



Bulgaria
country study
2019

FAIR
WEAR

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Introduction

After the country experienced democratic changes in the beginning of the 1990s, Bulgaria's industrial relations became decentralised. Today there are four main levels maintaining dialogue and cooperation among unions, employers and government. At the national level the National Council for Tripartite Cooperation (NCTC), established in 1993, includes members of all representative trade unions and employers' organisations as well as representatives of the government, and is responsible for social dialogue. At the sectoral level social dialogue is maintained by committees for tripartite cooperation. At the municipal level, there are councils for social cooperation. At the company level, the trade unions and employer organisations participate together with employers in collective bargaining (CB). Since 2011, social dialogue and industrial relations in Bulgaria have been functioning within a complex political and economic climate, attempting tripartism in making decisions of national importance, despite the Bulgarian government's tendency to avoid matters of tripartism.

There is no union structure in most small companies, which means no company agreement; additionally, most small companies are not members of an employers' association, making industry-level agreements inapplicable. The result is that those working in Bulgaria's many small companies are, in the overwhelming majority of cases, not covered by a collective agreement (CA). Most of the apparel factories fall in this category, allowing for the conclusion that the majority of Bulgarian apparel workers are not covered by a CA.

According to one of the leading trade unions, the cost of living in Bulgaria in January 2019 was approximately €308.07 euro per person (BGN 602.52).¹ With minimum wage in 2019 at €222.19 euro (net), it is obvious that there is a gap between wages and consumption, thus rendering Bulgaria's minimum wage inadequate to meet this cost of living. The garment industry in Bulgaria demands low-skilled labour and the majority of workers are women. Wages in the sector appear to align closely to the national minimum wage, despite the lack of official statistics on the matter.

According to a survey carried out by Alpha Research among 1,000 women, one woman in four is a victim of violence, in most cases domestic violence. According to a 2016 national study by the Center for the Study of Democracy, women are significantly more likely to experience gender-based violence compared to men.² There are no available statistics on the issues of violence and harassment in the workplace, but according to the 2015 European Working Conditions Survey, less than four per cent of all employees reported having been subject to harassment in the last 12 months.

The largest non-compliance issue with the Code of Labour Practices (CoLP) to date falls under 'payment of a living wage', usually found during social audits. This is mainly due to garment factories working under cut, make, and trim (CMT) arrangements, and the mandatory 'minimum social insurance thresholds' regarded by the employers as the 'maximum wage', as well as the lack of collective bargaining agreements (CBAs) in the apparel industry since 2012.

Additional frequently-found violations fall under 'working hours'. Although a common problem within the garment industry due to seasonality, urgent orders, etc., overtime work can also be blamed on bad organisation, overlapping orders in order to retain clients or the perception that overtime in the industry is normal. Some workers prefer to work overtime, as it is paid at premium rate according to the Bulgarian Labour Code

¹ <http://www.knsb-bg.org/index.php/izdrjka-na-jivota>

² <http://old.csd.bg/artShowbg.php?id=17880>

(LC), which means workers can earn a bit more to add to insufficient wages. Other workers prefer to not work overtime, desiring a better work-life balance.

Health and safety non-compliances are largely due to Bulgaria's very comprehensive Health and Safety Act and the accompanying regulations. Non-compliances most frequently concern non-ergonomic chairs, congested shop floors with blocked evacuation routes, workers not using personal protective equipment (PPEs) when required, incomplete first aid kits, non-performed medical checks and non-performed physical factors measurements.

As an EU Member State since 2007, Bulgaria has absorbed European legislation into its national legislation, ratifying 101 of the ILO conventions, including the eight fundamental conventions. Bulgaria has also ratified the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW). Fair Wear will continue to provide updated information on the country at www.fairwear.org and will update this country study on a periodic basis in the future.

FAIR WEAR FOUNDATION IN BULGARIA

Fair Wear has been active in Bulgaria since 2006. Since then, verification activities through Fair Wear audits are carried out at the Bulgarian factories supplying Fair Wear members. Fair Wear actively encourages brands to work on effective sourcing practices and to give workers the motivation to set up worker committees, which can help improve working conditions, productivity and worker satisfaction.

Since 2016, Fair Wear Workplace Education Programmes (WEP) training sessions have been carried out across factories and more than 300 workers have been trained on local labour laws and support effective communication between factory management and workers.

A Fair Wear complaints helpline has been active in the country since 2010. Three complaints have been submitted, one of which was from factory management.

The priorities for Fair Wear in Bulgaria are wages, working hours and social dialogue.

According to the latest Fair Wear annual report, 19 Fair Wear member companies were sourcing from 38 Bulgarian suppliers.

1. How to read this country study

This country study should provide a clear and concise picture of the industry, labour law, labour conditions and industrial relations within Bulgaria's textile and garment industry. This version contains information initially collected in 2016, but the data and figures were revised and updated in 2019. The study is prepared through gathering information about national laws and local stakeholders' views on labour issues within the Bulgarian garment industry. If you would like to know which stakeholders provided input for this study, please [click here](#).

This country study begins with an introduction: a short summary of the general situation in Bulgaria regarding the economy, social dialogue, wages and gender issues, and the most frequently encountered non-compliances within Fair Wear labour standards. It includes information about Fair Wear and its operations in Bulgaria.

- › **Chapter 2 General country information** provides information about the general economic, social, political and governance information; data on income and poverty; and general human rights issues. It provides stakeholders, brands and auditors with knowledge about the broader macroeconomic environment in which garment industry operates. It additionally provides the context to understanding the reasons behind the most common issues.
- › **Chapter 3 Stakeholders** provides a brief review of existing stakeholders, including the following: government, trade unions, employers' associations or NGOs involved with labour standards monitoring. It should be used by auditors and brands to become better acquainted with the activities of these stakeholders, especially in the areas of monitoring and improvement of working conditions. It additionally provides contact information for further consultations with local stakeholders.
- › **Chapter 4 Garment industry** provides an overview of the garment industry in Bulgaria: its importance for the Bulgarian economy and labour market, as well as its development and current state. It gives insight for the economic, social and other factors that influence the labour standards within the garment industry, pinpointing areas where efforts should be made to improve working conditions.
- › **Chapter 5 Industrial relations** describes the social dialogue situation, trade unionisation and subsequent workers' representation within the garment industry in particular. It provides information on the efforts made by the social partners to improve working conditions through tripartite or bipartite dialogue within the garment industry.
- › **Chapter 6 Implementation of the Fair Wear Code of Labour Practices** offers detailed information about the implementation of the Fair Wear Code of Labour Practices (CoLP) within Bulgarian factories. For each labour standard, official statistics (if available) are included, along with local laws and regulations, opinions of stakeholders and actual data by Fair Wear auditors on code compliance. This valuable information represents any shortcomings in the legislation or stakeholders activities and serves to highlight areas where efforts can be made for the improvement of working conditions.

2. General country information

Bulgaria is located on south-eastern Europe's Balkan Peninsula. In 2018, the country's population numbered 7 million³, women making up 51.5 per cent. Women's employment rates have been steadily rising for the past few years, reaching 46.9 per cent in 2018, compared to 58.4 per cent for men 15 years of age and older. The same rates for the age group 15-64 years are 63.9 per cent for women and 71.5 per cent for men.⁴ The total number of employees under labour contract in the textile, apparel, leather and otherwise-related products within the manufacturing sector was 117,971 persons in 2017, a decrease of 4.3 per cent compared to 2016.⁵

Currently, Bulgaria has an account deficit in the manufacturing sector.⁶ The main export destinations of Bulgarian goods are the European Union (EU), Turkey, France, and Belgium, with food and live animals, beverages, and crude materials (except fuel) making up Bulgaria's top three exports.⁷ Overall, the production value of manufacturing industrial enterprises exceeds 65 billion Bulgarian Lev (BGN) (approximately € 25 billion euro), out of which enterprises in the textiles, apparel, leather and related products have the fourth highest value.⁸

Traditionally, women employed in the textile and garment industry exceeded 80 per cent of the total employed in the sector.

Male and female employed in the garment sector⁹

Sex	Economic activity	2017	2018
Male	Manufacture of textiles and wearing apparel	20,100	21,300
Female	Manufacture of textiles and wearing apparel	122,500	121,700
Total	Manufacture of textiles and wearing apparel	142,700	143,000

2.1. ECONOMIC INDICATORS

Bulgaria's GDP per capita (PPP, current US Dollar) has been on the rise with some decline during 2015 and 2016, since its 2007 accession to the European Union together with Romania.¹⁰ The productivity of the two countries' economies was almost the same at the time of their accession, but the gap between them has been increasing, with Romania gaining more steadily. However, compared to other garment-producing countries with a history of authoritarian rule, for example North Macedonia, Bulgaria's results are significantly better.

