

LABOUR AND SOCIAL JUSTICE

LABOUR RELATIONS AND SOCIAL DIALOGUE

in Bulgaria 2020

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In 2020, both economic development and the development of industrial relations were marked by the COVID-19 crisis.



The average annual decline in employment in 2020 is expected to be about 2.6 per cent and the unemployment rate – at 5.6 per cent.



After nearly a year of negotiations, a National Tripartite Agreement was signed in June 2020.

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1

SOCIO-ECONOMIC DEVELOPMENTS

After GDP grew by 3.7 per cent in real terms in 2019 with an expected future favourable trend, the COVID 19 crisis sharply reversed the direction of development. In the Q1 of 2020 the economic growth rate fell to 1.8 per cent. In the Q2 it marked a sharp jump down to -8.5 percent, and the preliminary express data for the Q3 were also negative (a decline of -5.2 per cent on an annual basis). Estimates for 2020 by various institutions differ. The Ministry of Finance sets a forecast value of -3%, while the BNB expects the Bulgarian economy to shrink by 5.5%, and the EC forecast is even more pessimistic (-7 per cent). The great uncertainty is determined by the unprecedented nature of the crisis and the economic shock.

As regard the balance of payments current account of Bulgaria in 2020, there is an increase compared to 2019 of the surplus as a percentage of GDP. This is mainly due to a significant contraction in the trade deficit. The dynamics of trade balance flows is expected to be influenced by a lower decline in real exports of goods compared to imports and by the maintenance of favourable terms of trade for Bulgaria.

Foreign direct investment in the country in January - June 2020 amounted to € 263 million (0.5 per cent of the GDP), being lower by €128 million (32.8 per cent) compared to the same period of 2019 (€ 391 million, 0.6 per cent of GDP).

A budget deficit of 3% of the GDP is expected for 2020 and it is mainly due to the effect of the so-called "Temporary COVID-19 measures". For the first time in many years, the expenditure part of the 2020 budget exceeds the 40 per cent of the GDP limit. Until now, the redistributive function of the budget was significantly lower, incl. below 35 per cent.

On an annual basis, inflation (HICP) marked a steady slowdown trend, which in October reached only 0.6 per cent, and by the end of 2020 it is expected to fall

to 0.3 per cent (from 3.1 per cent at the end of 2019). This trend reflects the significant decline in energy prices in line with the downward dynamics of the international euro oil price on an annual basis.

The average monthly wage (AW) reached BGN 1274 (€ 651) in 2019 with a nominal growth of 11.1 per cent over the previous year while the real increase was by 8.5 per cent. This trend continued in 2020 as well; in the Q3 AW reached BGN 1373 (€ 702) with an increase by 9.9 per cent on annual basis. The minimum wage increased from the beginning of 2020 to BGN 610 (€ 312), representing 44.4 per cent of AW in the Q3.

The average annual decline in employment in 2020 is expected to be about 2.6 per cent and the unemployment rate at 5.6 per cent. In the second half of the year, the adverse impact of COVID-19 on the economic activity of enterprises continued, which in turn had a negative impact on the labour market dynamics. The unemployment rate by quarters of 2020 has fluctuated, which is to some extent due to the seasonal employment - respectively by quarters it is 4.6, 6.0 and 4.9 per cent.

At the background of an aging population, the increasing brain drain of educated and skilled young people is already creating shortages of a qualified work force in many sectors. An important issue for the Bulgarian labour market however is the shadow economy, the share of which is estimated at about 25-30% of GDP.

Despite the economic growth in the last years, social indicators did not significantly improve. Bulgaria remains among the poorest countries in the EU. According to EUROSTAT data (SILC-2019), 22.6 per cent of the population is at risk of poverty after social transfers (compared to the EU27 average of 16.5 per cent). Inequality is increasing. The Gini-coefficient (40.8 for 2019) is the highest in the EU and increasing compared to the previous year (39.6).

2

STATE POLICIES AND LEGISLATION

In a political context, the most important event of the year is that as of 10 July, Bulgaria is already a member of the ERM II exchange rate mechanism of the euro area and of the banking union. The government's efforts over the past three years (including amending 15 laws to this end) have been unanimously supported by the social partners, the nationally representative organisations of employers and workers. The European Central Bank set a base rate for the conversion of the Bulgarian lev into the euro at BGN 1.95583 per euro.

The preliminary stage for the adoption of the euro as a national currency lasts at least three years. This means that the euro can replace the lev in 2023 at the earliest. Expectations are related to improving the banks' financial stability, raising the country's credit rating, and accelerating economic and social convergence.

As a result of the COVID-19 pandemic and in order to limit its effects on the socio-economic life in the country, a number of measures were taken, which impacted the fiscal parameters of the 'State governance' sector. In a dynamic situation and deteriorating assumptions about the external environment and the national economy, a decisive step was taken to update the budget and increase government debt. The debt increase in nominal terms is mainly due to:

- the successful placement of a double tranche of Eurobonds on the international capital markets, each of € 1.25 billion and a maturity of 10 and 30 years, respectively;
- government securities placed on the domestic market;
- as well as the absorbed funds under the already agreed state loans from the European Investment Bank and the Council of Europe Development Bank for co-financing of projects implemented with EU funds.

As a result of this government debt management policy its nominal amount of BGN 24.2 billion (20.2 per cent of the GDP) in 2019 increased significantly to an expected value of BGN 30.1 billion (25.3 per cent of the GDP) in 2020. The Confederation of Independent Trade Unions in Bulgaria (CITUB) assessment of the

effectiveness of debt management for this and the following years is positive due to, firstly - extremely favourable repayment terms, secondly - ensured flexibility and sufficient financial resources to cover unforeseen expenses in the conditions of unanticipated crisis and thirdly - maintaining the level of government debt within sustainable limits (far below the Maastricht reference value - 60% of the GDP). Furthermore, CITUB has always shared the view that issuing government debt within reasonable limits can successfully stimulate the financing of long-term government capital expenditures that have a strong economic and social return effect.

During the year, the government presented three packages of measures for combating the spread of the COVID-19 and its socio-economic consequences. The first was defined as an emergency package, which had to face the shock wave, the second - as aimed at mitigating its effects and the third - to help the economy recovery, but ultimately the negative scenario of the health crisis development in the last quarter of the year brought to the fore again the need to respond urgently - with rescue and compensation measures.

The overall assessment of CITUB is that the most successful measure was to maintain employment and compensate for income, the so called 60/40 measure (a name that comes from the ratio of state and employer participation in the payment of wages and social security contributions of employees in enterprises directly or indirectly affected by the crisis). It was applied in three stages and improved, incl. in a version 80/20 for the tourism and transport sectors. Thanks to this measure about 300,000 jobs were saved.

However, the economic measures (loans and grants in support of businesses) turned out to be less effective, which due to various reasons (difficult procedures, administrative obstacles, irrational restrictions, unbearable conditions for application) ultimately either started with a long delay or had limited scope and low economic effect.

What is subject to constant trade unions criticism is that all the governments since 2007 persistent-

ly maintained a conservative fiscal policy based on low direct taxes (10 per cent corporate tax and 10 per cent flat income tax), a relatively high VAT rate of 20 per cent and almost annually increasing excise duties. This policy leads to an unprecedented for EU ratio of direct and indirect taxes of 25:75 in the tax revenue structure.

