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Political context affecting working life aspects

The Bulgarian presidency of the Council of the European Union in the first half of 2018 was the main government priority, with the expectations for strengthening the position of Bulgaria in the European community and for setting goals, which should enhance security, economic activity, protection of consumer rights and protection of the interests of the Bulgarian communities abroad. The Presidency has brought new dynamics into social and political life and the proactive participation of the trade unions and the employer’s organisations in a range of formal and informal meetings, forums and conferences under the Bulgarian Presidency programme provided for inclusion of important social aspects and themes into the agenda (Bulgarian Presidency of the Council of the European Union (2018)).

The second half of 2018 was marked by organised and spontaneous civil protests that began in June 2018 with a tent camp of the protesting mothers of children with disabilities under the ‘the System Kills Us’ initiative. As a result of their pressure and the prolonged negotiations until December 2018 with the participation of the Minister of Labour and Social Policy, Bisser Petkov, the Ombudsman of the Republic of Bulgaria, Maya Manolova, experts from the government, social partners and NGOs, it was adopted a package of laws for people with disabilities and for personal assistance, and an additional BGN 150 million (EUR 77) was allocated in the 2019 budget to finance the increased costs for people with disabilities (Yanev, 2018). Future amendments of the labour legislation have also been discussed since such amendments could stimulate the employers to hire people with disabilities and to adapt working conditions to the specific needs of these people.

During the last month of 2018 trade union and employers were highly concerned about the market in electricity. According to a statement by the Confederation of Independent Trade Unions in Bulgaria (CITUB) there are enterprises which suspend their activities and producers who will substantially raise the prices of the main food products. Because of the tense situation within the market in electricity an Extraordinary meeting of the National Council for Tripartite Cooperation was summoned in the beginning of 2019. According to CITUB the increasing price of the electricity will affect not only the business but may also increase the prices of the food and the non-food products and thus the incomes will be also influenced.

Labour market reforms or major packages of working life regulations

Following the employers’ demands, the Bulgarian Labour Migration and Labour Mobility Act was amended by the National Assembly in March 2018. The amended Act entered into legal effect on 23 May 2018.

The amendments significantly increase the maximum quota of non-EU foreigners hired in Bulgarian companies- from 10% of the overall staff to respectively 35%. The so-called ‘market test’ obligation for issuing a Blue Card is terminated. This test required employers to publish a job search for Bulgarian highly qualified workers before recruiting from abroad non-EU foreigners. The legislation now approves the abolishment of the list of professions undergoing labour shortages of highly qualified specialists. Thus there will be an easier access of foreigners with different professional qualifications to the Bulgarian labour market. In practice it will be no longer necessary for employers to prove the labour shortage of highly qualified specialists.

Social partners’ views and reactions on changes in governments and working life policies

The major issues discussed in the National Council for Tripartite Cooperation (NCTC) in 2018 were labour migration and labour mobility; social security; actions in the field of the social economy; policies towards people with disabilities; corporate income tax; the state budget for 2019, as well as the budgets of the State Social Security and the National Health Insurance Fund; the minimum wage for 2019.

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Trade unions approved the 2019 State Budget because of: the increased wages and salaries costs (average increase of 10% for the activities funded through the budget and an increase of 20% for the secondary school teachers); the intended consecutive raise of the statutory minimum wage; the efforts for improving tax collection and collection of the social security contributions; the applied measures against tax fraud and grey economy; the successive measures for the financial recovery of the State Social Insurance.

Substantial public matters caused the confrontation between trade unions and employers during 2018. The negotiation process of the minimum social insurance income (MSII) in 2018 failed for a third consecutive year since the employer organisations refused to negotiate. The negotiations in NCTC on procedure and mechanism for national minimum wage setting are controversial and it is highly unlikely that consensus will be reached in the near future.

Employers’ organisations attack the minimum wage for 2019, fixed by the government at the level of BGN 560 (EUR 286) and demand abolition of the seniority pay (according to length of service) and the minimum social insurance income.
Developments in industrial relations 2018

Changes affecting the national-level actors and institutions in 2018

Actors
In 2018 Mr. Radev acted as a Chairman of the Association of the Organizations of Bulgarian Employers (AOBE). AOBE represents the national representative employers organisations: Bulgarian Industrial Association (BIA), Bulgarian Chamber of Commerce and Industry (BCCI), Bulgarian Industrial Capital Association (BICA), Confederation of Employers and Industrialists in Bulgaria (CEIB). Mr. Radevis a rotating Chairman of AOBE and replaced the former Chairman Mr. Vassil Velev, Chairman of BICA.