³ <https://www.nsi.bg/en/content/6704/population-districts-municipalities-place-residence-and-sex>

⁴ <https://www.nsi.bg/en/content/6500/employed-and-employment-rates-national-level-statistical-regions-districts>

⁵ Eurostat, 2019, code: sbs_na_ind_r2

⁶ WTO, 2019, retrieved September 27th: <http://stat.wto.org/CountryProfile/WSDBCountryPFView.aspx?Language=E&Country=BG>

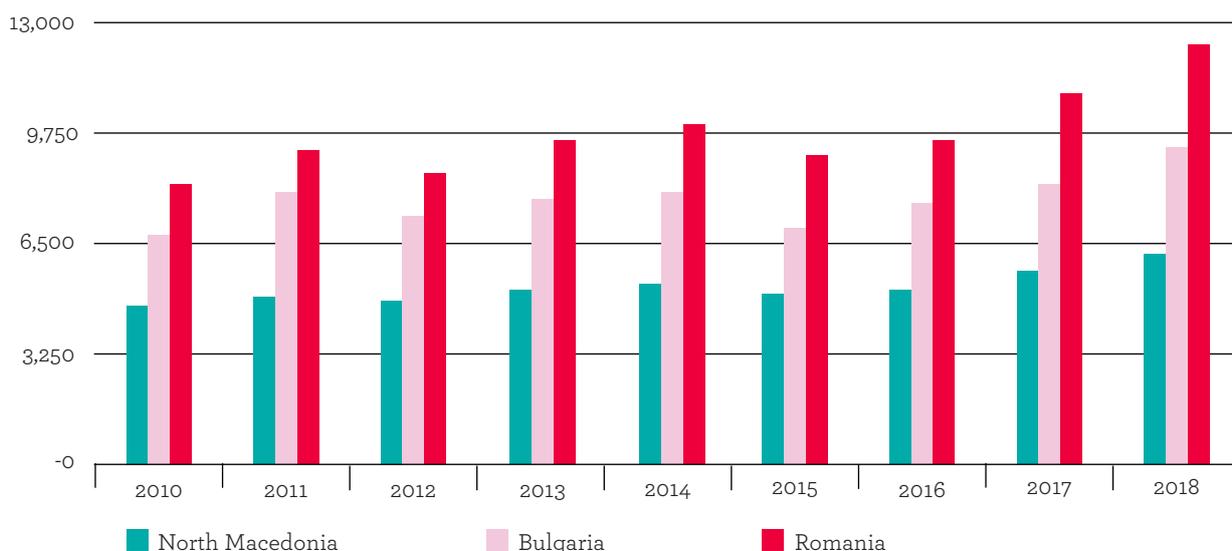
⁷ National Statistical Institute, 2019, 2019 Statistical Handbook

⁸ Ibid.

⁹ ILOSTAT, excluding manufacturing of leather and related products

¹⁰ <https://databank.worldbank.org/reports.aspx?source=2&series=NY.GDP.MKTP.PP.CD&country=MKD#>

GDP per capita (current US\$) sector



Source: World Bank, 2019

Bulgaria is stable and performing well in macroeconomic terms, maintaining few imbalances and a public debt of only 22.6 per cent of the GDP.¹¹ Despite this, Bulgaria's gross national income (GNI) per capita (PPP, current US Dollar) remains low at \$22,300 USD, or 51.1 per cent of the average GNI per capita in the European Union.¹²

With its 2017 human development index (HDI) value of 0.813, the country belongs to the very high human development category.¹³ Bulgaria exceeds Romania slightly and North Macedonia significantly in its HDI. When Bulgaria's HDI value is discounted for inequality, it falls to 0.710, which incurs a loss of 12.7 per cent due to inequality in the distribution of the HDI dimension indices (for comparison, the average loss for the EU is nine per cent).¹⁴

HDI RANK	COUNTRY	Human	Life expectancy at birth	Expected years of schooling	Mean years of schooling	Gross national income (GNI) per capita	GINI coefficient
52	Romania	0.811	75.6	14.3	11	25,150	28.3
51	Bulgaria	0.813	74.9	14.8	11.8	22,300	37.4
81	North Macedonia	0.757	75.9	13.3	9.6	14,590	35.6

¹¹ National Statistical Institute, 2019, available at: <https://www.nsi.bg/bg/content/11476/%D0%B1%D1%80%D1%83%D1%82%D0%B5%D0%BD-%D0%B4%D1%8A%D1%80%D0%B6%D0%B0%D0%B2%D0%B5%D0%BD-%D0%B4%D1%8A%D0%BB%D0%B3>

¹² World Bank Group, 2019, available at: http://data.worldbank.org/indicator/NY.GNP.PCAP.PP.CD?locations=BG&name_desc=true and <http://data.worldbank.org/indicator/NY.GNP.PCAP.PP.CD?locations=EU>

¹³ UNDP, 2019, available at: <http://hdr.undp.org/en/countries/profiles/BGR>

¹⁴ UNDP, 2019, retrieved on September 28th: <http://hdr.undp.org/en/composite/IHDI>

2.2. SOCIAL, POLITICAL & GOVERNANCE INDICATORS

Bulgaria has been undergoing a transition toward democracy for the past 30 years, since the fall of its authoritarian regime in 1989. Today, its status quo could be defined as a semi-consolidated democracy¹⁵ or a ‘flawed democracy’, according to the Democracy Index of the Economist Intelligence Unit.¹⁶ Bulgaria as a ‘flawed democracy’ means probable issues in governance, an often-overlooked and underdeveloped political culture, and a lack of national political participation. Even so, the situation has improved since 2014, when Bulgaria occupied the 55th place on the global Democracy Index.¹⁷ In 2018, it occupied the 46th place.¹⁸

	Rank	Score	Electoral Process and Pluralism	Functioning of Government	Political Participation	Political Culture	Civil Liberties
Bulgaria	46	7.03	9.17	6.43	7.22	4.38	7.94
North Macedonia	78	5.87	6.50	5.36	6.67	3.75	7.06
Romania	66	6.38	9.17	5.71	5.00	4.38	7.65

Bulgaria and Romania score better than average among the Eastern European countries group, while North Macedonia is right in the middle. According to the Index data, Bulgaria and North Macedonia have been developing positively in the past three years, whereas the trend in Romania is quite negative.¹⁹

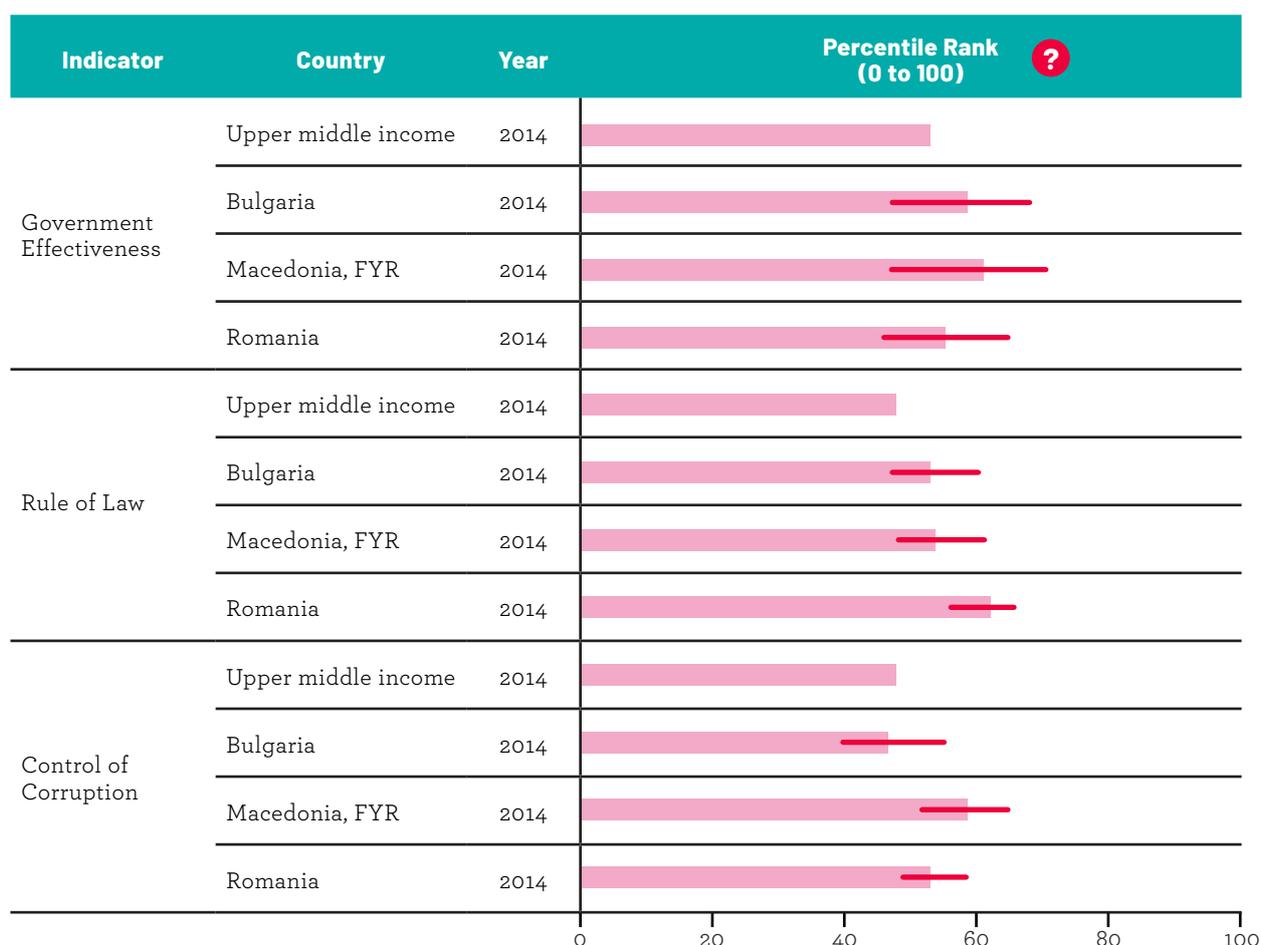
¹⁵ European Commission, DG Research and Innovation, 25 years after the Fall of the Iron Curtain: The State of Integration of East and West in the European Union, Luxembourg: Publications Office of the European Union, 2014.