In 2020, CITUB proposed a new vision for tax reform, including increasing the two direct taxes to 15%, with the

introduction of a non-taxable minimum in the taxation of individuals up to the minimum wage, and the VAT rate reduction to 15% and its unification. This reform scheme (15/15/15 + non-taxable minimum) was presented at a special CITUB forum, respectively discussed in the public and media space, but still did not meet the necessary support and especially political will for change.

3

INDUSTRIAL RELATIONS

The Bulgarian industrial relations system follows the general European trends of deregulation and decentralisation.

The deepening process of decentralisation of collective bargaining implies a growing number of company wage agreements, but this is not yet a fact and puts to the test the trade union's efforts to increase wages. In 2020, the CITUB activity aimed at increasing the coverage of employees with CLAs was related to changing the legal framework of collective bargaining in the Labour Code (LC) in two main directions: adoption of simplified sector/branch collective labour agreements extension procedure under the Article 51b, par 4 of the LC; establishing fair mechanisms for joining the CLA, according to Art. 57, par 2 of the LC.

These proposals of CITUB were included in the draft Law for amendment and supplement of the Labour Code of the MLSP in 2020 and were submitted for discussion to the National Assembly. The logistical support of the state to the branch collective bargaining, including the acceptance of the CITUB proposals for changing the legal framework in the LC, as well as the coordinated actions of the affiliated to CITUB federations for support of the collective bargaining at enterprise level are of utmost importance.

In the context of the COVID-19 pandemic consequences (reduced consumption, orders and production), trade union structures recorded serious economic difficulties the businesses face. In this regard, the general trend, at least for this year, is a struggle to maintain employment and preserve what has been achieved so far in the field of wages. Only in the mining industry there is optimism, and at this stage there are no signs of layoffs or reductions in wages in the industry and no unfavourable trend is likely to emerge.

In the midst of the first wave of the crisis in May and under a state of emergency, in addition to the sectors directly affected by the lockdown measures (trade, restaurants, transport, culture), a number of industries experienced serious difficulties due to irregular deliveries, lack of orders and temporary closure of foreign companies-customers in the supply chain.

In the automotive industry and in the production of automotive components, full or partial paid leave, optimisation of the work process, part-time work and use of the measure 60/40 for payment of compensations are most often resorted to.

The enterprises of the military-industrial complex undertook mass release of the personnel on paid leave according to a schedule; the intentions for gradual reduction of employees were prevented after receiving orders.

In the wood processing industry, partial redundancies were carried out, and the 60/40 employment retention measure was applied to another part of the staff.

There are no significant redundancies in the light industry. Temporary difficulties were overcome through the use of paid leave, part-time work (6 or 4 hours a day), and application of measure 60/40. In several enterprises in the garment industry, disturbances in the rhythm of work were caused by the spread of the COVID infection and the need to take urgent measures to limit it.

In the machine-building industry, workers of retirement age were laid off, paid and unpaid leave is widely used, and some enterprises also took advantage of the 60/40 measure.

In 2020, CITUB identified three serious challenges for the Bulgarian economy in short and medium-term - the COVID-19 pandemic, the green transition, and digitalisation. On this occasion, within the project 'Improving the adaptability of employees and strengthening collective bargaining, through joint actions of social partners at national, sectoral and branch level' funded by OP "Human Resources Development", CITUB and the three employers organisations- project partners (CEIBG, BIA and BICA) initiated the signing of bipartite Memoranda of the social partners for the prevention of COVID-19, preservation of jobs and adaptation of the skills of the workforce to the digitalising world of work. Such memoranda were signed in the sectors Chemical Industry, Mining, Metallurgy, Mechanical Engineering and Electrical Industry, Energy, Water Supply and Sewerage, Construction, Tex-

tiles and Clothing, Food Industry, Brewing, Agriculture, and Culture.

In 2019, as well as by the end of November 2020, no agreement was reached between the social partners on concluding an 'Agreement on negotiating and determining the amount of the minimum wage for the country and on a procedure for negotiating the minimum wage by economic activities and qualification groups', despite the constructive behaviour of the unions and reasonable proposals for compromises.

This continued to have a negative impact on the entire wage bargaining process at all levels. On 17.06.2020 an agreement was reached within the signed National Tripartite Agreement for reopening of negotiations on the adoption of a transparent mechanism for negotiating the minimum wage for the country and upgrading it with a procedure for subsequent negotiation of minimum wages for economic activities, but anyway efforts to reach a compromise are

still fruitless. In the context of the EC's initiative for a directive on adequate minimum wages, trade unions are expressing their support, while employers' organisations are too conservative towards it.

In 2020, no serious strikes were registered. Particular protests may be mentioned regarding the remuneration of nurses, workers and the self-employed in the sectors blocked by the COVID-19 pandemic, the police, but in the end the problems were solved to some degree within the additional budget funds to combat the crisis.

Although not in this context, what should be noted are the civil protests, which started in June and lasted until the end of the year with varying intensity, but they had predominantly political demands - for the resignation of the government and the Prosecutor General of the Republic of Bulgaria. For obvious reasons, they were not supported by the unions and ultimately marked a declining trend towards the end of the year.

4

TRIPARTITE SOCIAL DIALOGUE

At the background of the COVID-19 crisis and the need of adopting a number of amendments to important laws in 2020, the National Council for tripartite Cooperation (NCTC) accelerated its work and more than 15 meetings were held during the year, most of them in on-line regime. Additionally, in 10 cases there was no need to convene NCTC meeting because of a consensus or unanimity reached in the relevant NCTC expert committees. The most important issues discussed in the NCTC in 2020 were employment measures and compensation schemes, income protection and financial support for the businesses in the time of crisis; labour migration and labour mobility; distance work, working hours, breaks and holidays; social security, unemployment benefits and pensions; actions in the field of the social economy; value added tax, the state budget for 2021, as well as the budgets of the State Social Security and the National Health Insurance Fund; the poverty line and the minimum wage for 2021.

After nearly a year of negotiations, a National Tripartite Agreement was signed in June 2020, only the fourth of this kind in the 30 years period of transition. It covers measures in 5 areas - Business environment and economy; Energy; European green deal; Demography, education, labour market, and labour migration; Social protection policies. One of the most important points in the agreement is that minimum wages above the statutory minimum wage for the country will be negotiated by economic activities and qualification groups, and they will replace the bipartitely agreed minimum social insurance incomes. The agreement also contain measures to stabilize state-owned enterprises in the energy sector, achieving a balance between the need for energy security, accelerated economic development, social justice and environmental protection, measures related to demography, and measures aimed at increasing digital skills of employees and expanding opportunities for lifelong learning by establishing tripartite sectoral qualification and retraining funds and the introduction of individual training accounts.

5

FORECASTS

The opposition in the face of Bulgarian Socialist Party (BSP) and the Movement for Rights and Freedoms (MRF), after many unsuccessful no confidence votes and boycotts of some parliamentary sessions, remains weak and does not represent a viable alternative to current governance. Despite the ongoing since mid-year civil protests demanding the resignation of the government and new players on the political scene, the ruling coalition is likely to serve its full term. Regular parliamentary elections will take place between March and May 2021, but most political commentators expect strong fragmentation in the new parliament and difficult formation of a ruling majority.

