomirenje i Arbitrazh) – which was legally created in 2001 by an amendment to the Settlement of Collective Labour Disputes Law and started operating in 2003. The Institute is an executive agency to the Minister of Labour and Social Policy, who appoints its director. The NICA has a Supervisory Board, built on a tripartite principle with two representatives of every nationally representative organisation of employees and employers and the state plus the director – currently 19 members. This instrument is still not very developed, the disputing parties do not often use it and the interviewees propose to better develop it in the future.

The last step in that direction is the Settlement of Collective Labour Disputes Law, adopted in 1990.

Future development

Table 10: *Employer organisations*¹⁰

	CEIBG	BIA
Proposals for development of organisational capacities at sectoral/branch level	Increasing the sectoral collective agreements	Needed to support the sectors with a prevailing number of small enterprises
Proposals for development of organisational capacities at company level	Increasing the number of work councils	Needed training on the procedures for information and consultation
Proposals for development of skill capacities at sectoral/branch level	Theoretical preparation to negotiate collective agreements	Needed training on the changes in the labour legislation
Proposals for development of skill capacities at company level	Training/preparation to participate in enterprise-level collective bargaining	Needed training on the changes in the labour legislation
Proposals for development of financial capacities at sectoral/branch level	Support from the government, development of business-to-business among the members, execution of EU projects	-
Proposals for development of financial capacities at company level	Development of economic activity, execution of projects	-

Table 11: *Trade unions*

	CITUB	CL 'Podkrepa'
Proposals for development of organisational capacities at sectoral/branch level	Merging and association of the financial and staff resources	The main problem is that the extension of collective labour agreements (LC, Art. 51b) is not in force. Restructuring of the employers – development of criteria for the enterprise membership as now we have six organisations and their members are members in more than one head organisation
Proposals for development of organisational capacities at company level	Training in trade unionism; interaction between workers and employee representatives for information and consultation at the workplace	-
Proposals for development of skill capacities at sectoral/branch level	Training in all issues, e.g. health and safety at work, trade unionism, collective bargaining, etc.	Improvement of skill capacities through participation in projects with sectoral/branch federation of EU Member States
Proposals for development of skill capacities at company level	Training in all issues, e.g. health and safety at work, trade unionism, collective bargaining, etc.	<ul style="list-style-type: none"> ■ Spreading of good practices ■ Common training of trade union leaders and employers ■ Supporting the development of Codes of Conduct and promoting the CSR
Proposals for development of financial capacities at sectoral/branch level	<ul style="list-style-type: none"> ■ Preparation and participation in projects ■ Merger and association of financial and staff resources ■ Increase the trade union member fee 	<ul style="list-style-type: none"> ■ Subsidising trade union education and training (as is done in Belgium, France, Italy and the Scandinavian countries) both at national and sectoral/branch level ■ Participation on equal basis in the management of social insurance

¹⁰ Only those two – BIA and CEIBG – have made proposals on the topic.

Table 11: *Trade unions (cont'd)*

	CITUB	CL 'Podkrepa'
Proposals for development of financial capacities at company level	<ul style="list-style-type: none"> ■ Preparation and participation in projects ■ Merger and association of financial and staff resources ■ Increase the trade union member fee 	-
Other proposals for development of capacity-building at sectoral level	Implementation of information and consultation system	Trade union law to be adopted in Bulgaria
Other proposals for development of capacity building at company level	Training of the trade union members as well as worker and employee representatives for information and consultation at the workplace	

Conclusion

As the Commission states in the Monitoring report on the state of preparedness for EU membership of Bulgaria and Romania (Brussels 26/09/2006), 'Despite some progress since May 2006 in the area of social dialogue, the bipartite dialogue has not been sufficiently strengthened and the need for more capacity-building is still an outstanding issue. The representativeness criteria need to be applied in an impartial way to all social partner organisations. Participation in tripartite dialogue must be restricted to social partners' organisations with a social mandate. Bulgaria needs to step up its preparations in this field.'

As a first step in this direction, in late October 2006, a working group on elaborating new criteria for representativeness of national organisations of employers and trade unions was established. Members of the group are representatives of all social partners, currently representative at national level, as well as representatives of the government.