¹⁶ Economist Intelligence Unit, Democracy Index 2015: Democracy in an Age of Anxiety. Available at: www.eiu.com

¹⁷ Ibid., p. 28

¹⁸ The Economist Intelligence Unit, 2018, available at: <https://www.eiu.com/topic/democracy-index>

¹⁹ Ibid.



Source: Worldwide Governance Indicators, 2014

The ineffective control of corruption is an ongoing issue for Bulgaria. The state has adopted an overall top-down governance approach on the topic, with several monitoring bodies established in the last 15 years. Among these monitoring bodies are the following organisations: the National Council on Anticorruption Policies with the Council of Ministers;²⁰ the Anti-Corruption, Conflict of Interests and Parliamentary Ethics Committee,²¹ the Commission for Withdrawal of Criminal Assets,²² the Commission for Prevention and Ascertainment of Conflict of Interest,²³ the Centre for Prevention, and Countering Corruption and Organized Crime.²⁴ However intricately named, these institutional settings contribute little to improving the general perception of corruption among the Bulgarian population. Bulgaria ranks 77th among 180 countries, the lowest within the EU, according to the Transparency International's Corruption Perception Index for 2018.²⁵

Looking at the Gender Inequality Index,²⁶ Bulgaria's gender inequality results are better than Romania, but surprisingly worse than North Macedonia. Even so, Bulgaria has the best female to male labour force participation rate out of the three countries.

²⁰ <http://anticorruption.government.bg/content.aspx?p=14>

²¹ <http://www.parliament.bg/en/parliamentarycommittees/members/2346>

²² <http://www.ciaf.government.bg/>

²³ <http://cpaci.bg/en/>

²⁴ <http://borkor.government.bg/en/page/2>

²⁵ Transparency International, 2018, retrieved on September 28th: <https://www.transparency.org/cpi2018>
<https://www.transparency.org/news/feature/cpi2018-western-europe-eu-regional-analysis>

²⁶ Gender Inequality Index, 2017,
<http://hdr.undp.org/en/composite/GII>

	Gender Inequality Index		Maternal mortality ratio	Adolescent birth rate	Seats in parliament	Population with at least some secondary education		Labour force participation rate	
	Value	Rank	(deaths per 100,000 live births)	(births per 1,000 women ages 15-19)	(% held by women)	Female	Male	Female	Male
Romania	0.311	68	31	33.1	18.7	86.5	92.7	44.1	63.1
Bulgaria	0.217	46	11	39.5	23.8	93.7	96.1	47.8	59.6
North Macedonia	0.149	35	8	16.2	37.5	40.5	56	42.5	67.6

Source: HDR Report, 2017

The state has an indirect yet active role in the ready-made garment (RMG)/textile sector. The National Council for Tripartite Cooperation (NCTC)²⁷ is the main consultation body where the interests of workers – through trade unions – employers, and the Government meet. The existence of the council is regulated by the national Labour Code.²⁸ After taking into account the recommendations of the council, each year the state settles on a fixed minimum social insurance threshold (i.e. the national minimum wage) for all sectors in the economy. This has an inevitable effect on the workers in the RMG/textile sector.

2.3. INCOME AND POVERTY

In 2017 in Bulgaria, 23.4 per cent of people were at risk of poverty after social transfers, according to Eurostat.²⁹ These results are quite comparable to those of Romania and North Macedonia with 23.6 and 21.9 per cent, respectively.

The minimum wage in Bulgaria is currently set at €222.19 euro net.^{30 31} According to one of the leading trade unions, the cost of living in the country in May 2019 was approximately €308.07 euro per person.³² This shows a noteworthy gap between wages and consumption and makes the minimum wage inadequate at national level. Internationally, the minimum wages levels also differ between Bulgaria, Romania, North Macedonia, and another garment-producing country, Turkey. The minimum wage in Romania has increased drastically over the past two years; however, this is not so in Bulgaria, North Macedonia, and Turkey.

²⁷ http://www.saveti.government.bg/web/cc_13/1

²⁸ http://www.ilo.org/dyn/natlex/natlex4.detail?p_lang=en&p_isn=61136

²⁹ Eurostat, 2019, retrieved on September 26th:

https://ec.europa.eu/eurostat/statistics-explained/images/c/c2/People_AROPE_2019_5.png

³⁰ Council of Ministers, Ordinance 320/20.12.2018, available at:

<http://dv.parliament.bg/DVWeb/showMaterialDV.jsp?idMat=133287>

³¹ The minimum wage in the country is updated at least once a year.

³² CITUB, 2019, retrieved August:

<http://www.knsb-bg.org/index.php/%>

	2017S1	2017S2	2018S1	2018S2	2019S1	2019S2
Bulgaria	235.20	235.20	260.76	260.76	286.33	286.33
Romania	275.39	318.52	407.86	407.45	446.02	446.02
North Macedonia	240.89	277.62	278.58	282.48	n/a	n/a
Turkey	479.47	442.89	446.40	380.16	422.26	422.26

Source: Eurostat, 2019, earn_mw_cur

The garment industry in Bulgaria demands low-skilled labour and finds women mostly occupying these jobs. Wages in the sector align closely to the Bulgarian national minimum wage, despite the lack of official statistics on the matter. Consequently, the steady increase in the monthly minimum wage observed above is beneficial for garment industry workers in Bulgaria.

2.4. GENERAL HUMAN RIGHTS SITUATION

According to the 2017-2018 Amnesty International Report,³³ there are several lingering issues with human rights in Bulgaria. These include pushbacks of migrants and asylum seekers, excessive use of force, and theft by border police; a lack of adequate reception conditions for unaccompanied refugee and migrant children; hate speech and hate crimes against ethnic minorities, migrants in particular; and threats, political pressure and attacks against journalists. The state is doing relatively little to tackle these issues (investigations are often interrupted and legislative reforms stalled), even though stakeholders such as the Bulgarian Helsinki Committee and UNHCHR are actively involved in raising awareness on the topic at the national and international levels.

Despite the persisting issues, Bulgaria is bound by and adheres to its obligations arising from the ratification of the major agreements in the UN system. So far, the country has ratified 101 of ILO's International Labour Conventions. Out of those, 64 are in full force, including the eight fundamental Conventions.³⁴ Bulgaria has been a party to the Universal Declaration of Human Rights since December 10, 1998. Prior to that, the country ratified the International Covenant on Economic, Social and Cultural Rights in 1976³⁵ and the Convention on the Elimination of All Forms of Discrimination against Women, implemented in 1982.³⁶ Bulgaria also ratified the European Convention on Human Rights in 1992.³⁷

First, the national legal framework on human rights encompasses the Constitution of the Republic of Bulgaria (1991, especially Chapter 2).³⁸ Following are specific laws and regulations addressing people's

³³ Amnesty International, 2018, retrieved September:

<https://www.amnesty.org/download/Documents/POL1067002018ENGLISH.PDF>

³⁴ ILO, 2019, available at:

https://www.ilo.org/dyn/normlex/en/f?p=1000:11200:0::NO:11200:P11200_COUNTRY_ID:102576

³⁵ <http://indicators.ohchr.org/>

³⁶ <http://www.un.org/womenwatch/daw/Review/responses/BULGARIA-English.pdf>

³⁷ http://www.echr.coe.int/Documents/CP_Bulgaria_ENG.pdf

³⁸ <http://www.parliament.bg/en/const>

fundamental rights, such as: the Protection Against Discrimination Act, Integration of Persons with Disabilities Act, Child Protection Act and Asylum and Refugees Act, among others. Additionally, the *acquis communautaire* is included in the Bulgarian legislative system in all areas, including human rights.

The country's most recent progression was the Decent Work Agenda, developed for 2008-2009. Its main priority was to ensure the enhancement of institutions and social partners to provide more effective services.³⁹ Since Bulgaria's government endorsed the UN Guiding Principles for Business and Human Rights in 2011, there have been no new business and human rights initiatives.⁴⁰

Before the accession of Bulgaria to the EU, there were two major projects for improvement of working conditions in the textile and garment sector: The project towards the building of the Bulgarian apparel industry as a 'Leader in Corporate Social Responsibility' took place in 2004. Funded by the European Commission, it involved leading stakeholders such as the European Trade Union Federation of Textile, clothing and leather and other local trade unions: the Confederation for the Independent Trade Unions in Bulgaria (CITU-B)-Fosil and Podkrepa-FLI; the Bulgarian Ministry of Labour and the Bulgarian Labour General Inspectorate; the Balkan Institute for Labour and Social Policy (BILSP); Levi's, Nike, Adidas Salomon, H&M; and textile companies in Bulgaria, Greece and the UK, jointly employing more than 4,000 workers. More than 150 workers, supervisors and managers were trained in 12 three-day workshops. During the course of the project, the trained workers conducted more than 60 improvement circles sessions attended by more than 500 co-workers.