The mid-term forecast for yearly GDP growth of 2.5 per cent in 2021, 3.0 per cent in 2022 and 3.2 per cent in 2023 would secure better prospects for rapid labour market recovery; however there is a need for substantial increase of domestic investments, as well as for attracting significantly more FDI. Within the planned fiscal consolidation after the crisis the budget deficit will decrease to -3.9 per cent in 2021 reaching -2.0 per cent in 2022 and -1.8 per cent in 2023. However, we must

emphasize that the projected dynamics of these two leading macroeconomic indicators can be strongly influenced by the duration and scale of the COVID-19 crisis.

The average wage in Bulgaria will continue to grow under the pressure of strong demand for skilled workforce and its competitive remuneration within the common European labour market, following the convergence tendency. According to the EC proposal for Directive on adequate minimum wages in the EU, the statutory minimum wage in Bulgaria will increase by yearly steps to reach the benchmark 50% of the average country wage. Further, in the context of the Directive social partners and government have to promote the collective bargaining (particularly on the sectoral level) aiming at a lower threshold of 70% coverage of the employees with collective agreements.

Trade unions will continue their engaged and responsible participation in the European semester and will initiate and support policies and decisions related to the *National Recovery and Resilience Plan* and the implementation of the *European Pillar of Social Rights*.

6

ANNEX OF DATA

- **Collective bargaining system**

Collective bargaining is one of the main elements of the new system of industrial relations established in 1990s. The Labour Code stipulates that collective bargaining is a right of trade unions and an obligation of employers and the signed collective agreement is mandatory in nature. It is worth mentioning also that only a trade union organisation is entitled to conclude collective agreement. The Labour Code clearly outlines the scope, the parties to collective labour agreement (CLA), and levels of collective bargaining – enterprises, branches/sectors and municipalities. Since 2003 collective bargaining at branch/sectoral level has been expanded to include annual bargaining of minimum social insurance incomes for each economic activity and for nine occupational groups. However, this practice is boycotted by the employers' organisations in the last years.

The collective agreement applies to employees who are members of the trade union organisation/organisations that are party to the agreement. Employees who are not members of trade union organisation – party to the agreement – or are not trade union mem-

bers at all can join collective agreement with a written application to the employer or to the trade union.

Regardless of different attitudes to collective bargaining by different governments and employers, even in times of crisis, it continues to be an active instrument of industrial relations, creating opportunities to increase the competitiveness of Bulgarian businesses and at the same time protecting the labour and social rights of employees.

The role of the branch collective agreements has become more significant in the period 2010-2012 when a clause for extension over all companies in the respective sector/branch was applied for the first time, despite the legislative provision since 2003. The Minister of Labour and Social Policy, upon request and after consultations with the social partners, extended the validity of the collective agreements in five branches. The extension was intended to tackle the growing informal economy, and to prevent unfair competition and social dumping. Unfortunately this practice was not continued in the following years. In 2020 only one branch collective agreement was extended, that of the brewery industry with 2-years validity (the sixth extension in turn for this branch).

Table 1
Information about valid collective agreements (CAs), 2015-2020

| At the end of | CAs at company/enterprise level | CAs at sectoral/branch level | CAs at municipality level | CAs Total |
|---------------|---------------------------------|------------------------------|---------------------------|-----------|
| 2015 | 1973 | 21 | 61 | 2056 |
| 2016 | 1878 | 22 | 55 | 1955 |
| 2017 | 1816 | 17 | 55 | 1888 |
| 2018 | 1663 | 18 | 52 | 1733 |
| 2019 | 1670 | 17 | 54 | 1741 |
| 2020 – I Q | 1638 | 20 | 58 | 1716 |
| 2020 – II Q | 1598 | 18 | 56 | 1672 |

Source: National Institute for Conciliation and Arbitrage (NICA)

The main level of collective bargaining remains the enterprise/company level. This decentralisation process has been typical for Bulgaria since the beginning of the transformation process, but during the financial crisis 2008-2009 it has been reinforced. The decentralisation is often forced and provoked by employers'

sector/branch organisations. So, for example in the production of chemical products there is no sector collective agreement since 2002. The trend of decreasing CLA in enterprises is slowing down after 2017 and their number remains at a relatively constant level until the end of 2019, but from the beginning of 2020,

there is again a negative trend. The number of effective CLAs at municipal level is increasing. The number of sectoral / branch CLAs in the last three years is preserved. As a positive trend should be mentioned the **Framework Collective Agreement signed by FNSOLP and BAPIOT for the textile and clothing industries** which is a good step towards restarting collective bargaining in the light industry, as well as signed in early 2020, after a three-year break, **Sectoral CLA in “Mechanical Engineering and Metal Industry”**.

- **System of tripartite social dialogue**

Tripartite social dialogue (social partnership) in Bulgaria is well-institutionalised and implemented at different levels. In compliance with the legislative framework and Bulgarian practice, the system of social dialogue is organised along the following levels:

- At national level social dialogue is conducted within the National Council for Tripartite Cooperation (NCTC), set up in 1993. It has standing commissions on different areas.
- At sectoral/branch level there are 51 sectoral/branch councils for social cooperation with the participation of representatives of the respective representative sectoral/branch employers’ organisations and trade unions. In some sectors there are representatives of the state as an employer.
- At district level (since 2010) there are district councils for tripartite cooperation.
- At municipal level there are 82 councils for social cooperation. Representatives of municipal authorities take part in the negotiations on budgetary activities (education, health and social care, culture, local government).
- At enterprise level the participants in the negotiations in special commissions for social partnership are the employer and the existing trade union organisation(s).

NCTC comprises, on a parity basis, representatives of the government, workers’ and employers’ organisations which are recognised as nationally representative according to a census (conducted every four years) under criteria for representativeness set up in the Labour Code. After the census of 2016 two trade union confederations and five employers’ organisations (instead of four in the period 2012-2016) were recognised as nationally representative.

The last census of social partner organisations was conducted by the Ministry of Labour and Social policy in 2020. A new social actor is appearing in the field of employers’ organisations, claiming national representativeness. The Bulgarian Employers’ Association “Innovative Technologies” - BEAIT has also submitted documents to be recognised as a nationally representative employers’ organisation. The new association includes large technology companies - IT, companies in the automotive sector, etc. According to the official results it does not meet 3 of the criteria for representativeness and was not recognized as national representative employer’s organization.

NCTC is a consultative body in which amendments to social and labour legislation are discussed, as well as policies and documents related to the labour market, vocational training, wages/salaries, incomes, and living standards of the population.

In 2020 the tripartite cooperation at national level has been expanding. The social partners participate also in the management and supervision of a number of bodies in the areas of employment, migration, social and health insurance, health and safety at work and vocational education and training, etc. established along a tripartite principle, as well as in the Monitoring Committees of Operational Programmes.

- **Social security systems**

Table 2
Coverage* rate of the labour force (LF) by types of insurance (%)

| Insurance type | 2015 | 2016 | 2017 | 2018 | 2019 |
|--|------|------|------|------|--------|
| Health insurance (number of insured persons, in relation to the LF = employed + unemployed persons) | ... | ... | ... | ... | 80.0** |
| Pension insurance (number of insured persons related to all employed) | 90.9 | 91.7 | 88.2 | 88.5 | 86.4 |
| Insurance for unemployment (number of insured persons related to all employees) | 97.3 | 96.3 | 97.8 | 98.2 | 93.1 |

Source: National Social Security Institute (NSSI), various years.