During the 4th Congress of the International Trade Union Confederation (2-7 December 2018) the CITUB President Mr. Plamen Dimitrov was elected as a President of the ITUC Human and Trade Union Rights Committee.

Due to changes in the Council of Ministers Ms. Mariyana Nikolova, Deputy Prime Minister for Economic and Demographic Policy, was elected on 5 December 2018 by the Government as a Chairman of the National Council for Tripartite Cooperation. Thus she replaced the resigned former Chairman- Mr. Valeri Simeonov.

Representativeness
There are no changes in the representativeness during 2018. According to the data from the 2016 census, five employer’s organisations are recognised as representative ones at national level for a four-year period: BIA, BCCI, CEIBG, BICA and the Union for Private Economic Enterprise (UPEE). The representativeness of UPEE has been questioned by the other four employers’ organizations.

There are two national representative trade union organizations- the Confederation of the Independent Trade Unions in Bulgaria (CITUB) and Confederation of Labour PODKREPA (CL “Podkrepa”).

Institutions
During 2018 there are no institutional changes in the field of social dialogue and industrial relations.

Changes affecting the sectoral and company level social dialogue 2018
In 2018 there are no major changes. The number of sector/branch collective agreements remains stable (19 in 2017 and 2018) while the number of collective agreements at enterprise level has decreased by 6.6% (from 1812 in 2017 to 1692 in September 2018).

Innovation in collective bargaining
There were no major innovations made in collective bargaining.
National social dialogue in 2018 – Scope and Contribution

<table>
<thead>
<tr>
<th>Theme</th>
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<tbody>
<tr>
<td>Employment - Major ALMP</td>
<td>The Ministry of Labour and Social Policy approved the implementation of 28 regional</td>
<td>The national programs provide employment primarily to the vulnerable groups—young people up to 29 years old, NEETs up to 25 years old, elderly people over 50 years old and long-term unemployed. The national programs have been discussed with the social partners within the National Employment Council.</td>
<td>The entry to employment of 2218 unemployed is being financed for a period of at least 6 months through the allocated BGN 7.9 million (EUR 4 million) from the state’s budget. There are 1,753 unemployed (79% of the subsidized unemployed) who will be provided with a full-time job while other 465 unemployed (21% of the subsidized unemployed) will be provided with part-time job. Social partners take part in the implementation of the national employment programs and consider their participation as contributory to the effectiveness of these programs.</td>
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<td>Skills - Skills shortages - trainings</td>
<td>Skills shortages have been identified by employers at regional and sector level. The social partners initiated and implemented trainings of unemployed people in order to increase their employability.</td>
<td>The target groups have been offered vocational education and training and key competences development. 46% of them got a job. Trade unions provide mainly training on key competences while employers organizations provide vocational training and subsequent employment opportunities.</td>
<td>The National Action Plan for Employment in 2018 contains measures to be implemented by employers and trade unions in their role as social partners. They trained 7,800 unemployed and offered subsidized employment and regular jobs to 3,600 people. Their activities prove the contribution of the nationally representative social partners towards increased workers’ employability.</td>
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<td>Benefits - Reform of minimum income</td>
<td>Poor effectiveness of the Social Assistance System—this includes bad distribution of resources to the deprived and inadequate social transfers. Thus the difference between the poverty level before social transfers (pensions included) and the poverty level after social transfers amount to 5 p.p.</td>
<td>Several consecutive Commissions’ country-specific recommendations propose the introduction of a regular and transparent revision scheme for the minimum income and improve its coverage and adequacy. Within the tripartite debate, trade unions and employers insist that the Social Assistance System shall not only be a subject of debate but also be reformed.</td>
<td>The guaranteed minimum income increased by 15.4% in the beginning of 2018. Under the trade union’s pressure and because of the raising energy prices, the state aid for heating was increased by almost 50% for the winter season 2018-2019. Thus the 2019 State’s Budget allocated additional BGN 40 million (EUR 21 million) for energy assistance.</td>
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### Bulgaria: Developments in working life 2018

