



Industrial relations and social dialogue
**Bulgaria: Working life in the
COVID-19 pandemic 2020**

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Introduction

The impact of the first wave of COVID-19 began in Bulgaria in March 2020 and the situation was improved in July 2020. Although the number of infected persons was comparatively low, there was closure of the schools and universities, also of restaurants, night clubs, big retail centres, cultural institutions and sport centres. Most of the events are not allowed – sport competitions, live performances, movie screenings, conferences, also wedding and birthday celebrations etc. Many office workers were allowed to work from home. There were strong hygiene conditions in the shops, banks and some other service organisations. Since the middle of May, most of the events were allowed again, but with restricted number of people who could attend. The schools were closed till the end of the school year and the education continued to be provided on-line.

In October 2020 the impact of the second wave began, but the situation improved since the beginning of new year. The rapid increase of number of infected in November, with many deaths, forced the Government it to implement more strong measures. The schools and universities were closed and home offices for most of the office workers were recommended. The restaurants, night clubs, malls and places for sport were closed and the live performances were allowed with only 30% occupation of the places. Before Christmas the restaurants in the hotels were opened and since the middle of January the nurseries and kindergartens were opened again. There is plan for smoothly liberalisation of restrictions, at first for the schools.

Although large number of the population supported the restriction during the Spring, currently the public opinion is divided- a lot of people still support the restrictions, but also many people are against and some even still don't believe there is a real danger.

Impacts of the pandemic on working life

The lockout in March –May 2020 was the first main factor, which has an impact on the working life. There are closures of many small and medium sized companies-restaurants, shops, hotels and some touristic companies. Transport companies, like aviation transport, domestic and international road transport, city transport, even railway transport were affected. Cultural institutes and some of the social services and education organisations were also closed.

Some sectors, however, have been affected in another way –healthcare (especially hospitals), some social services, also administration, contract catering, IT services, some shops etc. In the hospitals there has been too intensive and hard work (also with many extra working hours) although many regular functions were delayed. This concerned the urgent medical assistance. In some of the administration offices also the work should be more intensive. Besides, the volume of some services, provided at homes and offices increased (catering) as well as of the others decreased (on-line shopping, social services etc.).

There were not as many national and sectoral surveys concerning the impact of the pandemic on working life. One of the national survey, implemented by the private agency Alpha Research pays more attention on this impact (Alpha Research agency, 2020). According to it, there are many changes in the working life, as follows.

In April 2020, 47.8% from the respondents continue to work in the same way as they work before the pandemic (usually in the factory or office). However, 10% work with reduced working hours on traditional workplaces, 9.8% work both from home and in the office, 8.4% work from home but with full working hours and 2.6%-from home, but with reduced working hours. There are some other dimensions: for 7% the employers forced them to use their paid annual leave, 5.4% should take non paid leave and for 7.4% the situation is not clear-they still have contracts and are not using neither paid nor non-paid leave, but they reply they don't work because of lack of clients, orders etc. There were many redundancies – 9.1% from the companies were forced to dismiss all the employees and 12% dismiss some of its' employees. Among the respondents, who were redundant, 56.1 % were redundant because the company should stop to operate, 31.8%- because the company has no clients and orders and 12.1% returned from abroad where they were also redundant.

The shareholders and company managers usually support the Government restrictions, and 92% of them declared they implement strong hygiene measures at the workplaces. Approximately 60% of them support the Government activities for support of the business, for example the assistance for payment of wages to companies, which are affected by the COVID-19 and forced to stop their operations. At the same time, many of managers and shareholders indicated that the crisis forced them for some improvement. For example, 27.4% shared that they have made some steps to improve the production and labour organisation, 21.7%- started to use more ICT in their activities, 17% - indicated that they used flexible working hour. Most of the respondents from this group declared they will keep the implemented measures even when the pandemic will finish its' impact.

Another important survey was made by the newspaper Capital and was focused on the implementation of telework and other forms of remote work during the pandemic (Gocheva, Capital newspaper, 2020). The respondents were both managers and high qualified employees. More than 70% indicated that their companies the employees are working fully or partially from home and 83%

also mentioned that their companies intend to keep such practices even when the pandemic is over. What is interesting, 65% from the employees share that their work is more productive when they work from home and also many from the managers indicated that they registered increase in the productiveness of their employees and better results of the companies in the time of implementation of “home office”.