* The coverage is calculated on the base of data for all insured persons provided by the NSSI. These persons are classified in different groups based on the following features:

1. All employed are obliged to have pension insurance.

2. Only employees are insured for unemployment.

3. All persons are obliged by law to have health insurance but in practice a significant part of the self-employed are not covered.

** Experts evaluation. No official data.

- **Education and vocational training**

Trade union representatives participate in the activities of National Consultative Council on workforce professional qualification and in the Governing Council and expert commissions of the National Agency for Vocational education and training (NAVET), built and acting on tripartite principle.

In 2020, the acquisition of basic and special levels of digital skills is a priority in the field of education and vocational training.

In the National Recovery and Resilience Plan (NRRP) of the country, education is one of the best-developed policy areas. Of the planned BGN 2.4 billion for innovation, education, science, and industry, BGN 650 million is allocated to the construction of an educational STEM environment in over 1,600 schools. STEM centres are a model of learning that includes the development of complex skills in mathematics, science, and digital creativity. The offices will have laboratories, centres for innovators and researchers, robotics workshops, etc. The material base of 740 schools and 450 kindergartens will be modernised with BGN 712 million. The modernisation of the physical environment is perceived in the NRRP as a priority with an important impact on the motivation to learn and

shape children's attitudes towards the world. In the coming decades, even greater digital transformations are ahead, and in this regard, the preparation of students in the field of digital creativity is a key.

The social partners are launching a project, aimed at determining the specific levels of digital skills needed for employees to perform their daily tasks and support their acquisition, in accordance with the evolving digital technologies in different sectors of the economy. The combined efforts and commitments of employers and trade unions will help the workforce to overcome imbalances in digital knowledge and skills. The fast pace of digital transformation requires active change management, in response to which the implementation of the project aims to: identify specific deficits of digital skills - both general and by profession / position; developing profiles for levels of digital skills, depending on the level of technology; mastering innovative methods and their approbation and refinement in a real work environment. In this way the link between the necessary knowledge and skills and the requirements of the future labour market will be ensured, thus creating preconditions for achieving a competitive and developing economy based on technological development.

Employment rate

Table 3
Employment rates (%)

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020- 1 st quarter | 2020- 2 nd quarter | 2020-3 rd quarter |
|--|-------------|-------------|-------------|-------------|-------------|-------------------------------|-------------------------------|------------------------------|
| Population aged 15 years and over | | | | | | | | |
| Total | 49.1 | 49.3 | 51.9 | 52.4 | 54.2 | 52.4 | 52.0 | 53.5 |
| Men | 54.1 | 54.6 | 57.8 | 58.4 | 60.5 | 58.7 | 57.8 | 59.9 |
| Women | 44.5 | 44.3 | 46.6 | 46.9 | 48.3 | 46.7 | 46.6 | 47.6 |
| Population aged 15-64 | | | | | | | | |
| Total | 62.9 | 63.4 | 66.9 | 67.7 | 70.1 | 68.1 | 67.4 | 69.6 |
| Men | 65.9 | 66.7 | 70.6 | 71.5 | 74.1 | 72.2 | 70.9 | 73.6 |
| Women | 59.8 | 60.0 | 63.1 | 63.9 | 66.0 | 63.9 | 63.8 | 65.6 |
| Population aged 20-64 | | | | | | | | |
| Total | 67.1 | 67.7 | 71.3 | 72.4 | 75.0 | 73.0 | 72.2 | 74.6 |
| Men | 70.4 | 71.3 | 75.3 | 76.5 | 79.3 | 77.4 | 76.0 | 78.9 |
| Women | 63.8 | 64.0 | 67.3 | 68.3 | 70.7 | 68.5 | 68.4 | 70.3 |

Source: National Statistical Institute. Labour force survey, various years.

- **Unemployment rate**

Table 4
Unemployment rates (%)

| Calculated on the basis: | 2015 | 2016 | 2017 | 2018 | 2019 | 2020-1 st quarter | 2020-2 nd quarter | 2020-3 rd quarter |
|--|------|------|------|------|------|------------------------------|------------------------------|------------------------------|
| K ₁ : Population aged 15 years and over | 9.1 | 7.6 | 6.2 | 5.2 | 4.2 | 4.6 | 5.9 | 4.8 |
| K ₂ : Population aged 15-64 | 9.2 | 7.7 | 6.2 | 5.3 | 4.3 | 4.6 | 6.0 | 4.9 |
| K ₃ : Population aged 15-24 (Youth unemployment) | 21.6 | 17.2 | 12.9 | 12.7 | 8.9 | 12.5 | 17.0 | 13.2 |
| K ₄ : Registered unemployed persons in the employment offices | 10.1 | 8.7 | 7.2 | 6.2 | 5.6 | 6.4 | 8.7 | 7.5 |

Source: For K₁, K₂ and K₃ - National Statistical Institute (Labour force survey) and for K₄ - National Employment Agency (registered unemployed persons in Employment Offices), various years.

- **Average monthly wages**

Table 5
Average monthly wage – total and by economic sectors (in €)

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 – 1 st quarter | 2020 - 2 nd quarter | 2020 – 3 rd quarter |
|----------------|------------|------------|------------|------------|------------|--------------------------------|--------------------------------|--------------------------------|
| Total | 449 | 485 | 530 | 586 | 651 | 673 | 684 | 702 |
| Public sector | 473 | 502 | 545 | 592 | 662 | 685 | 700 | 730 |
| Private sector | 441 | 480 | 526 | 584 | 648 | 670 | 678 | 693 |

Source: National Statistical Institute. Statistics of employment and labour costs, various years. Data for 2019 and 2020-quarters preliminary.

- **Gender pay gap**

There are not significant changes in the remuneration of labour by gender. Traditionally in Bulgaria the gap is about 20 percentage points in favour of men and it is explained mainly with employment specifics – women are employed in large numbers in the so called “feminised” branches and sectors such as textiles, the knitwear and tailoring sector, retail trade and similar sectors where the average month-

ly wage is significantly below the average wage for the country (60-70 per cent). On the other hand, the so-called “male” sectors as metallurgy, energy/power engineering, coal extraction and ore extraction that maintain wage levels far above the average country wage. There is no concrete evidence for a gender pay gap at the same workplace or at least there is no statistics available.

Table 6
Average monthly wage by gender, in € (Euro) and women/men wage ratio (%)

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020- 1 st quarter | 2020-2 nd quarter | 2020- 3 rd quarter |
|-----------|------|------|------|------|------|-------------------------------|------------------------------|-------------------------------|
| Men | 501 | 539 | 589 | 650 | 717 | 739 | 749 | 763 |
| Women | 395 | 430 | 470 | 520 | 585 | 607 | 616 | 640 |
| Ratio w/m | 78.8 | 79.8 | 79.8 | 80.0 | 81.6 | 82.1 | 82.2 | 83.9 |

Source: National Statistical Institute. Employment statistics and labour costs, various years. Quarterly data for 2018 preliminary.