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<td><strong>Taxation and social security contributions - Reform of taxation</strong></td>
<td>The public opinion is highly differentiated ten years after the introduction of a 10-percent flat tax rate on natural people and a 10-percent corporate income tax. The employers’ organizations and the ruling political party “Citizens for European Development of Bulgaria” (GERB) supported the flat tax rate during the 2018 debates. According to the trade unions the flat tax rate increases inequalities; thus the tax rate shall be replaced by a progressive scale (Confederation of Labour “Podkrepa”) or shall be complemented by a minimum non-taxable income at the level of the national minimum wage (CITUB).</td>
<td>The tax rate was debated during forums organized by the two national representative trade union organizations; the topic was also discussed in the media and in NCTC meetings.</td>
<td>The government preserved the existing tax system in 2018 and 2019. Despite the shortcomings the tax system will be kept unchanged because the 4-years government program does not provide for any changes in the main tax model.</td>
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<td><strong>Pension reforms - Change of level of pension</strong></td>
<td>The foreseen abolishment of the pensions'ceiling was postponed during the debates on the State’s social insurance budget. Instead both the maximum pension rate and the maximum insurance income were increased.</td>
<td>The government postponed the pensions'ceiling abolishment; after that the new levels of the maximum pension and the maximum insurance income were negotiated in a bipartite meeting between the government and the trade unions. The employers’ organizations expressed their sharp criticism on the conducted bipartite consultation and rejected the increase of the maximum insurance income.</td>
<td>The Parliament adopted the proposed amendments. Thus in the middle of 2019 the level of the maximum pension will be increased from BGN 910 (EUR 465) to BNG 1200 (EUR 613). In the beginning of 2019 the maximum insurance income is increased from BGN 2600 (EUR 1329) to BGN 3000 (EUR 1534).</td>
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<tr>
<td><strong>Wage setting - Minimum wage setting</strong></td>
<td>In CSRs 2014, 2015 and 2016, 2017 the Commission warned that the minimum wage (MW) is set without a clear and transparent mechanism. The EC argued that the lack of such mechanism may put at risk the achievement of a proper balance between the objectives of supporting employment and competitiveness, while safeguarding labour income. The Commission recommended that the procedure and mechanism for MW setting is elaborated in consultation with the social partners.</td>
<td>During 2018 the tripartite experts working group, which was set in 2016, transformed itself into periodic meetings at political level between the leaders of the trade unions, employers and government.</td>
<td>Despite the ratification of ILO Convention 131 and the observed progress in the negotiations between the trade unions and the employers, the second half of 2018 was once again marked by substantial contradictions between the social partners. Due to the lack of commonly accepted mechanisms for increasing the minimum wage and following a formal NCTC consultation, the government set unilaterally the 2019 minimum wage rate at BGN 560 (EUR 286).</td>
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### Theme: Health, Safety and Well-being at work - Physical hazards

The major work-related risks in the Light industry sector include noise, dust, physical exercise, illumination, macro-climate, vibrations, chemical agents. In 2018 several forums expressed the need for implementing new workplace culture focused on prevention of work accidents, occupational diseases and work-related illnesses resulting in absenteeism.

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<td>Health, Safety and Well-being at work - Physical hazards</td>
<td>The major work-related risks in the Light industry sector include noise, dust, physical exercise, illumination, macro-climate, vibrations, chemical agents. In 2018 several forums expressed the need for implementing new workplace culture focused on prevention of work accidents, occupational diseases and work-related illnesses resulting in absenteeism.</td>
<td>Tripartite seminars and conferences which were attended by international experts.</td>
<td>The General Labour Inspectorate Executive Agency and the trade unions signed an Agreement on strengthening the control activities through preliminary planned inspections. There are concrete actions to be taken for tackling undeclared work - which is considered as part of the grey economy and contributing to social dumping - through enhanced opportunities for regulating industrial relations.</td>
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No major social dialogue debates were held on the following themes: Benefits; Employment; Health, safety and well-being at work; Pension reforms; Wage setting.
Selected major social dialogue debates