The second project, the round table of social standards in Bulgaria, formed to enable dialogue between management and employees, was implemented in 2006 by the German Organisation for Technical Cooperation (GTZ) and the Balkan Institute for Labour and Social Policy (BILSP) with the main purpose of enabling social dialogue within the garment industry. The project included social dialogue training of 30 participants, both management and workers, within eight garment factories, as well as implementation of action plans, which was carried out in six of the eight factories.

³⁹ http://www.ilo.org/wcmsp5/groups/public/--europe/--ro-geneva/--sro-budapest/documents/policy/wcms_167671.pdf

⁴⁰ [https://business-humanrights.org/en/bulgaria-0?actions\[\]=10827#a119524](https://business-humanrights.org/en/bulgaria-0?actions[]=10827#a119524)

3. Stakeholders

Do you want to know which stakeholders we consulted for this country study? [Click here.](#)

GOVERNMENTAL INSTITUTIONS

Ministry of Labour and Employment

The ministry is engaged with establishing policies, strategies and legislation related to labour, employment, pensions, work abroad, children and family, social assistance, social services, persons with disabilities, demographic policy, equal opportunities and public consultations.

http://www.mlsp.government.bg/index.php?lang=_eng

Employment Agency

The Bulgarian Employment Agency is an executive agency with the Minister of Labour and Social Policy, implementing government policy in the field of employment promotion. Providing employment allows a full-scale utilization of the capacity and skills of individual persons, protects their right of dignified existence and fulfils participation in the society.

<https://www.az.government.bg/bg/#> (only in Bulgarian)

General Labour Inspectorate (GLI)

GLI is a budget-financed legal entity within the Minister of Labour and Social Policy. The inspectorate is responsible for labour law compliance and exercises specialized control over the following: compliance with the Health and Safety at Working Conditions Act, the Employment Promotion Act and legislation related to the rights and obligations of the parties in employment relations. It is also responsible for providing information and technical advice to employers and workers on the most efficient methods for compliance with the labour laws and the implementation of the Employment Promotion Act. As part of these tasks, GLI is responsible for informing the competent bodies in case of patterned insufficiencies and flaws in the effective labour laws.

<http://www.gli.government.bg/en/page.php?c=5> (very little information in English language)

National Institute for Conciliation and Arbitration (NICA)

NICA was established on a tripartite basis alongside amendments of the Collective Labour Disputes Settlement Act of 2001. Based in Sofia NICA, a legal entity under the Minister of Labour and Social Policy, is ranked as an executive agency. Governing bodies of the institute are the supervisory board and the director. The supervisory board includes two representatives from each of the following: representative organisations of employers, representative organisations of employees and the state. Mediators and arbitrators of NICA are elected by a proposal of the representative organisations of workers and employers and by the state.

<http://www.nipa.bg/?q=en/node/9&lang=EN>

Ministry of Economy

The Ministry of Economy's mission is to develop and carry out clear and transparent economic policy that protects the national and public interest and is based on principles of the European Union. Among their tasks are the promotion and acceleration of investments, innovations and competitiveness.

<http://www.mi.government.bg/en/pages/about-us-1.html>

National Social Security Institute (NSSI)

NSSI is a public institution that manages the state social security in Bulgaria. NSSI administers the compulsory social security for sickness, maternity, unemployment, accident at work and professional diseases, disability, old age and death. It is the competent institution of Bulgaria, working in cooperation with the social security for the EU and implementing bilateral agreements in the following fields: sickness and maternity benefits, death grants, unemployment benefits and pensions for disability, old age and survivors.

<http://www.noi.bg/en/>

EMPLOYERS' ORGANISATIONS

Bulgarian Chamber of Commerce and Industry (BCCI)

BCCI is an independent, non-governmental organisation for assistance, promotion, representation and protection of the business interests of its members. The activity of the chamber is based on the principles of voluntary membership, autonomy and self-financing. BCCI and the 28 Regional Chambers of Commerce and Industry are united in the Unified System of Bulgarian Chambers of Commerce and Industry, which is made up of approximately 53,000 members including traders, corporations and associations.

<https://www.bcci.bg/en.html>

The Bulgarian Industrial Association (BIA)

The BIA is a union and non-governmental business organisation founded in 1980. The BIA is a nationally-recognized organisation of employers whose representatives participate in national consultative councils, supervisory and managing bodies of state public institutions. BIA is the only business organisation which is a member of BUSINESSEUROPE, a confederate-like European business organisation, therefore representing Bulgarian company and employer interests on a European level. BIA is additionally an active participant in the work of the International Labour Organisation (ILO), the European Economic and Social Committee (EESC) and the South East European Employers' Forum (SEEEF). BIA is also among the founders of the Union of Black Sea and Caspian Confederation of Enterprises (UBCCE).

<http://en.bia-bg.com/bia/>

The Bulgarian Industrial Capital Association (BICA)

Established in 1996, BICA is the most dynamic national organisation representing the Bulgarian business sector. Its members include more than 50 holding and investment companies, 80 industrial chambers and 10,000 industrial enterprises employing at least 500,000 people. BICA is a network made up of regional chambers covering 171 Bulgarian municipalities. It is a member of the European Centre of Employers and Enterprises providing Public Services (CEEP), the European Economic and Social Council and the Bulgarian Economic and Social Council.

<http://bica-bg.org/bica/?lang=en> (very little information in English language)

The Bulgarian Association of Apparel and Textile Producers and Exporters (BAATPE)

BAATPE is a non-profit employers' association for the Bulgarian textile and clothing industry. Founded in 1999 it has been active as an NGO in the field of economic development and international cooperation. Members of BAATPE include 150 export-oriented companies producing woven fabrics, ladies and men's casual and sportswear, industrial wear, knitted apparel, bath towels and lingerie. About 90 per cent of their production is designated for foreign markets, including Germany, Greece, France, Italy, the United Kingdom, the US, the Netherlands, Belgium and Austria.

<http://www.bgtextiles.org/?cid=50> (only a couple of news published on their website between January 2015 and July 2016).

TRADE UNIONS

Federation of Independent Trade Union Organisations in the Light Industry (FITUOLI)

FITUOLI is part of the nationally-recognized trade union, Confederation of Independent Trade Unions in Bulgaria (CITUB). (<http://www.knsb-bg.org/> only in Bulgarian)

Established in 1990, FITUOLI is a voluntary union of independent and equally standing trade union organisations, whose members are comprised of employed workers, specialists and employees from the light industry, united for protecting their labour, professional and social interests. The federation functions on professional and territorial principles, encompassing trade union organisations from the following industries: textile, knitwear, shoes, leather accessories, furs, glass and white ware, machinery, household goods and children's goods. Trade in such goods is conducted in state-owned, private, mixed, collective, cooperative and other such businesses.

FITUOLI is member of the IndustriAll European Trade Union seated in Brussels and of IndustriALL Global Union, seated in Geneva. Until 2012 FITUOLI was member of the International Textile, Garment and Leather Workers Federation (ITGLWF) and of the European Trade Union Federation of Textiles, Clothing and Leather (ETUF:TCL).

<http://fnsolp-bg.org/index.php/bg/> (only in Bulgarian)

Federation of Light Industry - PODKREPA

The Federation does not have description or individual website. Its contacts are on the main page of Confederation of Labour Podkrepa, the second nationally representative trade union.

<http://podkrepa.org/>

LABOUR NON-GOVERNMENTAL ORGANISATIONS (NGOS)

UN Global Compact Bulgaria

The Global Compact is an initiative of the former UN Secretary General, Mr Kofi Annan, that brings business and non-governmental organisations, academic institutions, cities and UN agencies together in a global forum that promotes sustainable growth and civic responsibility. The ten principles of the Global Compact are aimed at implementing responsible business practices in the field of human rights, labour standards, environment and anti-corruption.

The Bulgarian Network of the UN Global Compact, which operates as part of the global network and was officially launched in May of 2011, is an association of companies and NGOs that share these common beliefs: that man's mission is to be useful; free labour is creativity; in creating for others, you can create for yourself; and this is a way you can be a role model to your children.

The UN Network in Bulgaria is a platform for the responsible business in Bulgaria and during its short existence, it has created recognizable image for itself and developed collective projects with public importance, making a positive impact on the sustainability of business and society. The network does not simply promote adherence to the values of the Global Compact, but uses the ten principles as a tool that creatively addresses the needs of society while stirring a change in culture.

http://www.unglobalcompact.bg/en/?page_id=158

Balkan Institute for Labour and Social Policy (BILSP)

BILSP is a non-governmental, voluntary, independent, non-political and non-profit association established in September 2001.

BILSP works in priority areas such as EU funds management, international donor fund management, corporate social responsibility, lifelong learning, labour market, human resources, industrial relations, social insurance and social protection, occupational safety and health, labour legislation, social policy, social entrepreneurship and vocational training.

<https://bilsp.org/corporate-social-responsibility/>

CHILD WELFARE ORGANISATIONS

UNICEF Bulgaria

This organisation's mission is to advocate for the rights of children in meeting their basic needs, expanding their opportunities, and helping them to reach their full potential, with an emphasis on the equal rights of women and girls by supporting their full participation in the development of their communities.