- **Monthly minimum wage**

Table 7
Monthly minimum wage in the country (in €)

| from 1.1.2015 | from 1.7.2015 | from 1.1.2016 | from 1.1.2017 | from 1.1.2018 | from 1.1.2019 | from 1.1.2020 | from 1.1.2021 |
|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| 184 | 194 | 215 | 235 | 261 | 286 | 312 | 323 |

Source: National Statistical institute, various years

- **Actual weekly working hours**

There is no clearly expressed tendency for a reduction of working time under the crisis conditions, demon-

strating that employers are not flexible enough in working time organisation and tend to choose the dismissal of workers option rather than looking for ways to maintain employment levels.

Table 8
Average actual weekly working hours

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 1 st quarter | 2020 2 nd quarter | 2020 3 rd quarter |
|-----------------------|------|------|------|------|------|------|---------------------------------|---------------------------------|---------------------------------|
| Total | 40.0 | 40.1 | 40.2 | 40.0 | 39.9 | 39.6 | 39.6 | 38.7 | 39.9 |
| By Gender: | | | | | | | | | |
| Men | 40.4 | 40.5 | 40.5 | 40.3 | 40.2 | 40.0 | 39.9 | 39.1 | 40.3 |
| Women | 39.6 | 39.7 | 39.8 | 39.6 | 39.5 | 39.2 | 39.3 | 38.3 | 39.5 |
| By type of ownership: | | | | | | | | | |
| Private sector | 40.5 | 40.6 | 40.6 | 40.3 | 40.2 | 40.0 | 40.0 | 39.0 | 40.2 |
| Public sector | 38.6 | 38.8 | 38.9 | 38.6 | 38.6 | 38.4 | 38.4 | 37.9 | 38.8 |

Source: National Statistical Institute. Labour force survey, various years.

- **Normal work / atypical work**

Atypical employment is not widespread in the country – especially part-time and temporary work. More widely spread in the private sector is the “undeclared” employment (the share of the shadow economy in Bulgaria is estimated at 25-30 per cent). The largest number of undeclared workers can be seen in construction, hotels and restaurants, and agriculture. Informal employment has two main dimensions – work without employment contracts and employment under contracts with “hidden” clauses (e.g., envelope wages). While we can observe a stable downward trend of decreasing employment without contracts since 2003, employment with “hidden clauses” shows an opposite trend – it increased to include about 10 per cent of the employees. The social partners are concerned

about the prevalence of the shadow economy and its effect on the loyal business and the labour and social rights of undeclared workers. In recent years they have launched a number of joint measures and initiatives for its prevention, including joint projects, training of workers and employers, forums and conferences.

In 2019 and 2020, CITUB implemented the project “Active Civic Participation for Prevention and Limitation of Undeclared Employment in Bulgaria”, prioritising analysis and outlining measures to combat the gray economy in four sectors - construction, agriculture, car repair and light industry. The “Gray Kills” Campaign was initiated and continues, on the project website (www.sivotoubiva.bg) where the VOX mobile application can be downloaded and signals for gray practices can be submitted.

Table 9
Relative share of the employees by type of contract (in %)

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 1 st quarter | 2020 2 nd quarter | 2020 3 rd quarter |
|--|------|------|------|------|------|------|---------------------------------|---------------------------------|---------------------------------|
| By the length of working time: | | | | | | | | | |
| Full time | 97.9 | 98.1 | 98.2 | 98.1 | 98.3 | 98.3 | 98.5 | 97.8 | 98.3 |
| Part time | 2.1 | 1.9 | 1.8 | 1.9 | 1.7 | 1.7 | 1.5 | 2.2 | 1.7 |
| By type of contract with the employer: | | | | | | | | | |
| Labour and civil service contract | 97.0 | 97.1 | 97.0 | 96.8 | 96.8 | 96.8 | 97.4 | 97.2 | 96.6 |
| Civil contract | 1.1 | 1.0 | 0.9 | 0.9 | 0.9 | 0.9 | 1.0 | 1.0 | 1.0 |
| Without any contract | 1.9 | 1.9 | 2.1 | 2.3 | 2.3 | 2.3 | 1.6 | 1.8 | 2.4 |
| By type of working activity: | | | | | | | | | |
| Permanent job | 94.7 | 95.5 | 95.8 | 95.5 | 95.9 | 95.6 | 96.9 | 96.5 | 95.4 |
| Temporary/agency work | 5.3 | 4.5 | 4.2 | 4.5 | 4.1 | 4.4 | 3.1 | 3.5 | 4.6 |

Source: National Statistical Institute. Labour force survey, various years.

At the background of the COVID-19 pandemic during the year, in addition to distance learning for pupils and students, a distance work from home for sectors and activities where possible was introduced for different periods. According to a Eurofound survey, 25.6% of Bulgarians surveyed indicated this option, while for European citi-

zens the share of people working from home averaged 44.6%. The COVID crisis has changed the way we live and work. Businesses are looking for non-standard options for restructuring the work process, reduced working hours, switching to teleworking, but others have lost jobs due to bankruptcies and shrinking production.

• Migration

Table 10
External migration by gender*

| Number of persons | 2017 | | | 2018 | | | 2019 | | |
|------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | total | men | women | total | men | women | total | men | women |
| Immigrants in the country | 25597 | 12471 | 13126 | 29559 | 14586 | 19973 | 37929 | 19089 | 18840 |
| Emigrants from the country | 31586 | 16046 | 15540 | 33225 | 17071 | 16154 | 39941 | 20541 | 19400 |
| Mechanical increase/decrease | -5989 | -3575 | -2414 | -3666 | -2485 | -1181 | -2012 | -1452 | -560 |

Source: National Statistical Institute (Population and demography), various years.

* Includes only those persons who have declared before administrative authorities a change of their permanent address - from Bulgaria to abroad and from abroad to Bulgaria.

• Human Development Index (HDI) and its components

Table 11

| BULGARIA | 2012 | 2013 | 2014 | 2015 | 2017 | 2018 |
|---|--------|--------|--------|--------|--------|--------|
| HDI – Value | 0.776 | 0.777 | 0.782 | 0.794 | 0.813 | 0.816 |
| Ranking (from 189 countries)* | 57 | 58 | 59 | 56 | 51 | 52 |
| Life expectancy at birth (years) | 73.4 | 73.5 | 74.2 | 74.3 | 74.9 | 74.9 |
| Mean years of schooling of adults (years) | 10.6 | 10.6 | 10.6 | 10.8 | 11.8 | 11.8 |
| Expected years of schooling of children (years) | 14.3 | 14.3 | 14.4 | 15.0 | 14.8 | 14.8 |
| Gross national income per capita (PPP \$) | 15,178 | 15,402 | 15,596 | 16,261 | 18,740 | 19,646 |

Source: UNDP. Human Development Reports.

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

• Gini-coefficient

Table 12

| Gini-coefficient | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|-----------------------|------|------|------|------|------|------|
| Bulgaria | 35.4 | 37.0 | 37.7 | 40.2 | 39.6 | 40.8 |
| EU-27 | 31.0 | 31.0 | 30.8 | 30.6 | 30.8 | 30.7 |
| Ranking (BG in EU-27) | 3 | 3 | 1 | 1 | 1 | 1 |

Source: Eurostat (SILC)

• Collective agreement coverage

The collective bargaining coverage rate of 29% is an expert estimate of CITUB based on the National Institute for Conciliation and Arbitrage (NICA) data. The data for 2019 are as follows:

- Collective bargaining coverage at the sector/branch level - 23.8%;

- Collective bargaining coverage at enterprise level - 13.9%.