At the same time, 78.9% from the respondents mentioned, that there is a big challenge to have balance between the working and private life and 44% have problems because of disrupted communications with their co-workers.

The National Statistical Institute also organised several surveys regarding working conditions under pandemic COVID-19. A survey data from November 2020, including 3,770 companies with approximately 270,000 employees in total, shows some increase of the telework. For example, in November 18% from the companies, included in the survey implemented telework, as in October, they were 14%. The share of such companies in November was closed to the share of companies, which implemented telework in May 2020 -20.8% (Capitzal newsletter, 2020).

Political context

During the first lockdown in Spring the Government increased its' influence. However, between July and September there were many protests, with demands for resignation both of the government and the Attorney general. They were organised mainly by small parties, which are not represented in the Parliament. The Government was blamed for corruption, but among the reasons were also some of the restriction, which caused decline in the wages of some groups of the population. There are also doubts that some businessmen, who are blamed by the prosecutors and who are not in the country, supported the protests with finances. The president of the republic tried to be involved in the conflict on the side of the protests, which was not in line of his constitutional role.

There was no resignation neither by the Government, nor by the Attorney general. In the autumn the protests already were too weak and since the second lockout they stopped. The new general elections are expecting to take place in the beginning of April 2021. The presidential election should take place in October 2021. Many of the citizens want to have another Government as the current one 10 years was dominated for ten years by one right-centred party, in coalition with other smaller parties. However, many other don't want such a radical change, as the alternative seems not better. The big left –centred party doesn't suggest nothing new and different and currently is in organisational gap. The other small parties also don't suggest nothing new.

Governments and social partners response to cushion the effects

Since March 2020 the Government implemented several main measures, which are related to cushion the effects of COVID-19.

First, after consultations and common decision with the Bulgarian national bank some measures for support of banking sector and business were implemented, for better flexibility of credits and investments:

- possible delay of payment on the credits was allowed and also freezing of payment of penalty interest for prolonged payments on credits;ⁱ
- support of Bulgarian Bank for Development in purpose to ensure more flexible credits for the business; special credits for SMEs; micro credits for self-employed and new micro and small companies; guarantees for credits with zero interest payment;ⁱⁱ

Second, some funds were envisaged for investment in innovative companies and in the regional development /urban development, as well as grants for micro and small companies.^{iii ivvviviiiiiix}

Third, some reduction of the level of VAT for some sectors -tourism, hotels and restaurants were envisaged and change of the deadline for payment of the corporate taxes.^{xxi}

Fourth, very important activity is the envisaged funding for assistance of companies, which should be either closed or operate with reduced capacity because of COVID-19 and restrictions. Companies could get up to 40% of amount of the wages of their employees, to prevent redundancies. However, there are requirements for regular payment of taxes and insurance contributions in the period before the COVID-19 crisis.^{xiiixiii}

Fifth, the increasing of wage in some public sectors was negotiated: the health care, police; military service, some structures of public administration. The wages in some sectors like in the cultural institutes, live performance etc. were paid, although their activities were frozen between March and May 2020. To some self-employed and freelancers, especially from the live performance and other branches of culture some financial assistance for 3 months was provided.^{xivxxvixvii}

Sixth, some other social activities were provided: additional payment to the pensions, additional financial assistance for parents who have to look for small children and who had to take non-paid leave; support for poor, disables and other vulnerable groups. Some assistance like delivering food, medicines and some social services in homes, organised by municipality councils are envisaged as well.^{xviiiixix}

Seventh, the Government also encouraged the employers to allow telework in cases where is possible and for the groups of workers for whom it is possible.

All such measures are consulted in the National Council for tripartite Partnership.^{xxxxi}

Bipartite sectoral policies. In September 2020 in many sectors special agreements concerning COVID-19 consequences and activities for prevention, protection of workers and others were negotiated and signed. Such agreements were signed by the sectoral trade union federation of the Confederation of Independent Trade Unions of Bulgaria (CITUB) with employers' organisations in mines, metallurgy, machine building, textile, clothing, leather and shoos (two agreements with two

sectoral employers' organisations), food processing, construction, water supply, live performance (music). The subject of these agreements were mostly focused on the Health&Safety at work, including prevention (information, consultation, instructions, restricted access to the companies, hygiene activities, use of special means like masks, special work clothes, gloves), work organisation-rotation at work places, distance, implementation of telework and home work at places and for the groups for which this is possible, reduced working hours, paid and non-paid leaves. Also, according to CITUB, some activities for assistance and financial support of the infected workers and their families were also negotiated. ^{xxii}

In many companies, consultations were organised and agreements, concerning prevention and workers' protection were prepared, in some cases including telework and homework. The employers' organisations and trade unions, by their side, collected information concerning the situation with various companies and groups of workers and prepared their views and suggestions. CITUB leadership also decided to accumulate a fund for financial support of trade union members, who are ill and to their families in cases of death.