Health and safety in the Light Industry

An international seminar covering the manufacture of textiles, wearing apparel and leather in the South-east European region was held in Sofia, November 2018. The seminar was attended by Alexander Manolev, Deputy Minister of Economy; Luc Triangle, General secretary of IndustriAll; Christina Hajagos-Clausen, Director, Textile and Garment Industry, IndustriALL Global Union; Radina Bankova, Chairman of the Board of managers of the Bulgarian Association of Apparel and Textile Producers and Exporters (BAATPE); Bertram Rolman, Deputy Chairman of the Board of managers of BAATPE; Tsvetelina Milchalieva, President of the Federation of the Independent Trade Unions in Light Industry (FITULI); Rositsa Marinova, President of Federation of Light Industry CL “Podkrepa”; trade union representativeness from Sweden and Spain; representativeness of the global brands “Inditex” and “H&M”; employers who are subcontractors and suppliers of multinational companies in Bulgaria.

The seminar’s presentations were dedicated to the Global Framework Agreements in the Light industry, the ACT initiative (Action-Cooperation-Transformation) for decent wages, the strategies by the global leading brands, the national situation in the Bulgarian Light industry sector.

The application of the Global Framework Agreements ensures not only respect for the ILO minimum labour standards and the right to organize and collective bargaining but also guarantees adherence to the Code of practice and provision of decent work and decent pay.

The seminar generated ideas and proposals for the future development of the sector; these include: sector level collective bargaining; commitment to restore the Tripartite Council and the Working conditions Council in the Light Industry sector; formation of an Expert Group to the Ministry of Economy; implementation of National monitoring body of the implementation of the Global Framework Agreements; provision of regional meetings and education activities for workers and employers.

Mr. Triangle defined the seminar as a “historic meeting” because of the creation of a universal strategic plan and the generated interest in sector and enterprise collective agreements and pay rise campaigns.

As a result of the seminar FITULI and BAATPE launched the campaign “BG fashion come bright”. The campaign is focused on information activities among workers and employers and covers thematic areas such as health and safety measures, risk assessment, elimination of hazardous substances and work-related risks.

Protests in the transport sector against the “Mobility Package”

In 2018 there were wide public debates considering the proposed amendments of several European regulations and directives in the transport sector (known as the “Mobility Package”). Tension increased in the end of 2018 when it was announced that the European Parliament is going to adopt regulations which could eliminate the international transport business activities of many East-European countries. Bulgarian employer’ organizations were supported both by the government and the trade unions. CITUB and the Federation of Transport Trade Unions in Bulgaria (FTTUB) published joint position which recognizes both the business threat to the lorry drivers and the need to establish decent wages for the employees. CITUB and FTTUB does not accept the attempts of removing the Bulgarian transport workers out of the single transport market through the application of measures which restrict the access of the Bulgarian employers. On one hand, CITUB and FTTUB welcome the introduction of uniform rules for the European motor drivers (including the control over working conditions, rest breaks and etc.), on the other hand, the two organizations express their concerns about the regulation of posting of workers and rest periods outside the vehicle as defined by the European Parliament’s Committee on

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Employment. Such regulations could affect the inland transport in a negative way and repel the East European employers.

The protest actions of the Bulgarian drivers in Brussels on 10 January 2019 can be seen as an alarming sign for the growing problems.

Unilateral government actions – without social dialogue

There were no major examples or cases.

Collective labour disputes in 2018

Changes in the regulation of collective labour disputes

There are no changes in the regulation of collective labour disputes in 2018.

Selected major labour disputes of national significance

About 1,000 workers in Maritsa Iztok mines and Maritsa Iztok 2 coal-fired power plant organized a protest rally in the town of Radnevo at the end of November 2018. They warned of a permanent deterioration in the financial situation of the major state-owned energy companies and opposed the closure of jobs in the region. The protests have been also provoked by the shock price increase of the carbon emissions imposed by the new EU climate change requirements. There are 100,000 jobs which are threatened in the coal mining and energy sectors, prompting urgent state interference in defence of the national interests and the country energy independence. The two trade unions CITUB and CL ‘Podkrepa’ have insisted on the adoption of a new energy strategy with a horizon 2030-2050, in which it will be stipulated what share of electricity production will be provided by local coal-fired thermal power plants (currently this share is 45% and guarantees national energy security).