The overall estimate is not a sum of the percentages at the two levels, as some of the workers are covered by two CLAs - one at sector / branch level and another at company level, which builds on the former. However, the aggregate data by sectors (public and private; industry and services) are not available.

Table 13
Collective agreements coverage rate for employees (in %)

| 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|------|------|------|------|------|------|------|------|------|
| 29* | 30 | 30 | 30 | 30 | 30 | 30 | 28 | 29 |

Source: Expert estimate – ISTUR of CITUB
*Data from National representative survey "Work-climate-index" (ISTUR of CITUB)

- **Ongoing important collective bargaining agreements**

Negotiations at national level are taking place related to the elaboration of a concept and procedure for national minimum wage setting. The negotiations are controversial and employer's organisations and trade unions did not reach consensus on some points. In the Country Specific Recommendations of May 2019 and May 2020, the EC noted again the lack of substantial progress in reaching an agreement and the adoption of clear criteria and a mechanism for setting the statutory minimum wage in the country. We expect the new Directive proposal of the Commission from 28 October to reinforce the negotiations on MW-setting mechanism.

Some important sectoral collective agreements and Annexes were negotiated and concluded in 2020 in: Education, Mechanical engineering and metal industry, Transport, Construction, Beer and malt production, Healthcare (Annex) – all they with 2-years validity.

- **Trade union density**

The explanations of the changes in the collective agreement coverage rate also apply for trade union density. As a rule, when there is higher employment (as Bulgaria had in 2008) the relative share of the trade union membership is lower. When the number of the employees in the national economy decreased, trade union membership density increased due to the fact that the majority of the dismissed/laid off employees were not trade union members. Data from empirical sociological research indicate higher trade union density (around 21-22 per cent) in 2010 and 2012. This is also due to the fact that members of not recognised as representative trade unions are included in the surveys, while the census data relate only to members of representative trade unions. However, despite the establishment of a number of new trade union organisations in some branches, as a whole the trend towards decreasing trade union density, despite with lower pace, remains.

Table 14
Trade union density (number of trade union members to the number of total employees, %)

| 2010 | 2012 | 2013 | 2014 | 2016 | 2017 | 2018 | 2019 | 2020 |
|-------|-------|--------|--------|---------|---------|---------|---------|---------|
| 21.2* | 21.9* | 20.9** | 20.9** | 15.4*** | 15.2*** | 15.1*** | 15.0*** | 14.9*** |

Source: *Data from National representative survey "Work-climate-index" (ISTUR of CITUB); **Data from National representative survey "Syndibarometer" (ISTUR of CITUB). Data for 2016, 2017, 2018, 2019 and 2020 based on the official censuses.***Trade union density is underestimated as it is calculated on the base of trade union members of the representative trade unions only.

- **Employer's organisations density**

The census of employers' organisations in 2020 recognised as representative five employers organisations - the Bulgarian Industrial Association (BIA), the Bulgarian Chamber of Commerce and Industry (BCCI), the Confederation of Employers and Industrialists in Bulgaria (CEIBG), the Bulgarian Industrial Capital Association (BICA) and the Union for Private Economic Enterprising (UPEE).

Table 15
Employer's organisations density 2020 (%)

| | BIA | BCCI | CEIBG | BICA | UPEE |
|------------------------------|-----|------|-------|------|------|
| Membership as % of companies | 3.8 | 8.8 | 1.6 | 1.4 | 2.0 |
| Membership as % of employees | 9.7 | 10.2 | 13.7 | 5,8 | 2.9 |

Source: MTSP. Census data, 2020; NSI, own calculations based on the number of the enterprises in 2019 and the number of the employees in 2020 (first nine months).

- **Workplace representation**

Bulgarian labour legislation does not provide for establishment of works councils in companies or enterprises. Workplace representation is realised by trade union organisations directly in the workplace and where there are no such organisations the representation can be realised through the general assembly or the assembly of the delegates/proxies of the entire company staff. In 2001 the general assembly/assembly of representatives' was entitled to additional functions, e.g. the right to choose representatives for the economic and social interests of the employees; the right to choose representatives for participation in the General Assembly of shareholders /partners/ associates; and for companies with 50 and more employees – the right to choose a representative in company governing bodies. However, the board level representation is still rarely realised.

In 1997 a Law on Health and Safety at Work was adopted according to which companies with 50 or more employees must establish committees on working conditions. In all other companies (with less than 50 employees) groups on working conditions have to be analysis by CITUB shows that the process of election of employee representatives on established. The committees comprise employees and employer representatives on a parity basis.

With the amendments to the Labour Code, in force since July 2006, the election of workers' representatives for information and consultation was stipulated. However the introduction of information and consultation systems is slowing down. Employees' representatives on information and consultation have been elected in only 20 per cent of the enterprises covered by the law.

Furthermore, a law relating to the election of workers/employees representatives in European Works Councils in multinational companies (MNCs), in bodies of supervision/management in European companies and in European cooperative societies is in force since 2006. In 2012-2017, both the number of MNCs in the country in which information and consultation systems were established and the number of elected representatives in European Works Councils has increased, with more than 30 MNC subsidiaries having elected representatives in the EWC.

A National Centre for Information and Consultation of CITUB was established in 2019. It should provide additional methodological and organisational assistance in the development of information and consultation systems; to provide on-line consultations and to develop a model for the integration of electronic resources on information and consultation in a single module of the electronic trade union of CITUB.

Table 16

a. National Trade Union Confederations

| Name in Bulgarian | Name in English | Number of members | | International affiliation |
|--|---|-------------------|----------------|---------------------------|
| | | 2016 | 2020 | |
| Trade union confederations recognised as nationally representative | | | | |
| Конфедерация на независимите синдикати в България (КНСБ) | Confederation of Independent Trade Unions in Bulgaria (CITUB) | 271 312 | 262 394 | ETUC ITUC |
| Конфедерация на труда Подкрепа (КТ Подкрепа) | Confederation of Labour Podkrepa (Podkrepa CL) | 79 567 | 73 536 | ETUC ITUC |
| Total | | 350 879 | 335 930 | |

Source: Ministry of Labour and Social policy. Data from the official censuses carried out in 2016 and 2020