ⁱ Eurofound (2020), COVID-19: [Credit guarantees for commercial banks by Bulgarian development bank \(BDB\)](#), case BG-2020-11/497(measures for Bulgaria) COVID-19 EU PolicyWatch, Dublin.

ⁱⁱ Eurofound (2020), [COVID-12: Interest –free credit guarantee programme for individuals](#), case BG-202016/498 (measures for Bulgaria).COVID-19 EU PolicyWatch, Dublin.

ⁱⁱⁱ Eurofound (2020), [.COVID-19:Grant support for micro and small companies](#), case BG-2020-20/1006(measures for Bulgaria) .COVID-19 EU PolicyWatch, Dublin.

^{iv} Eurofound (2020), [.COVID -19:Loans for microenterprises](#), case BG-2020-16/637 (measures for Bulgaria). COVID-19 EU PolicyWatch, Dublin.

^v Eurofound(2020), [.COVID-19:Subsidies available to tour operators for charter flights](#), case BG-2020-23/1179 (measures for Bulgaria). COVID-19 EU PolicyWatch, Dublin.

^{vi} Eurofound(2020), [.COVID-19:Subsidies available to tour operators for charter flights](#), case BG-2020-23/1179 (measures for Bulgaria). COVID-19 EU PolicyWatch, Dublin.

^{vii} Eurofound (2020), [.COVID-19:State aid for agriculture](#), case BG-2020-34/1181(measures for Bulgaria). COVID-19 EU PolicyWatch, Dublin.

^{viii} Eurofound (2020),[.COVID-19: Capital support for SME-s](#), case BG-2020-52/1665(measures for Bulgaria). COVID-19 EU PolicyWatch, Dublin.

^{ix} Eurofound (2020),[.COVID-19:Support for medium-sized enterprises](#), case BG-2020-35/1085 (measures for Bulgaria). COVID -19. EU PolicyWatch, Dublin.

^x Eurofound (2020), [.COVID-19: Business tax relief](#), case BG-2020-16/495 (measures for Bulgaria) COVID-19. EU PolicyWatch. Dublin.

^{xi} Eurofound (2020),[.COVID-19:Reduction of VAT for certain goods and services](#), case BG-2020-27/104 (measures for Bulgaria) COVID-19. EU PolicyWatch. Dublin.

^{xii} Eurofound (2020),[.COVID-19:Income support for workers](#), case BG-2020-11/494(measures for Bulgaria). COVID-19. EU PolicyWatch, Dublin.

^{xiii} Eurofound (2020),[.COVID-19:Measures for maintaining employment in transport and tourism](#), case BG-2020-26/1002 (measures for Bulgaria). COVID-19. EU PolicyWatch, Dublin.

^{xiv} Eurofound (2020),[.COVID-19:Assistance for frontline workers in health care services](#), case BG-2020-31/1086 (measures for Bulgaria). COVID-19. EU PolicyWatch, Dublin.

^{xv} Eurofound(2020), [COVID-19: Unemployed can take seasonal work in agriculture without loss of benefits](#), case BG-2020-15/496 (measures for Bulgaria). COVID-19. EU PolicyWatch, Dublin.

^{xvi} Eurofound (2020), [COVID-19: Assistance for parents taking unpaid leave due to the state of emergency](#), case BG-2020-11/499 (measures for Bulgaria). COVID-19. EU PolicyWatch, Dublin.

^{xvii} Eurofound (2020), [COVID-19: Assisting artists and freelancers](#), case BG-2020-11/501 (measures for Bulgaria). COVID-19. EU PolicyWatch, Dublin.

^{xviii} Eurofound (2020), [COVID-19: United against COVID-19: Campaign to fund projects for vulnerable people](#), case BG-2020-14/1458 (measures for Bulgaria). COVID-19. EU PolicyWatch, Dublin.

^{xix} ^{xix} Eurofound (2020), [COVID-19: "Hot lunch" program for people in need](#), case BG-2020-1/1739 (measures for Bulgaria). COVID-19. EU PolicyWatch, Dublin.