<https://www.unicef.org/bulgaria/en>

State Agency for Child Protection

Established in 2000, this state agency is the only specialized institution with policymaking powers that is working with the Council of Ministers on children's issues.

<https://sacp.government.bg/en>

Reachout.BG

Reachout.BG represents the NGO sector, whose main purpose is to provide long-term care for children and teenagers deprived of family. The organisation is a member of the National Network for Children and is licensed by the State Agency for Child Protection for providing the social service as a 'Mobile Centre for Working with Children'.

<http://www.reachout.bg/>

GENDER FOCUS/WOMEN'S GROUPS

Animus Foundation

In Bulgaria, there is strong NGO presence on issues such as sexual equality and women inclusivity. A particular focus of these organisations is the ill-treatment of women and the problem of domestic violence. Among the most significant groups is the Animus Foundation, whose mission is to promote healthy communication between the genders in Bulgarian society. Their strategic goals include promoting gender understanding in society, encouraging the role of women as an intermediary between the government and NGOs and coordinating activities that provide information about violence against women and children.

<http://animusassociation.org/en/about-the-organisation/>

MIGRANT/REFUGEE SUPPORT ORGANISATIONS

Similar to children's welfare organisations, at present there are international, governmental and non-governmental organisations in Bulgaria.

United Nations High Commissioner for Refugees (UNHCR) Bulgaria

UNHCR Bulgaria activities include border monitoring, supporting displaced and stateless people, monitoring acceptance conditions and promoting integration, among others. The official partners of UNHCR Bulgaria include the following NGOs⁴¹ Bulgaria's Red Cross with its Refugee-Migrant Service,⁴² the Bulgarian Helsinki Committee,⁴³ the Bulgarian Council on Refugees and Migrants (BCRM)⁴⁴ and the Association for Integration of Refugees and Migrants (AIRM),⁴⁵ among others. There is a lack of a strong partnership between UNHCR Bulgaria, the NGO sector and the dense net of organisations tackling refugees and migrants' issues and rights. However, it is positive that the country is moving towards higher levels of tolerance, acceptance and integration of minority groups.

<http://www.unhcr-centraleurope.org/bg/index.html>

State Agency for Refugees

Established in 1992 by the Bulgarian Council of Ministers, it has an integration centre for refugees and is particularly active in fulfilling its monitoring duties.

<http://www.eref.government.bg/en?cat=2>

Private Sector Initiatives

There are no private sector initiatives in the garment industry, other than those involving applying for grants under OPHRD⁴⁶ that aim especially at the 'safe and healthy working conditions' programme.

⁴¹ <http://www.unhcr-centraleurope.org/bg/obshti/partnori/npo-partnori.html>

⁴² <http://en.redcross.bg/activities/activities8.html>

⁴³ <http://www.bghelsinki.org/en/rights/refugees-and-migrants/>

⁴⁴ <http://www.bcrm-bg.org/en/index.html>

⁴⁵ <http://www.airm-bg.org/maineng.htm>

⁴⁶ <http://ophrd.government.bg/>

4. The garment industry

ORGANISATION OF THE GARMENT INDUSTRY

In 2017 prices, the created Gross Value Added (GVA) in the garments and textile sector accounts for around per cent of the GVA in the processing industry.⁴⁷ This makes aggregated GVA of the garments and textile sector around 2 per cent of the entire Bulgarian economy.

Wages in the garment industry rise with annual rise of national minimum wages. In 2018, the average annual wage in textile and leather sector was 8,339 BGN.⁴⁸ Even so, according to CITUB, the industry continues having the worst pay and working conditions. What is more, more than 30 per cent of the workers in the sector left it after the economic crisis.⁴⁹

This poses a challenge to most factories, including the large ones, which need to decline orders due to the lack workers. In 2017, the aggregated revenue of the top 20 garment-producing companies increased by 3 per cent. At the same time, the industry faced an exit of 4,500 people.⁵⁰

To an extent, production in the garment industry declined for the last two years, compared to the steadily rising overall production trends (see table below).

Production (%, previous year = 100)	2016	2017	2018
Total industry	103.9	106.8	102.3
Processing industry	104.8	108.6	103.7
Production of textile and garments, processing of leather, production of shoes and other products of processed leather	105.1	99.8	104.7

The revival of internal demand in the EU Member States, to which almost 95 per cent of the export production of the Bulgarian textile industry is targeted, combined with the strong demand of textile products and garments by third countries (non-EU), has had a favourable impact on the Bulgarian export of textile products and garments. In 2018, the export turnover of Bulgarian companies from the sector reached €3.86 billion euro.⁵¹ Meanwhile, the domestic market sales have been steadily rising for the past three years.⁵²

⁴⁷ Statement, Deputy Minister Lachezar Borisov, 2018, retrieved on September 29th:
<https://enterprise.bg/blog-news/textile/>

⁴⁸ NSI, Statistical Reference Book 2019, p. 52, available at:
<https://www.nsi.bg/sites/default/files/files/publications/StatBook2019.pdf>

⁴⁹ CITUB, 2017, retrieved on September 29th:
<http://news.bnt.bg/bg/a/siviyat-sektor-v-shivashkata-promishlenost>

⁵⁰ Statement, BAATPE, 2018, retrieved on September 29th:
https://www.capital.bg/biznes/kompanii/2018/12/13/3207064_obleklo_i_tekstil_skromno_nagore/

⁵¹ Capital, 2019, retrieved on September 29th:
https://www.capital.bg/biznes/kompanii/2018/12/13/3207064_obleklo_i_tekstil_skromno_nagore/

⁵² Infostat, 2019

Exports of Bulgarian goods (million EUR)⁵³

	2013	2014	2015	2016	2017
Total exports	22,271	22,105	22,982	24,126	26,713
Consumer goods	5,212	5,736	6,096	6,465	6,716
Clothing and footwear	1,554	1,609	1,583	1,711	1,645

Throughout the past 20 years, the main export market for the Bulgarian garments and textile are traditionally EU Member States (with a 90 per cent share in 2018). This is both an advantage and a challenge, depending on the economic trends of major trade partners including Germany, Italy, France, Greece, and Great Britain. Interestingly in 2017, Bulgaria was the second largest producer of protective workwear, holding 26.7 per cent of the global market.⁵⁴

According to Eurostat data, the Bulgarian companies in the sector have steadily been investing in tangible assets in the last few years (table below in million EUR):⁵⁵

Economic activity	2014	2015	2016	2017
C13 - Manufacture of textiles	33.6	32.1	44.2	43.1
C14 - Manufacture of wearing apparel	54.2	56.7	50.5	51

MAIN EXPORTS FROM THE GARMENT INDUSTRY

Garments represent 75 per cent of the textile products sold abroad. The leading product groups are men's suits and outfits and men's shirts.⁵⁶

MAIN AREAS FOR GARMENT PRODUCTION

Bulgaria is well known for its garment production. This is shown by its classification as 'most specialised' manufacturer of wearing apparel in 2013.⁵⁷ In 2017, there were 5599 enterprises in the garment industry (economic activities C13, C14, and C15) in Bulgaria.⁵⁸

⁵³ Bulgarian Chamber of Commerce and Industry, 2018, Bulgaria in Figures

⁵⁴ economy.bg, 2018, retrieved on September 29th:

<https://www.economy.bg/economy/view/32128/Bylgariya-vtora-v-sveta-po-iznos-na-pateshko-chereshi-i-zashtitno-obleklo>

⁵⁵ Eurostat, 2019, code: sbs_na_ind_r2

⁵⁶ BAATPE

⁵⁷ Eurostat, 2013, retrieved on September 30th:

https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Archive:Manufacture_of_wearing_apparel_statistics_-_NACE_Rev._2&direction=next&oldid=91089

⁵⁸ Eurostat, 2019, code: sbs_na_ind_r2

Traditionally, the highest concentration of garment producers is in the southwest, south central and north central Nomenclature of Territorial Units for Statistics (NUTS) regions.

Due to the lack of more recent NUTS 2 disaggregated data, in 2012 the two most significant garment-producing regions in Bulgaria are the Yuzhen Tsentralen (south central) region and the Yugozapaden (southwest) region as shown in the table below:⁵⁹

Region	Number of companies in the sector	Total number of employees in the sector	Share of all employees in all sectors in the region (%)	Share of garment industry employees nationally (%)
Severozapaden (northwest)	231	13,330	6.5	12.4
Severen Tsentralen (north central)	547	19,014	7.3	17.7
Severoiztochen (northeast)	381	9,483	3.1	8.8
Yugozapaden (southwest)	1,109	32,151	3.1	29.9
Yuzhen Tsentralen (south central)	1,212	27,270	6.3	25.4
Yugoiztochen (southeast)	385	6,240	1.9	5.4

The largest number of companies was present in the former; these also held one-quarter of the labour market in the industry. On the other hand, the Yuzhen Tsentralen region had the highest number of people employed in the industry and the second highest number of companies registered in the sector.

PERCENTAGE EMPLOYED IN GARMENT INDUSTRY

Garment and textile production continues to provide a great number of jobs (over 21 per cent) among all subsectors of the processing industry.⁶⁰

Garments/total manufacturing industry (556,138) = 21.2 per cent

Number of workers	Economic activity	2017
Manufacture of textile	C13	13,025
Manufacture of wearing apparel	C14	91,731
Manufacture of leather and related products	C15	13,215
Total		117,971

⁵⁹ http://www.fnsolp-bg.org/files/Zaplashtane_25_godini_FNSOLP_Kami_2015_28.04.2015.pdf Data for 2012.