Table 17

b. Trade Union Federations by sector/branch
TRADE UNION FEDERATIONS AFFILIATED TO CITUB

| № | Name in Bulgarian | Name in English | Number of members | | International affiliation |
|----|---|---|-------------------|--------|--|
| | | | 2016 | 2020 | |
| 1 | Синдикат на българските учители | Bulgarian Union of Teachers (BUT) | 80 352 | 84 135 | ETUCE; EI |
| 2 | Федерация на синдикатите от държавното управление и организации | Federation of Independent Trade Unions of State Government and Organisations (FITUGO) | 25 037 | 25 938 | EPSU PSI |
| 3 | Федерация на синдикатите в здравеопазването | Federation of Trade Unions – Health Services (FTUHS/ ITUFC) | 22 126 | 19 270 | EPSU PSI |
| 4 | Синдикат на железничарите в България | Trade Union of the Railways Workers in Bulgaria (TURWB) | 12 781 | 13 825 | ETF |
| 5 | Съюз на транспортните синдикати в България | Federation of Transport Trade Unions in Bulgaria (FTTUB) | 11 215 | 11 075 | ETF ITF |
| 6 | Национален браншов синдиката Водоснабдител | National Branch Water-Supply Trade Union (NBTU Vodossnabditeľ) | 10 638 | 9 689 | EPSU PSI |
| 7 | Национална федерация на енергетиците | National Federation of Energy Workers (NFE/NFEW) | 9 023 | 8 344 | IndustriAll-Europe and Global EPSU/PSI |
| 8 | Федерация на независимите синдикати на миньорите | Federation of the Independent Trade Unions of Miners (FISM) | 9 274 | 7 758 | IndustriAll-Europe and Global |
| 9 | Национална синдикална федерация Метал - електро | National Trade Union Federation Metal-Electro (NTUF Metal-Electro) | 10 121 | 9 452 | IndustriAll-Europe and Global |
| 10 | Синдикална федерация на съобщенията | Trade Union Federation of Communications (TUFC) | 7 787 | 6 494 | |
| 11 | Федерация на независимите синдикални организации от леката промишленост | Light Industry Trade Union Organisations Federation (FOSIL/ LITUOF) | 7 399 | 5 580 | IndustriAll-Europe and Global |

| | | | | | |
|----|--|--|-------|-------|--|
| 12 | Федерация на независимите синдикални организации от българската армия | Federation of Independent Trade Unions in the Bulgarian Army (FITUBA) | 6 266 | 5 553 | |
| 13 | Независима синдикална федерация на енергетиците в България | Independent Labour Federation of Workers in Energy (NSFEB /ILFWE) | 4 961 | 4 457 | EPSU PSI |
| 14 | Федерация на независимите синдикални организации от горското стопанство и дървопреработващата промишленост | Federation of Trade Union Organizations in Forestry and Woodworking Industry in Bulgaria (FSOGSDP) | 5 737 | 4 968 | EFBWW BWI |
| 15 | Федерация на независимите синдикати в земеделието | Federation of Independent Agricultural Trade Unions (FIATU) | 4 845 | 4 672 | EFFAT IUF |
| 16 | Независим учителски синдикат | Independent Teachers' Trade Union (ITTU) | 6 097 | 6 111 | |
| 17 | Независима синдикална федерация на търговията, кооперациите, туризма и услугите | Independent Trade Union Federation of Employees in Commerce, Cooperatives, Tourism, Credit and Social Services (ITUFECTCS) | 3 294 | 2 808 | UNI -EUROPA |
| 18 | Национален браншов синдикат Висше образование и наука | National Branch Trade Union of Higher Education and Science (NBTU-HES) | 4 843 | 5 091 | |
| 19 | Федерация на независимите строителни синдикати | Federation of Independent Trade Unions in Construction (FITUC) | 3 040 | 1 275 | EFBWW BWI |
| 20 | Синдикална федерация МЕТАЛИЦИ | Trade union of METALWORKERS (TU METALIZY) | 2 882 | 2 383 | IndustriAll-Europe and Global |
| 21 | Национална федерация на труда Химия и индустрия | National Labour Federation of Chemistry and Industry (NLF Chemistry and Industry) | 3 456 | 2 334 | IndustriAll-Europe and Global |
| 22 | Федерация на синдикатите от военнопромишления комплекс | Federation of Trade Unions of the Military Industrial Complex (FTUMIC) | 2 085 | 2 373 | |
| 23 | Национален банков синдикат | National Banking Union (NBS) | 2 361 | 2 696 | |
| 24 | Синдикална федерация на организациите от електрониката, машиностроенето и информатиката | Trade Union Federation of Organizations of Electronics, Machine-building and Informatics (TUFOEMI) | 1 808 | 1 523 | IndustriAll- Europe jointly with FTISI "Podkrepa" |
| 25 | Федерация на независимите синдикални организации от хранителната промишленост | Federation of Independent Trade Unions in the Food Industry (FITU-FOOD) | 1 962 | 1 741 | EFFAT IUF |
| 26 | Съюз на българските музикални и танцови дейци | Union of Bulgarian Musicians and Dancers (UBMC) | 1 762 | 1 485 | Before 2012 - member of ITUF CULTURE |
| 27 | Независима федерация Култура | Independent Trade Union Federation Culture (ITUF CULTURE) | 2 053 | 1 789 | |
| 28 | Независима синдикална федерация на кооперативните организации | Independent Trade Union Federation of Cooperative Organizations (ITUFC) | 968 | 378 | |
| 29 | Моряшки синдикат | Seamen's Syndicate – Bulgaria | 625 | 570 | ETF; ITF |
| 30 | Синдикат Корабостроител | Trade Union Korabostroitel (Shipbuilder) (TU Korabostroitel) | 739 | 649 | |
| 31 | Синдикат на туризма в България | Trade Union of Tourism in Bulgaria (TUTB) | 1 161 | 1 491 | |
| 32 | Независим синдикат на тютюноработниците | Independent Trade Union of Tobacco Workers (ITUTW) | 473 | - | |
| 33 | Синдикат на автотранспортните работници в България (САРБ) | Trade Union of Road Transport Workers in Bulgaria (TURTWB) | 935 | 792 | |
| 34 | Синдикат Пиво, Храни и Напитки | Trade Union of Beer, Food and Beverages (TUBFB) | 982 | 593 | EFFAT IUF |

| | | | | | |
|----|---|---|-------|-------|-------|
| 35 | Национален радио-телевизионен синдикат | National Radio and TV Trade Union (NRTVTU) | 226 | 210 | |
| 36 | Национален синдикат на пожарникарите и спасителите „ОГНЕБОРЕЦ“. | National Trade Union of Fire-fighters and Rescuers (NTUFR 'Fire-fighter') | 2 041 | 1 999 | EFFUA |
| 37 | ОББ - синдикат (Обединена българска банка) | UBB – Trade Union (United Bulgarian Bank) | - | 1 693 | |
| 38 | Съюз на артистите в България (САБ) | Union of Bulgarian Actors (UBA) | - | 190 | |
| 39 | Териториални синдикати | Territorial Trade Unions | - | 1 010 | |