^{xx} Eurofound (2020), [COVID-19: Support unpaid workers](#), case BG-2020-47/1684 (measures for Bulgaria). COVID-19. EU PolicyWatch, Dublin.

^{xxi} Eurofound (2020), [COVID -19: Measure "Employment for You": subsidised employment for hiring unemployed](#), case BG-2020-26/1004 (measures for Bulgaria). COVID-19. EU PolicyWatch, Dublin.

^{xxii} Eurofound (2020), [COVID-19: You are not alone \(CITUB\)](#), case BG-2020-18/1440 (measures in Bulgaria), COVID-19 EU PolicyWatch, Dublin.

How COVID-19 accelerated and disrupted working life policies and impacted social dialogue

Accelerated developments

On 17 July 2020 a national tripartite agreement was signed by the Government and the social partners. It is focused on many areas like banking sector, energy production and supply, industrial development, demography, education and labour market as well as on the social protection and improvement of working life.^{xxiii}

At all the levels of the social dialogue was improved in some areas like health and safety at work (including prevention and protection workers under conditions of pandemic), working time and its' flexibility, digitalisation and the consequences for working life implementation of telework and home work under conditions of pandemic and beyond it, work-life balance, the greening of economy, including the consequences of transition to low carbon economy (employment, working conditions, qualification of redundant employees etc.), integration of migrants at the labour market etc.^{xxivxxvxxvi}

Disrupted developments

Problems which exist even before the pandemic in some sectors and companies were deepened during the pandemic. In some cases, the negotiations were frozen. Such problems concern mainly the level of wages, the negotiations of minimum wages per sectors and occupations and other problems of wage negotiations. Although the starting negotiations of minimum level of wages per sectors and occupations was agreed in the national tripartite agreement, signed in June, some of the national employers' organisations still don't agree with the mechanism, which should be determined by all the social partners. At the company level there are problems with working time, extra working hours, in some sectors also many redundancies were made even without any negotiations and consultations, especially in the companies where there are no trade unions and in the non-formal economy. Some of the sectoral tripartite councils have frozen their activity between beginning of March and end of May 2020. The forms of social dialogue were changed – between the beginning of March and end of -May and since the end of October to the end of December 2020 practically all the meetings of social partners have been held on provided on –line and the practice continue in 2021.

Impacts on the social dialogue and collective bargaining

There was no substantial change in the social dialogue, although some actions were delayed. The collective negotiations at company level, usually continue to be provided face-to-face, and at sectoral and municipal level the meetings are mixed- both face-to-face and on-line. In some sectors the social partners agreed for prolongation of the implementation of the collective agreements, which deadlines were in March, April or May 2020, or in cases new negotiations had already been started, till June or July 2020. There are several new sectoral collective agreements, where also more attention is paid on the new challenges: digitalisation, green economy and of course the pandemic and its consequences. In some sectors there is no substantial change-although the bipartite dialogue was enforced, especially concerning the COVID-19, green economy and digitalisation, there is no collective bargaining in some of them, where it has been frozen for years –

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for example in chemical and pharmaceutical industry, in textile, clothing, leather, shoes, in most of the branches of food processing (except brewery).

^{xxiii} Eurofound (2020), [Measure: 'Employment for you': subsidised employment for hiring unemployed](#), case BG-2020-26/1004 (measures in Bulgaria), COVID-19 EU PolicyWatch, Dublin.

^{xxiv} Eurofound (2020), [Support for medium-sized enterprises](#), case BG-2020-35/1085 (measures in Bulgaria), COVID-19 EU PolicyWatch, Dublin.

^{xxv} Eurofound (2020), [Measure: 'Employment for you': subsidised employment for hiring unemployed](#), case BG-2020-26/1004 (measures in Bulgaria), COVID-19 EU PolicyWatch, Dublin.

^{xxvi} Eurofound (2020), [COVID-19: Income support for workers](#), case BG-2020-11/494 (measures in Bulgaria), COVID-19 EU PolicyWatch, Dublin.

Other important policy developments

Some consultations between the Ministry of Economics and social partners started in February and continue in July 2020. They concern the preparation of Bulgaria for ratification of the Declaration of foreign investments and Guidelines on the MNE of the OECD, as well as of some other documents of the PECD, in course of preparation of the country for membership in this organisation. The consultations concern mainly the establishment of National contact point, according to the OECD Guidelines on MNE. Some activities of the Government were prolonged or delayed – for example ratification of some documents of ILO, but this was mainly caused by the complicated relations between the main ruling parties and the expectation of general elections in 2021.