⁶⁰ Eurostat, 2019, code: sbs_na_ind_r2

SOCIAL COMPOSITION OF THE GARMENT WORKFORCE

The table below shows employment (15-64 years) by sex and detailed economic activity.⁶¹

Sex	Economic activity	2015	2016	2017	2018
Total	13. Manufacture of textiles	11.8	12.0	11.8	13
Male	13. Manufacture of textiles	4.5	3.7	3.7	4.1
Female	13. Manufacture of textiles	7.3	8.3	8.1	8.9
Total	14. Manufacture of wearing apparel	127.5	123.0	123.6	115.6
Male	14. Manufacture of wearing apparel	14.7	15.1	15.1	13.1
Female	14. Manufacture of wearing apparel	112.8	107.9	108.5	102.5
Total	15. Manufacture of leather and related products	-	-	13.6	11.0
Male	15. Manufacture of leather and related products	n/a	n/a	3.7	3.0
Female	15. Manufacture of leather and related products	11.3	10.1	9.9	8.0

⁶¹ Eurostat, 2019, code: lfsa_egan22d

5. Industrial relations

Organisation of employers and trade unions in the garment sector

Industrial relations in Bulgaria are carried out by the nationally-representative worker organisations (trade unions) and employers' associations. The Labour Code sets forth the requirements for representativeness of social partners. Among other standards, they should have the following: nationally representative worker/employee organisations of at least 50,000 members; nationally representative employer associations of at least 1,500 members and in total not less than 50,000 workers/employees; or 100,000 workers/employees with employment contracts for all its members.

After the democratic changes at the beginning of 1990s, industrial relations in Bulgaria became decentralised. The National Council for Tripartite Cooperation (NCTC) was established in 1993, and includes members of all representative trade unions and employers' organisations, as well as the representatives of the government.

At the national level, social dialogue is executed by NCTC by the Council of Ministers. At the sectoral level, social dialogue is maintained by sectoral committees for tripartite cooperation. At the municipal level there are councils for social cooperation. The representatives of the local authorities also participate in the agreement process related to the following public sectors: education, healthcare, culture and administration. At the company level the trade unions and employer organisations participate together with employers in collective bargaining.

Since 2011 social dialogue and industrial relations in Bulgaria have been functioning in a complex political and economic climate, attempting to progress despite the government's disregard of tripartism in making decisions of national importance. In early 2012 the social partners developed proposals for the government designed to stabilise the pension system and improve tripartite and bipartite dialogue. In the end of 2014, the tension between employers, trade unions and public administration of the NCTC was related to the pension reform and changes in labour-related legislation.⁶²

Union density in country

In comparison with most other EU member states, Bulgaria's textile and clothing sector is second only to tourism in economic importance, employing around 120,000 people in 2016. In comparison, by the end of 2017 the number of workers in this sector had declined to 94,982 and by the end of 2018 to 89,723. Trade union and employer organisation density are low, partly because there are many small enterprises in the sector that remain difficult to unionise. Data from 2012 puts trade union density at 21.9 per cent.⁶³ The latest data for 2018 from Visser show a trade union density in Bulgaria of 14 per cent.⁶⁴

⁶² <http://www.eurofound.europa.eu/>

⁶³ Visser J., ICTWSS Data base. version 5.0. Amsterdam: Amsterdam Institute for Advanced Labour Studies AIAS. October 2015, http://www.uva-aias.net/208_retrieved_on_8_June_2016

⁶⁴ Visser J., ICTWSS Database. Version 6.0. May 2019, Amsterdam, Amsterdam Institute for Advanced Labour Studies, University of Amsterdam. <http://www.uva-aias.net/en/ictwss>

Collective bargaining agreement coverage in country

There are varying estimates of the proportion of employees covered by collective bargaining in Bulgaria, and it is clear that there are substantial differences between industries and between the public and private sectors. However, in the 2013 collective bargaining review undertaken by the CITUB union confederation, estimated coverage was placed at 29 per cent. Comparatively, Greece was placed at 50 per cent in 2012 and 40 per cent in 2013,⁶⁵ and Romania at 35 per cent in 2012 and 2013. The Institute for Social and Trade Union Research (ISTUR), CITUB's research body, notes that the situation varies greatly between industries, with high levels of coverage (above 90 per cent) in areas of the public sector like secondary education, approximately 40 per cent in manufacturing, and below 10 per cent in some private service sectors like banking.⁶⁶

Collective bargaining agreement (CBA) coverage in the garment industry

There is no union structure in most small companies, which means there can be no company agreement. Moreover, most small companies are not members of an employers' association, which means that industry level agreements do not apply. The result is that those working in Bulgaria's many small companies are, in the overwhelming majority of cases, not covered by any collective agreement. Since most of the apparel factories are falling in this category, this conclusion is valid for them as well. The NICA report for 2015⁶⁷ shows the last industry level CBA for the textile industry was in 2012 and there has been none since. CITUB reports that since 2008 there has been no CBA in the garment industry. In 2014, factory level CBAs were concluded in seven textile factories and one knitwear factory. In 2015, they were concluded in five textile factories (covering 2,559 workers) and one knitwear factory (covering 297 workers). A report prepared by NICA for the Stakeholder meeting organised by Fair Wear, which took place on 6 October 2017 in Bulgaria,⁶⁸ indicated that there were active factory level CBAs in eight companies from the garment industry covering 6,557 workers. A NICA report shows that by the end of 2017, there were acting CBAs in only four companies from the textile industry and none for the knitwear industry.⁶⁹

Local grievance mechanisms for workers

There are four institutions accepting grievances related to employment relations: the Ministry of Labour and Social Policy (national hotline), the General Labour Inspectorate (national hotline), trade union organisations and general courts.

The state's role in industrial relations

The National Council for Tripartite Cooperation (NCTC) has the responsibility to discuss and give opinions on draft regulations governing issues: labour and immediately related relations; health and safety at work; employment, unemployment and vocational training; social and health insurance; income and living standards; issues related to budgetary policy; and social consequences of restructuring and privatisation. Additionally, the NCTC carries out consultations and cooperates at national level regarding employ-

⁶⁵ ILOSTAT, retrieved on 8 June 2016

http://www.ilo.org/ilostat/faces/help_home/Rel_Indust?_adf.ctrl-state=vw2vpsapx_1119&_afriLoop=538944722838594#

⁶⁶ <http://www.worker-participation.eu/>, retrieved 8 June 2016

⁶⁷ <http://www.nipa.bg/?q=bg/node/763>, retrieved 8 June 2016, in Bulgarian only

⁶⁸ <http://nipa.bg/%D0%B0%D0%BD%D0%B0%D0%BB%D0%B8%D0%B7%D0%B8/%D0%BE%D1%82%D1%80%D0%B0%D1%81%D1%8A%D0%BB%D0%B1%D1%80%D0%B0%D0%BD%D1%88/?lang=BG>, retrieved December 2019, in Bulgarian only

⁶⁹ <http://nipa.bg/%D0%B0%D0%BD%D0%B0%D0%BB%D0%B8%D0%B7%D0%B8/%D0%B3%D0%BE%D0%B4%D0%B8%D1%88%D0%BD%D0%B8-%D0%B4%D0%BE%D0%BA%D0%BB%D0%B0%D0%B4%D0%B8>, retrieved December 2019, in Bulgarian only

ment and security relations, as well as focuses on the standard of living. The NCTC also coordinates the work of national programmes relating to issues of social dialogue, as well as national and international finances involving those countries represented in the NCTC.

The National Institute for Conciliation and Arbitration (NICA)⁷⁰ plays a key role in settling industrial conflicts, but its work is hampered by a lack of accurate and detailed information on collective labour disputes.

NICA was founded in 2001, as an amendment to the Collective Labour Disputes Settlement Act, under the supervision of the Minister of Labour and Social Policy. With the rank of an executive agency, NICA is organised on tripartite lines. Its supervisory board has two members from representative workers' organisations, two from representative employer organisations and two from the government.

The main aims of NICA are to contribute to the mutually-beneficial timely settlement of industrial conflicts; to support the improvement of social dialogue; and to support the implementation of the European social model for solving industrial relations conflicts.

NICA updates information about sectoral/branch and municipal collective labour agreements on its website and annually publishes an analysis of collective agreements (in Bulgarian). This analysis is based on a collective labour agreement (CLA) database, which is not yet fully functional.

NICA receives copies of collective agreements registered by the General Labour Inspectorate Executive Agency (GLIEA). However, it is hampered by the lack of regulations on the provision of data, which means it cannot analyse agreements by the standard classification codes for the industry (NACE) or occupation (ISCO), the membership of employers and employees' sectoral/branch organisations or the number of employees covered by each agreement. NICA and GLIEA have developed an online form for registering collective labour agreements to ensure timely and reliable information, but certain laws need to be amended before the form can be used.

NICA also maintains a national electronic database (the CLD database) to collect information about collective labour disputes from social partners and the media, and to collate reports of mediation and arbitration procedures. It contains data on the causes of the disputes, demands made and the assistance sought from the social partners of NICA.