Source: Data from the internal registration system of CITUB

Table 18
TRADE UNION FEDERATIONS AFFILIATED TO PODKREPA CL

| № | Name in Bulgarian | Name in English | Number of members | | International affiliation |
|----|---|--|-------------------|-------|---|
| | | | 2016 | 2020 | |
| 1 | Синдикат Образование | Union of Education | 18 032 | 18032 | ETUCE EI |
| 2 | Медицинска федерация | Medical Federation | 8 074 | 8074 | EPSU PSI |
| 3 | Синдикална миньорска федерация | Miners Federation | 7 262 | 5310 | IndustriAll- Europe and Global |
| 4 | Федерация на транспортните работници | Federation of Transport Workers | 5 232 | 5703 | ETF |
| 5 | Синдикат на административните служители | Union of Administrative Employees | 5039 | 5471 | EPSU PSI |
| 6 | Федерация Енергетика | Federation of Energy | 4 483 | 4451 | IndustriAll- Europe and Global |
| 7 | Федерация Строителство, индустрия и водоснабдяване | Federation of Construction and Water Supply | 5 058 | 4791 | EFBWW EPSU BWI PSI |
| 8 | Синдикална федерация на машиностроителите и металоработниците | Trade Union Federation of Metal Workers | 4 711 | 6080 | IndustriAll- Europe and Global |
| 9 | Федерация Лека промишленост | Federation of Light Industry | 2 366 | 588 | IndustriAll- Europe and Global |
| 10 | Федерация Търговия, Услуги, Контролни органи и Туризъм | Federation of Commerce, Services, Control Bodies and Tourism | 2 350 | 2001 | EPSU PSI |
| 11 | Федерация Съобщения | Federation of Communications | 2 110 | 2390 | UNI Europe |
| 12 | Федерация Химия | Federation of Chemical Industry | 2 131 | 2127 | IndustriAll- Europe and Global |
| 13 | Федерация Атомна енергетика | Federation of Nuclear Energy | 1 412 | 1460 | IndustriAll- Europe |
| 14 | Федерация Металургия | Federation of Metallurgy | 771 | 1280 | IndustriAll- Europe and Global |
| 15 | Федерация Земеделие и горско стопанство | Federation of Agriculture and Forestry | 2 173 | 1862 | EFFAT IUF |
| 16 | Национален железничарски синдикат | National Railway union | 1 695 | 1595 | |
| 17 | Федерация Техническа индустрия, наука, информатика | Federation of Technical Industry, Science, Informatics | 2 251 | 1752 | IndustriAll- Europe jointly with TUFOEMI -CITUB |
| 18 | Федерация Хранителна и питейна промишленост | Federation of the Food and Beverages Industry | 1 554 | 650 | EFFAT |

| | | | | | |
|----|--|--------------------------------|-------|------|-------------|
| 19 | Синдикат Отбрана | Union of Defence | 1 185 | 1110 | EPSU PSI |
| 20 | Федерация Култура | Federation of Culture | 1 068 | 1250 | |
| 21 | Синдикат на свещено и църковно служителите | Union of Priests and Churchmen | - | 243 | |
| 22 | Съюз на журналистите в България Подкрепа | Union of Journalists Podkrepa | 5 | 189 | EFJ IFJ |

Source: Data from the internal registration system of Podkrepa CL

• Employers organisations

Table 19

| | Name in Bulgarian | Name in English | Number of members 2016 | Number of members 2020 | International affiliation |
|---|---|--|---|---|--|
| 1 | Българска стопанска камара – Съюз на българския бизнес (БСК) | Bulgarian Industrial Association - Union of the Bulgarian Business (BIA) | 117 branch organisations in 117 economic activities; 5 668 members with 132 217 employees; 143 regional chambers. | 73 branch organisations in 62 economic activities; 15 867 members with 219 127 employees; 141 regional chambers. | BUSINESSEUROPE, IOE – International Organization of Employers |
| 2 | Българска търговско промишлена палата (БТПП) | Bulgarian Chamber of Commerce and Industry (BCCI) | 73 branch organisations in 74 economic activities; 39 669 members with 341 409 employees; 98 regional chambers. | 85 branch organisations in 51 economic activities; 36 999 members with 230 105 employees; 217 regional chambers. | International Chamber of Commerce, Paris; World Trade Centres Association, USA; EUROCHAMBRES |
| 3 | Асоциация на индустриалния капитал в България (АИКБ) | Bulgarian Industrial Capital Association (BICA) | 101 branch organisations in 60 economic activities; 8 281 members with 317 617 employees; 171 regional structures. | 77 branch organisations in 60 economic activities; 6 083 members with 131 710 employees; 177 regional structures. | European Centre of Employers and Enterprises Providing Public Services (CEEP) |
| 4 | Конфедерация на работодателите и индустриалците в България (КРИБ) | Confederation of Employers and Industrialists in Bulgaria (CEIBG) | 114 branch organisations in 117 economic activities; 4 598 members with 378 869 employees; 128 regional structures. | 92 branch organisations in 71 economic activities; 6 813 members with 309 251 employees; 255 regional structures. | International Chamber of Commerce (ICC) |
| 5 | Съюз за стопанска инициатива на гражданите (ССИ) | Union for Private Economic Enterprising (UPEE). | 39 branch organisations in 40 economic activities; 2 651 members with 51 742 employees; 88 regional structures. | 37 branch organisations in 46 economic activities; 8 452 members with 65 959 employees; 103 regional structures. | International Organisation of Employers (IOE) European association of craft, small and medium size enterprises (UEAPME) |

Source: Ministry of Labour and Social Policy. Data from the official censuses of employer organisations held in 2016 and 2020.

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ABOUT THIS STUDY

Industrial relations and social dialogue are an important element of any modern society. This publication aims to analyze their situation in Bulgaria in 2020, taking into account two important circumstances - the pandemic of COVID-19 and the census of members of trade unions and employers' organiza-

tions. COVID-19 has led to the loss of many jobs and a change in the way many employees work. The census is carried out once every four years and is used to determine the nationally representative organizations of workers and employers.
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LABOUR RELATIONS AND SOCIAL DIALOGUE

in Bulgaria 2020



In 2020, both economic development and the development of industrial relations were marked by the COVID-19 crisis.

2020 is characterised by strong political polarisation and political instability. Civil protests began in the middle of the year demanding the resignation of the Prime Minister and the Prosecutor General, which continue as yet. There were also protests of policemen and nurses against low wages and poor working conditions.

The most important event of the year is that as of 10 July, Bulgaria is already a member of the ERM II and of the banking union.

After the steady GDP growth in the last years the expectations for 2020 are pessimistic. EC forecast is for decline of -7 per cent. Foreign direct investment in the first half of 2020 decreased by 1/3 compared to the same period of 2019.



Bulgaria remains among the poorest countries in the EU. 22.6 per cent of the population is at risk of poverty after social transfers (SILC-2019). Inequality is increasing. The Gini-coefficient (40.8 for 2019) is the highest in the EU and increasing.

The average annual decline in employment in 2020 is expected to be about 2.6 per cent and the unemployment rate – at 5.6 per cent.

The steady trend of increasing average monthly wage (AW) registered in the last years continued in 2020 as well; in the Q3 AW reached BGN 1373 (€ 702) with an increase by 9.9 per cent on annual basis. The minimum wage increased from the beginning of 2020 to BGN 610 (€ 312). Nevertheless, wages in Bulgaria are still the lowest in the EU.

There have not been significant internal changes regarding social partners' organisations. In 2020 official census of social partners' organisations was held to prove their representativeness.



At the background of the COVID-19 crisis and the need of adopting a number of amendments to important laws in 2020, the tripartite social dialogue gained momentum. The most important issues discussed in the NCTC in 2020 were employment measures and compensation schemes, income protection and financial support for the businesses in the time of crisis; the state budget for 2021.

After nearly a year of negotiations, a National Tripartite Agreement was signed in June 2020. It covers measures in 5 areas - Business environment and economy; Energy; European green deal; Demography, education, labour market, and labour migration; Social protection policies.

The trend of decreasing CLA in enterprises is slowing down after 2017 and their number remains at a relatively constant level until the end of 2019, but from the beginning of 2020, there is again a negative trend. However the number of effective CLAs at municipal level is increasing and the number of sectoral / branch CLAs in the last three years is preserved.

Further information on the topic can be found here:
<http://www.fes-bulgaria.org>