With respect to this, social dialogue in Bulgaria at all levels is a process of development and improvement and although there are some discrepancies, its achievements are unquestionable.

Elina Skarby, Balkan Institute for Labour and Social Policy

Annex

Outcome of the workshop

As a final result of the seminar, we developed a SWOT analysis of the Bulgarian situation and the necessary capacity-building projects for the country.

Strengths	Weaknesses
Organisational capacities	Organisational capacities
Pact for Economic and Social Development of Bulgaria until 2009 – concluded at national level between the representative organisations of employers and trade unions and the government. The pact is a strategic document for the development in three main directions: <ul style="list-style-type: none"> ■ Fast economic growth ■ Improving competitiveness ■ Improving the living standard 	Lack of parity management of public insurance funds, especially the National Health Insurance Fund (NHIF)
Existing understanding of the problem with representativeness criteria at sectoral/branch level, both by the employer organisations and the government and further mutual efforts to resolve it	Lack of clear criteria for representativeness of employer organisations and sectoral/branch level and improvement of criteria for representativeness at national level
Existing social programmes to increase the density of trade union and employer organisation coverage	
Already established Regional and Branch Working Conditions Councils	
Existing legal provisions for extending the scope of CLA to a whole sector.	
Financial capacities	Financial capacities
Using existing financial resources, especially from the Health and Working Conditions Fund for training of social partners at regional, branch and company levels	Insufficient financial support from the government to enforce social dialogue at all levels
Skill capacities	Skill capacities
Good skill capacities of all partners at national level	Lack of systematic education and training as well as communication capacities at sectoral/branch and company level

Project proposals

- Project for facilitating the establishment of work councils at company level
- Project for improving the work of Health and Safety Committees at company level
- Project for improving the operational efficiency of branch working conditions councils (training and financial capacities to be increased)

Project: Facilitating the establishment of works councils at company level

What: Producing manuals for different branches

Why: To facilitate implementation of the European Council Directive 1994/45/EC on information and consultation and its introduction by sectors/branches in the Bulgarian legislation.

Where: Sofia, Bulgaria

When: June–July 2007

Who: Bulgarian nationally representative organisations of trade unions and employers

How: ESF financing

Project for improvement the work of Health and Safety Committees at company level

What: Producing manuals and leaflets, examine good practices and study visits at company level to companies from the same branch

Why: To facilitate the establishment of works councils in Bulgarian companies

Where: Bulgaria, France and Belgium

When: March–April 2007

Who: Bulgarian social partners together with French and Belgian social partners

How: EC financing

Project for improvement the operational efficiency of branch working conditions councils (training and financial capacities to be increased)

What: Development of unified methodology for training of the Regional and Municipal Working Conditions Committees

Why: To support and improve the activities of the Branch Working Conditions Councils (BWCCs) and to train new people. Development of manual for the BWCCs.

Where: In the six planning regions of Bulgaria

When: March–April 2007

Who: Working Conditions Fund and experts

How: ESF financing and local financing, provided by Working Condition Fund

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5. Mr Evgeni Ivanov, executive director, CEIBG
6. Mr Teodor Detchev, deputy chair of UPEE, and Ms Mira Kovacheva
7. Mr Vesselin Mitov, confederation secretary, CL 'Podkrepa'
8. Mr Ivan Kokalov, deputy chair of CITUB

Abbreviations of the organisations:

- Bulgarian Industrial Association – The Voice of Bulgarian Business (BIA)
- Bulgarian Chamber of Commerce and Industry (BCCI)
- Bulgarian Industrial Capital Association (BICA)
- Bulgarian Union of Private Entrepreneurs 'Vuzrazdane' (BUPE 'Vuzrazdane')
- Confederation of Employers and Industrialists in Bulgaria (CEIBG)
- Confederation of Independent Trade Unions in Bulgaria (CITUB)
- Confederation of Labour 'Podkrepa' (CL 'Podkrepa')

Other abbreviations

LC – Labour Code

CA – collective agreement

NSI – National Statistic Institute

NSSI – National Social Security Institute

TU – Trade unions

List of participants

Workshop on social dialogue capacity-building at sectoral and company level in the new Member States, Bulgaria, Croatia, Romania and Turkey
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