Mechanisms for national and sectoral social dialogue

The Bulgarian social model is implemented on both a tripartite and a bipartite basis. At the national level, social dialogue in Bulgaria is performed on a tripartite basis: between the government and nationally-representative organisations of employers and trade unions. It was institutionalised in the early 1990s with the establishment of the National Council for Tripartite Cooperation (NCTC). The legal framework of tripartite cooperation as a fundamental form of social dialogue is contained in the Bulgarian Labour Code (LC). The NCTC is a body-promoting cooperation and consultations at the national level. Its members are equal and represent social partners such as: the organisations of workers and employees, organisations of employers and the representatives of the executive branch of government. The system for cooperation and consultation in the area of labour relations involves all levels, industries, branches and municipalities by means of councils for tripartite cooperation⁷¹.

⁷⁰ <http://www.nipa.bg/?q=en/node/9>

⁷¹ The structure, organisation and operation of the system of tripartite cooperation are legally regulated in Articles 3a-3f of the Labour Code and issued by the National Council for Tripartite Cooperation on the basis of Article 3, Paragraph 1 of the Labour Code, Regulations for the Organisation and Operation of the Councils for Tripartite Cooperation.

The bodies for tripartite cooperation under Article 3a, 3b, LC are the National Council for Tripartite Cooperation, industry, branch-specific, or municipal councils for tripartite cooperation.

Current legislation places the consultations between public authorities and social partners. First, nationally representative trade unions and employer organisations are at the centre of the tripartite cooperation in addressing employment, insurance relations and living standards. The subject of social dialogue is labour relations between employees and employers pertaining to the workforce's paid employment. These are essentially questions related to wages, working time, breaks, holidays, changes of qualification and payment of different benefits. They are connected to issues such as the fulfilment and termination of employment, and the provision of safe and healthy working conditions.

Second, labour relations connect to a wider scope of public relations associated with workers and employees as well as employer organisations, such as: professional qualifications, social and domestic servicing of workers in the enterprise, control of the proper implementation of labour legislation and the pursuit of administrative sanctions for persons infringing labour legislation. Insurance relations connected with social and health insurance are discussed at the NCTC level.

Thirdly, labour relations concerning the standard of living. These relations cover problems such as the correspondences between income, costs and prices. They include salaries, pensions and benefits. They also include issues related to the periodic updating of the minimum wage, pensions and insurance benefits.

The industry and branch specific councils for tripartite cooperation are composed of both representatives from the respective ministry or agency, and representatives from the trade unions as well as employer organisations. These councils meet regularly. The decisions of the councils for tripartite cooperation are adopted by consensus. Subsidiary bodies may be established to support and prepare for the various activities of the councils for tripartite cooperation. The subsidiary bodies at the NCTC include its secretariat and five standing committees.

In the case of industry and branch specific councils, the subsidiary bodies are specialised commissions or working groups instituted on a parity basis, with an equal number of representatives from each of the three parties participating.

Other bodies for tripartite cooperation established under special laws are the supervisory board of the National Insurance Institute (Article 35, Paragraph 1 of the Social Security Code); the National Council on Working Conditions (Article 32 of the Health and Safety at Work Act); the National Council for Promotion of Employment (Article 8 of the Employment Promotion Act); the National Advisory Council for Vocational Qualifications of the Workforce (Article 59 of the Employment Promotion Act); the assembly of representatives of the National Health Insurance Fund (Article 7 of the Health Insurance Act) and the Council for Social Assistance (Article 4 of the Social Assistance Act).

With the establishment of the Economic and Social Council (ESC),⁷² a new form of social dialogue was created in Bulgaria. The ESC is an institution with a wide scope representing organised civil society. With its goal as implementing organised civil dialogue, ESC continues to expand the social dialogue on various issues of public importance between the structures of society to a new level, including the government. ESC is a typical form of direct participatory democracy, operating by concerted actions and close cooperation with both the major civic organisations within the country and the public authorities.

⁷² <http://www.esc.bg/>

6. Implementation of the Fair Wear code of labour practices

In this chapter the implementation of every part of the [Fair Wear Code of Labour Practices](#) is examined by looking at official statistics on compliance (where available), laws and regulations, as well as different stakeholders' opinion and analysis on implementation. Each section starts with quoting the Fair Wear Code of Labour Practices. Text in italics is quotes from relevant laws.

One of the most notable issues in the recent years is the lack of trade union representation and lack of independently elected worker representatives (both concerning freedom of association). Workers are not active in looking for representation, because they believe no one can stand up for their rights. There are historical reasons for that – during the communist regime it was mandatory to be a member of the trade union. Nowadays, workers think democracy means to bargain yourself for everything related to work or that trade unions only exist to collect membership fees and do not do anything to help workers. Therefore, trade union density is falling steadily (see previous chapters).

During social audits most non-compliances are usually found in the area of payment of a living wage. On one hand, this is because the factories operating in Bulgaria are usually the 'tail' of the supply-chain, often working under CMT arrangements, hence receiving very little payment from the clients. Another reason is that since 2003 the Bulgarian government has implemented so-called 'minimum social insurance thresholds', which are a kind of 'minimum wage', or at least minimum income for different industries and categories of workers (skilled, unskilled, experts, management, etc.), on which social and health insurance contributions are calculated. These thresholds are actually often interpreted by the employers as the 'maximum wage'. There are even cases, due to a loophole in the law, where employers pay social and health insurance contributions on the threshold, but pay minimum wage to the workers. Meanwhile, there have been no CBAs in the apparel industry since 2012, and in the garment industry since 2008, where higher wages could be negotiated. Another big issue is wages based on piece rates, because it is often the case that workers do not understand how the piece rate is integrated in their final net payment, ending usually with workers feeling underpaid. There are no differences in wages between men and women, however, if they perform the same work. Men can be paid more because they usually work [in specialised occupations such as] as mechanics, electro technicians, loading-unloading materials and products, drivers, etc. However, in recent years it can be noted that some of the factories have raised wages and now half of their workers are paid a living wage. This is due to a large extent to the decline of the local labour force in the sector.

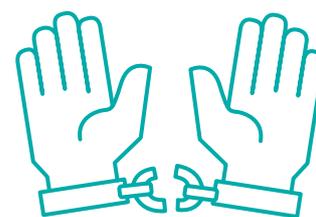
The other most frequent non-compliance is working hours. This is especially true for the garment industry, where seasonality is a strong influential factor. Often the explanation for having excessive overtime is that overtime is necessary with the change of fashion seasons. Other explanations are urgent orders by clients or a delay in the delivery of necessary materials. Some workers prefer to work overtime, as workers can earn a bit more to add to their insufficient wages. Other times working hours are so excessive that workers feel exhausted. In cases when overtime is not officially registered, it may be that employers are not paying the full premium rate. Recently, it appears that excessive working hours are less of an issue, mainly because the leverage of workers has increased, because of decline of labour force in the sector.

There are a large amount of health and safety non-compliances, thanks to Bulgaria's very comprehensive Health and Safety Act and its accompanying regulations. Many of the companies, even in other industries,

do not have the capacity to fulfil all the requirements. Therefore, the government has established a requirement for all companies to use the specially-created Occupational Health Companies (OHCs), who are paid on a subscription basis, to help with keeping law compliance. Many of the non-compliances concern missing documents required by the law, where the management has failed to request from the OHC to issue these documents. The other non-compliances most frequently concern non-ergonomic chairs, congested shop floors with blocked evacuation routes, workers not using PPEs when required, incomplete first aid kits, non-performed medical checks and non-performed physical factors measurements.

6.1. EMPLOYMENT IS FREELY CHOSEN

“There shall be no use of forced, including bonded or prison, labour”.
(ILO Conventions 29 and 105)



Official statistics on compliance

There are no official statistics on compliance regarding this issue.

Laws and Regulations

▮ The prohibition of forced labour is discussed in Art. 48 of the 1991 Constitution of Bulgaria, last amended in 2015 which states: ‘No one may be compelled to perform forced labour’. There is also Art. 159-A of the 1968 Criminal Code, last amended in 2016 which states: ‘An individual who recruits, transports, hides or admits individuals or groups of people in view of using them for sexual activities, forceful labour, dispossession of bodily organs or holding them in forceful subjection, regardless of their consent, shall be punished by deprivation of liberty of one to eight years and a fine of up to BGN eight thousand.’

Provisions regarding the beginning of employment relations are set forth in Section 1 of the Labour Code. The employment agreement shall be signed between the worker and employee before starting the work. All agreements shall be executed in writing. Within three days from signing a new employment agreement, the employer is obligated to inform the National Revenue Agency (NRA). The employer is then obligated to provide a copy of the employment agreement to the worker, signed by both parties, as well as a copy of the notification about the registration of the employment agreement with the NRA, before the worker starts working. The employer has no right to allow the worker to perform his/her duties, before providing the aforementioned documents. The start of duty performance will be deemed as effective from the first time worker reports to work, which will be certified in writing.

Both the worker and employer may terminate the employment agreement with or without notice. The notice for termination of permanent employment agreement is 30 days, but both parties may agree to a notice of up to three months. Within seven days from terminating an employment agreement, the employer is obliged to inform the NRA.