Labour disputes in the context of the pandemic

There were not important collective labour disputes. Some protests of policemen for increasing of wages, but they were not caused exactly by the pandemic, as well the same protests have been organised in previous years. Also, protests of nurses were organised, which are also not exactly cause by the pandemic, but were rather provoked by it, as the working hours of all medical personnel increased and also the risks in their work increased. In both cases wages had been already increased by the Government, but the workers who attend the protests required higher, then suggested levels of wages. Concerning the policemen, the compromise was reached. The protests of the nurses were too weak and not supported by most of the workers from this group, as the increasing of wages of medical personnel was already agreed.

There are not substantial data about the collective labour disputes in the companies.

There were protests of self-employed and small entrepreneurs, especially from tourism, restaurants, addressed to the Government, which concern the restrictions under the pandemic and require more liberal regime. Some of them could get some benefits from the envisaged Government activities (for example, compensations for payment of wages, grants, reduction of VAT and prolonged deadline for payment of corporate taxes. However, some other of them operate in non-formal economy and as they haven't paid regularly taxes and insurance contributions, they could not benefit from the Government assistance.

Major developments in working time regulation as a result of the pandemic

Legislation on working time

In order to overcome the consequences of the declared state of emergency in 2020, new normative acts have been adopted, which introduced important changes in the labour legislation and labour relations. With the adoption of the Law on Measures and Actions during the State of Emergency (LMASE), a regulation has been established, which regulates the unilateral granting by the employer of the use of paid leave without the consent of the employee. This provision may be applied only temporarily while this extraordinary law is in force. The law regulates the right of the employer to provide up to one-half of the paid annual leave to the employee without his consent.

On the basis of these regulations, new provisions have been introduced in the Labour Code regarding part-time work; paid annual leave; work from home or remote work; temporary closure of the enterprise. A new provision in the Labour Code has been adopted, which gives the employer the legal opportunity to unilaterally establish part-time work for the entire period of the declared state of emergency or for a part of it.

Until now, employers had the opportunity to unilaterally establish part-time work, but only in a case of a reduction of the volume of work and only for employees whose work functions are affected actually from the reduction of work. The period during which working hours can be established unilaterally is up to three months within one calendar year. In the new provision, the necessary and sufficient precondition is the existence of a declared state of emergency. This provision has a long-term effect and applies both to the current state of emergency and to any subsequent case of declaring a state of emergency in the future. The employer may establish part-time work for the whole period or for a part of the period in which a state of emergency has been declared.

Also, the legislator grants the employer the right to change the employee's place of work without his consent and to introduce temporary home-based or distant work. In this case, only the place of work is changed, without changing the other conditions of the employment contract.

Amendments to the Labour Code have been introduced with regard to paid and unpaid leave. These additional provisions are as follows:

First, the initially required length of service for acquiring the right to use paid annual leave when starting work for the first time is reduced from 8 to 4 months.

Second, when due to a declared state of emergency or declared an epidemic situation by order of the employer or by order of a state body the work of the enterprise, part of the enterprise or individual employees is terminated, the employer has the right to provide paid annual leave to the employee without his consent. In this way, this provision will be applied in the long term, both in the current state of emergency and in any new case of declaring a state of emergency in the future.

Similar to the cited provision are the adopted amendments to the Civil Servant Act, which regulates the rights of civil servants. In the event of a state of emergency and when it is not possible to switch to teleworking or working from home, the appointing authority shall authorise the use of paid annual leave or unpaid leave at the request of employees. At the request of the employee, in

addition to paid leave, the employer is obliged to provide unpaid leave. In 2021, the amount of unpaid leave recognised as length of service, regulated in the Labour Code, will increase. The unpaid leave under Art. 160, Para. 1 of the Labour Code up-to 60 working days and used in 2021 will be recognised as length of service (until now the provision was for up to 30 working days).

The legislation provided an additional opportunity for certain categories of employees to request the use of paid annual leave or unpaid leave, which the employer is obliged to provide. The request must not exceed the period of the state of emergency. The categories of workers who can benefit from this right are: pregnant women; women in advanced in- vitro treatment, mother or adoptive mother of a child up to 12 years of age or of a child with a disability regardless of his age; an employee who is a single father or adoptive father of a child under 12 years of age or of a child with a disability regardless of his age; an employee who has not reached the age of 18; an employee with permanently reduced working capacity of 50 and over 50 percent; an employee entitled to protection in the event of dismissal.