Working time 2018

Changes in the regulation of working time 2018

Legislation on working time duration or organisation

Because of the development of the legislative basis of the working time in summary calculation some amendments in the Order on working hours, rest periods and leave have been introduced. The amended texts were approved by the employers and the trade unions. The amendments are announced in the State Gazette, issue 58 from 13 July 2018.

The duration of the working time shall be presented in hours for the period of time when calculation of working time is applied; the number of the reported calendar working days is multiplied by the daily duration of the working time (which is set in the labour contract).

It was introduced a regulation on the method of recalculating the working time in cases where the employee/worker have used the leaves for temporary disability, pregnancy and childbirth and adoption of a child between two and five years of age during the whole (part of the) period of time when calculation of working time is applied.

Collective bargaining outcomes on working time duration or organisation

There are no major/relevant outcomes of collective bargaining concerning working time duration and/or working time organization.

Major debates concerning working time duration or organisation

There have been debates on the night work during 2018. CL “Podkrepa” launched the campaign “Decent working conditions and decent remuneration for the night work”.

According to the Statement of CL “Podkrepa” there are over 400,000 Bulgarian workers who
perform night work and face physiological, health and social problems while not being able to receive decent wages.

The night workload cause fatigue, deterioration in the health, higher rate of work-related accidents, employment injuries, staff turnover, social isolation, higher divorce rate, demographic problems and emigration.

At the same time there are still gaps in the current legislative texts which regulate the night work. CL “Podkrepa” highlights that the Ordinance on the structure and organization of the salary, which determines the additional remuneration for night timework, has not been updated since 2007. Thus the trade union insists that the remuneration for the night-time work shall be either 0.5% of statutory minimum wage or 0.5% of the basic wage as defined in the personal labour contract. The current rate of the remuneration for the night-time work is set at BGN 0.25 (EUR 0.13); this rate was defined in 2007 when the national minimum wage was BGN 180 (EUR 92).

BICA stated that the Ordinance on the structure and organization of the salary defines the minimum rate of the remuneration for night timework while the collective agreements provide higher rates.

In October 2018 the Podkrepa’s proposal for updating the minimum rate of the additional remuneration for night-time work was tabled in the NCTC Commission on Income and Living Standards. The employers and the government rejected the proposal during the subsequent meetings. Mr. Biser Petkov, Minister of Labor and Social Policy, argued that the 2019 Draft Budget is almost completed and thus no resources can be granted to secure the implementation of the proposal. The night work is going to be analyzed once again in 2019 during the wider discussion on the additional remunerations and the required Labour Code’s amendments.

Health and well-being at work 2018

Physical working environment
There are no major developments in 2018.

Psychosocial working environment
There are no major developments in 2018.
Employment status 2018
No major changes in 2018 for: ‘Standard’ employment contracts; Self-employed; Fixed term contracts; Posted workers and Zero hour contracts.

Temporary agency workers
According to the newly adopted paragraph 3, article 74g of the Employment Promotion Act the Temporary-work agencies shall prove the circumstances of their activities by declaring that:

- they do not incur any pecuniary obligations to the State or to a municipality;
- they are not adjudicated bankrupt, nor are subject to pending bankruptcy proceedings;
- liquidation proceedings are not pending thereagainst and, applicable to non-resident legal persons, a similar procedure according to the legislation of the relevant State is not in progress thereagainst;
- they are represented by persons who have not been convicted of an intentional publicly indictable offence, unless those persons have been rehabilitated.

Paragraph 3, article 74g is promulgated in the State Gazette, issue 97 and 103, in force since 01.01.2018.

Seasonal workers
The Bulgarian Labour Migration and Labour Mobility Act was amended in 2018. The amendment are effective from 23 May 2018 and are as follows:

- The processing term for a seasonal worker’s permit is reduced from 15 to 10 days;
- Foreigners can be hired for seasonal work for a period shorter than 90 days without interruption in one calendar year (there is no amendment of the maximum admissible duration of the seasonal employment which is set at 9 months);
- Adoption of simplified permission procedures.
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The European Foundation for the Improvement of Living and Working Conditions (Eurofound) is a tripartite European Union Agency established in 1975. Its role is to provide knowledge in the area of social, employment and work-related policies according to Regulation (EU) 2019/127.