Collective bargaining on working time

In response to COVID-19, the government has implemented measures that focus more on the labour market to maintain employment and support businesses. In this sense, these measures can be considered both economic and social. The social partners (trade unions and employers' organisations) were involved in the government's decision-making process on what measures to take to combat the effects of COVID-19. The government is in constant consultation with them and the measures are discussed in detail within the National Council for Tripartite Cooperation. Trade unions have played a key role in maintaining employment in some sectors most affected by the crisis, such as tourism and transport.

During the first wave of the state of emergency, by order of the Council of Ministers, all employees of the airports of Varna and Bourgas shifted to a four-hour working day, and the activity of both airports was almost completely suspended. In the first design of the anti-crisis measures, the transport companies were not included in the scope of the draft Decree № 55 for determining the terms and conditions for payment of compensation to employers in order to maintain the employment of employees in the state of emergency (60/40 scheme). The Federation of Transport Trade Unions in Bulgaria (FTTUB) has played a significant role in including the sector in the list of eligible economic activities for application under the measure 60/40. As a result of the good social dialogue, the two airports have been approved under measure 60/40 and all employees, regardless of the fact that they work four hours a day, receive their full remuneration.

After consultation with the social partners, a new measure aimed at the unemployed was adopted. It allows registered unemployed people to sign temporary labour contracts with farmers without losing their unemployment benefits. The new amendment gives the unemployed person the legal right to receive unemployment benefits and at the same time to work and receive additional income from seasonal works in agriculture. Those who are currently on unpaid leave can work on a second labour contract without the permission of their main employer. The social partners in the agricultural sector hope that these two measures will support employment in the sector, as it is usually difficult to find seasonal workers.

At sectoral level, the social partners from the system of the pre-school and school sectors agreed to increase the collectively agreed amounts of the paid annual leave. With additional agreement to the signed CLA, the social partners agreed:

1. to increase by 20 working days the basic paid annual leave for non-teaching staff in kindergartens and schools by the end of 2020 above the agreed in the sectoral CLA.
2. to increase by 10 working days the annual paid leave for all employees in educational institutions who have undergone home or hospital treatment after infection with COVID-19.

The agreement applies to all members of trade unions and employers' organisations, parties to the sectoral CLA. With an additional agreement to the CLA, the days declared by the Minister of Education and Science, the mayor of the municipality or other competent bodies as non-school days shall be considered as paid official leave for those working in the system of children's and school healthcare.

Ongoing debates on working time

During the year, the texts of the Law on the Labour Code amendment and supplement related to the summarised calculation of working hours and overtime were subject of lively discussions. The debate between the social partners over the regulation on the summarised calculation of working hours (SCWH) has been going on for more than two years. The lack of sufficient legislative regulations enables unscrupulous employers to burden workers with more working hours and more work. This is done by a summarised calculation of the working hours and through the so-called overtime that occurs when using a SCWH.

In June 2020, the two representative unions, CITUB and Podkrepa submitted to the MLSP 101,586 signatures of working Bulgarians within the National campaign "Together to protect our work!" The campaign started in October 2019 due to accumulated problems and signals for working time violations. The purpose of the subscription is to initiate changes that will lead to an increase of the remuneration for night work, to introduce a summarised calculation of working hours only for production lines with uninterrupted work process, and to ensure the actual compensation for overtime in Bulgaria.

In 2020, the unions prepared an Opinion with concrete proposals to the National Assembly for amendments to the Labour Code (LC). However, not all trade unions proposals were accepted in the approved amendments to the Labour Code.

The unions insisted on the application of the SCWH only to production lines with uninterrupted work process. The current version of the Labour Code does not determine whether this regime will be applied only to production lines with uninterrupted work process but refers to a bylaw to determine the industries in which it should apply. According to trade unions, this is a half-hearted approach that seeks to balance inherent interests and preconditions. It remains to be seen what texts will be proposed, whether in a separate ordinance or in a supplement to the Ordinance on working hours, holidays and leave.

The CITUB Statement indicates the achieved trade union demands that are taken into account and become part of the Law for amendment and supplement of the LC (2020), after the debates in the NCTC:

- Reduction of the reference period for SCWH use from 6 to a maximum of 4 months per year, as required by the European Directive on the organisation of working time. (Until now, employers could apply for a period of their choice from one week to six months). This is a major change that will only benefit, not harm, employees. The employers' organisations do not share this position, considering that the Bulgarian legislation is not in conflict with Directive 2003/88/EC of 4 November 2003 concerning certain aspects of the organisation of working time, recalling that our country has not taken advantage of the opportunity provided in Art. 19 of the Directive, to set reference periods within 12 months.
- Texts were included in the Labour Code, which provide for the subsequent issuance of an ordinance to determine the branches and industries in which a SCWH can be used. The unions find this approach to be partial progress in limiting the current regulations that allow the use of summarised calculation of working hours in all economic sectors;
- It is expected that the law will state categorically that SCWH can be introduced only for production lines with uninterrupted work process. The unions state that they will accept a change related to the SCWH only if the current regulation is changed so that SCWH is allowed only for production lines with uninterrupted work process, as regulated by the Labour Code in 2001;
- the new possibility to extend the reference period for SCWH to 12 months per year through a branch or sectoral collective bargaining is not accepted by the trade unions. Although CITUB supports the use of the branch or sectoral CLA as a tool that best protects the interests of workers, the Confederation cannot accept the opportunity thus offered to negotiate on work within 12 months under the terms of SCWH. The European directive on the organisation of working time does not allow for such deviations. According to CITUB, a reference period for the summary calculation of working hours can be introduced with a branch or sectoral CLA for not more than six months.

The trade unions insist on the establishment of mechanisms to ensure, as far as possible, the correct and complete reporting of the actual amount of work performed and its adequate payment, as well as to guarantee the prohibition of work beyond the maximum permissible limits.

The second widely discussed issue is related to the changes in the Labour Code stipulating an increase of the annual norm of overtime work from 150 hours to no more than 300 hours in a calendar year through a concluded CLA at the level of branch or industry. In its statement CITUB insists that the higher annual norm for overtime work agreed with a branch/sectoral collective labour agreement should affect the enterprise if the weekly and monthly norms for overtime work and other conditions related to the application and reporting of overtime of employees in the enterprise are also agreed upon in the collective labour agreement.

In addition, an employee who has worked overtime for more than 150 hours per year due to a higher annual rate agreed in a collective agreement, should acquire the right to additional rest of 1 working day for every 24 hours of overtime above the statutory annual rate, and an increased further payment of 75 percent for each hour of overtime work over the 150 hours. CITUB proposes to provide norms in the Labour Code, which clearly stipulate how the branch/sectoral CLA provisions on overtime will be applied at the enterprise level. The unions' proposals were not accepted. However, the debate will continue because it is believed that trade unions will continue to fight for the proper regulation of the regime of summarised calculation of working time and for introducing

clear legal guarantees for working conditions and the rights of those workers who will work overtime over 150 hours per year, if sector/ branch CLA will apply to them.

Impacts of the crisis on wages and wage setting

At the background of the COVID-19 pandemic, the growth rate of wages is slowing down, but it should be noted that on an annual basis it reached a growth of 9.9% in the third quarter of 2020, while for the same period in 2019 the growth was 11.8%. Since the beginning of the year, the focus of government policies has been on maintaining employment and income. The increases set in the State Budget for 2020, including the increase of salaries in the public sector by 10%; teachers' salaries - by 17%, the minimum wage by 8.9%, and pensions - by 6.7% were implemented.

Due to the complicated epidemic situation, as a result of the spread of COVID-19, the Council of Ministers adopted Decree № 55 in order to determine the terms and conditions for payment of compensation to employers in order to maintain the employment of employees in the state of emergency. This Decree regulates a temporary measure (known as 60/40 scheme) to maintain the employment of employees that have stopped working or are working part-time due to the measures to combat the COVID-19 pandemic.

The 60/40 scheme is a short-term tool for urgent business support to maintain employment, but also to guarantee the income of employees. The amount of the compensations is 60% of the insurance income and of the contributions due by the employer for each worker or employee, for whom the regime for termination of work has been applied or part-time work has been established. Affected sectors that will receive support under 60/40 scheme are - retail trade, excluding trade with cars and motorcycles; road transport; passenger and air transport; hospitality; the activity of restaurants and fast-food restaurants; the activity of drinking establishments; film projection; tourist, agency and operator activity; organisation of congresses and trade fairs; preschool education, private sector - kindergartens, artistic and creative activities, other activities in the field of culture; sports and other activities related to entertainment and recreation; maintaining good physical condition. At the suggestion of the employers' and trade unions' organisations, agriculture is included in the scope of the "60/40" scheme. The 60/40 scheme was amended in June 2020 to extend the scope of sectors not included in the first wave. For the Tourism and Transport sectors, it has been transformed into 80/20 scheme, including newly recruited workers. The reason is that these two sectors are directly affected by the state of emergency and need more substantial state support. The measure provides additional funding for the tourism and transport sectors in the amount of BGN 290 (EUR 145) for each employee that the employer wants to keep.

Following the declaration of a state of emergency, the 60/40 scheme played a key role for the preservation of jobs and incomes of the employees included in the measure. During the first two waves the measure helped 250,000 workers stay in employment. In addition, a total of more than 203,000 unemployed people has started working since March 13 with the assistance of labour inspectors from the Labour Offices. A disadvantage of the measure is the significant delay in payments to many applicants, which worsens the economic climate, as employers are left without the necessary resources for months. In addition, it depends entirely on the decision of employers to apply for a subsidy or not, which in some cases may put workers at a disadvantage. In addition to measures to preserve employment and income, the government has implemented priority funding for some important public sectors working at the forefront under COVID-19, where wages are well below the national average. From 1 August 2020 the salaries increased by 30% for health workers, social workers, labour intermediaries, labour inspectors, and other employees in the MLSP system. From August 1 2020, the standards for financing the social services delegated by the state, such as

homes for the elderly, homes for people with disabilities, homes for residential services, day care centres for children, family-type accommodation centres, etc. increased to BGN 24.6 million. This allows municipalities and other social service providers to increase the wages of social workers, rehabilitators, speech therapists, educators, pedagogues and others working in these institutions with up to 20%. Despite these positive trends, which have an impact on the growth of wages for a large part of Bulgarian households, their well-being has not improved. The main reasons are the low wages. Only 30% of Bulgarians receive a wage at the level of the average wage or higher. The COVID-19 pandemic has had the worst impact on low-paid workers, despite government policies to support business and preserve employment. The low-paid and low-skilled workers were the first to lose their jobs during the pandemic. The total number of persons employed on the minimum wage in September 2020 represented about 20.7% of the total number of employees on the labour market (NSI). The wage of the Hotel and Restaurant industry employees is 45% lower than the national average. Anti-crisis measures implemented in the sector have accelerated the growth rate of AW, but at the same time, the average number of employees has fallen by more than 25% on an annual basis. The unions are urging to continue the policy of raising the minimum wage, with growth in the coming years to move up to double digits. The minimum wage should not be frozen, as employers' organisations insist. It is an important alternative for increasing wages and incomes.

What is new in working life in the country?

The nature of work and work organisation has changed in the last year and more and more often the companies and organisations shifted to “home office” mode. According to many experts, this type of employment imposed by the new COVID-19 reality will remain after the COVID-19 pandemic.

In the EU, the average proportion of workers who switched to working from home is 36.5%, while in Bulgaria – it is 28.8%, according to the latest Eurofound survey from April-May. For Bulgaria this increase is serious - about 6 times. In 2017, only 5% of Bulgarians worked from home. This trend will certainly continue and will increase, and therefore additional legislation is needed.

The Bulgarian labour legislation regulates teleworking and health and safety at work in case of distant work, but the existing legal framework no longer corresponds to the current situation.

The Eurofound survey findings (Eurofound, 2020) show, that 27% of those working from home said they work in their free time to meet work demands. This requires a change in the legislation related to the "right to disconnect" in the free time.

There are signals and some suggestions for necessary changes by employers and their organisations. The main issue they focus on is the changes in the rules for safe and healthy working conditions and accidents at work in the conditions of remote work. There are fears that some domestic accidents will be presented as occupational, which will lead to negative consequences for employers.

For their part, workers report working more hours than normal agreed working hours, as well as problems related to working conditions, equipment, cost of maintaining working conditions at home and, above all, health problems, given the continuous work at the monitor - pressure in eyes, mental disorders due to long stay indoors and the like. The challenges of ensuring an adequate work-life balance are intensifying.

In several meetings of the NCTC, the social partners raised the issue and the MLSP expressed its readiness to review the existing regulations for work from home in the coming months.

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All Eurofound publications are available at www.eurofound.europa.eu

All cases related to Eurofound's COVID-19 EU PolicyWatch database can be found at <https://www.eurofound.europa.eu/data/covid-19-eu-policywatch>

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