Stakeholders' opinion and analysis on implementation

▶ In 1932 Bulgaria ratified ILO Conventions 29 and 105, and in 1999 ratified laws on forced and compulsory labour. The International Trade Union Confederation (ITUC) launched an initiative targeted at the world trade union community to combat all kinds of forced labour. The campaign covered all countries from the five continents, including Bulgaria. One of the nationally representative trade unions, the CITUB, plays an active role in running the campaign in Bulgaria. Since its adoption, CITUB insisted on adopting the Bulgarian state's protocol to Convention 29 as soon as possible. As a result, the council of ministers of the Republic of Bulgaria issued Resolution 243 in April 2015 approving the protocol and ILO recommendation 203 on supplementary measures for the effective suppression of forced labour. The resolution was discussed and adopted by the 43rd national assembly in May 2015. Trade unions have not encountered cases of forced labour in the garment industry.

The employers' associations support the principles of the ILO Convention 29 on the prohibition of forced labour. Analyses in various industries including the garment industry, carried out by the Bulgarian Industrial Organisation (BIA), show that workers can freely enter and exit the premises and are free to leave their job at will. There are no practices among employers in the garment industry to request deposits (money, personal valuables or documents) from workers.

Fair Wear main audit findings over the last three years (2017-2019)

There have been no findings during audits regarding this issue.

Worker complaints related to 'Employment is freely chosen'

Fair Wear's complaints procedure serves as a safety net. When a complaint is filed, Fair Wear informs the affiliate(s) sourcing from the factory in question and investigates the complaint. All the complaints are published on the [Fair Wear website](#).

There have been no worker complaints regarding this standard.

6.2. THERE IS NO DISCRIMINATION IN EMPLOYMENT

“In recruitment, wage policy, admittance to training programs, employee promotion policy, policies of employment termination, retirement, and any other aspect of the employment relationship shall be based on the principle of equal opportunities, regardless of race, colour, sex, religion, political affiliation, union membership, nationality, social origin, deficiencies, or handicaps”. (ILO Conventions 100 and 111)



The Bulgarian gender pay gap used to be lower than the EU average. After peaking in 2012 (14.7 per cent), it decreased to 13.5 per cent in 2013. The value for 2017, according to the NSI, is 12.7 per cent in average.⁷³ ‘Although the social partners acknowledge that the issue is important, no specific measures have been implemented [in Bulgaria]– what activity there takes place mainly within the context of national policies’.

Sectoral Collective Agreements Tackling Gender Equality

Despite the fact that in Bulgaria the key collective bargaining is at company level, there are sectoral agreements, some of which tackle gender equality in a broader aspect than the Bulgarian Labour Code. For example, in the light industry the collective agreement includes access to professional training that supports female career development. In the transport sector, a job and professional qualities assessment was given to determine pay levels and to look for hidden discrimination. The transport sector collective agreement (2010) includes the issue of dealing with violence at workplace and gender equality.

Collective agreements at multinational companies

In several multinational companies, collective agreements include such social benefits as kindergarten fees, summer camps, and give possibility for mothers to work part-time in the first year of a child’s schooling. Companies do internal classification of jobs to calculate salary levels.⁷⁴

Laws and regulations

Bulgaria has ratified both ILO Conventions pertaining to this labour standard. Part of Art. 6 of the Constitution, the 2004 Protection Against Discrimination Act (PADA) is the main anti-discrimination law. It is a single equality law that universally bans discrimination on a range of grounds, including: race or ethnicity, sex, religion or belief, sexual orientation, disability and age, and provides uniform standards of protection and remedies. PADA incorporates the provisions of several EU antidiscrimination directives, namely 2000/78/EC, 2000/43/EC, 2002/73/EC and 2010/41/EC.

In April 2016, the Bulgarian government adopted the Equality of Men and Women Act, which mainly covers government policy, responsible bodies, and mechanisms of policy implementation with regard to integration of equality principles across legislation and practices. Art. 6 of the same law establishes a National Council on Men and Women Equality.⁷⁵

⁷³ <https://www.nsi.bg/en/content/6457/gender-pay-gap>, retrieved December 2019

⁷⁴ ‘Inventory of trade union GPG policies and activities in EU-28+1’
<http://www.wageindicator.org/main/Wageindicatorfoundation/publications/2015/inventory-of-trade-union-gender-pay-gap-policies-and-activities-in-eu-29-countries-wita-gpg-september-2015>, retrieved on 15 June 2016.

⁷⁵ <http://lex.bg/bg/laws/ldoc/2136803101>, retrieved on 15 June 2016, in Bulgarian

Bulgaria is bound by additional bans on discrimination, including the following international instruments: the European Convention on Human Rights (ECHR), the Revised European Social Charter, the International Covenant on Civil and Political Rights, the International Covenant on Economic, Social and Cultural Rights, the Convention on the Elimination of All Forms of Discrimination Against Women, the Convention on the Elimination of All Forms of Race Discrimination and the Convention on the Rights of the Child. Another equality law is the ground-specific Integration of Persons with Disabilities Act (IPDA), listing positive and reasonable accommodation duties in a number of fields. Other laws and governing specific fields, such as education, employment and public procurement, provide for positive measures on grounds of disability, age and caring responsibilities.

The Protection Against Discrimination Commission (PADC) is the specialised national body for equality. It was set up under PADA as an independent, semi-judicial collegiate authority. With operations beginning in 2005, PADC deals with discrimination on all protected grounds. Its mandate includes the following: to hear and investigate complaints by victims and communications by third parties; initiate its own proceedings; find discrimination in legally-binding decisions; impose financial sanctions; issue instructions for mandatory remedial or preventative redresses; review and give opinions on legislation drafts; make recommendations to public authorities, including legislative change; assist victims of discrimination; carry out independent research and publish independent reports. PADC has a vast and growing body of case law, some of them effective. The case law includes rulings by the Sofia City Administrative Court and the Supreme Administrative Court, both of which review PADC decisions.

In particular, there are legal provisions regarding equality in employment, particularly regarding payment and access to jobs. For example, Article 243 of the Labour Code defines the equal pay principle between men and women to ensure equal remuneration for equal or equivalent work, encompassing all elements of pay. The EU standards of equal pay are fully transposed in Bulgarian legislation. However, there is a big gap between the formal recognition of the equal pay principle and its implementation. So far no specific or consistent legislative or policy measures have been adopted to address the existing gender pay gap.

Social partners, NGOs and other stakeholders are called upon to play a part in the realisation of gender equality, yet it appears that they often do not. Dialogue about this issue may include solutions of monitoring of gender equality practices at the workplace and promoting flexible working arrangements with the aim of facilitating the reconciliation of work and private life. Monitoring collective agreements, codes of conduct, research or exchange of experience and good practice in the area of gender equality⁷⁶ may also be necessary for improvement in this area.

In regards to pregnancy and maternity leave, female employees are entitled to 410 days for each child, 45 days of which must be used before the birth (Article 163 paragraph 1 LC). There are even provisions made for adoptions, introduced in January 2009. A female employee who adopts a child is entitled to leave which equals the difference between the child's age when he or she was given up for adoption and the expiration of the period of the maternity leave. In this way, Bulgarian legislation goes beyond the minimum requirements of EU law.

Maternity leave after giving birth is formulated as a right of the working mother (see Article 163 paragraph 1 LC). The special protection for pregnant women and mothers established by law (see Article 7 paragraph 1 p. 7) does not constitute discrimination, except in cases where the mothers themselves do not want to benefit and have notified the employer of this in writing.

⁷⁶ 'Gender equality law in Europe. How are EU rules transposed into national law in 2015?' ISSN 2315-3849, http://ec.europa.eu/justice/gender-equality/document/index_en.htm#european

In addition, a woman on maternity leave is entitled to return to her job or to an equivalent position at the end of her maternity leave under terms which are no less favourable to her and which may benefit from any improvements in working conditions (see Articles 13 and 15). These rights are also for women on childcare leave. The father or adoptive father can also benefit from these rights upon his return from leave. These persons also have the right to be trained in all technological changes related to their job, which might have taken place in their absence.

The maternity benefits during pregnancy and maternity leave amount to 90 per cent of the average remuneration. This is based on what the worker or employee might have contributed to social security or based on which the contribution is due in the previous 24 months (Article 49 of the Social Insurance Code (SIC)). It is equivalent to the maximum pay for sick leave.

A pregnant worker or a worker at an advanced stage of in-vitro treatment may only be dismissed based on the business closing down, their own refusal to follow the business if moved to another location, the situation wherein a position has to be vacated in favour of the return of an illegally dismissed worker or employee, and when there is an impossibility to perform the duties under the labour contract. All of these dismissals must happen with prior notice (see Article 333 paragraph 5 LC). Without said notice workers can only be dismissed when the worker is detained for a breach of discipline, and then only with the prior permission of the labour inspectorate.

Extra protection is provided for female workers with a child up to three years of age (see Article 333 paragraph 1). In cases of dismissal, there must be a preliminary approval for each individual. Cases are attributed to the closing down of the business or a reduction in personnel, a decrease in the volume of work, a lack of qualities and skills by the worker or employee for the effective performance of the work, a change to the job requirements or employee non-compliance.

Maximum protection is provided for an employee who is on leave for pregnancy, giving birth or adoption (see Article 163 LC). According to Article 333 paragraph 6 LC, this category of workers may only be dismissed when the enterprise has to close down. If the employee is made redundant during her maternity leave until its end, she is entitled to maternity benefits up to 410 days, as guaranteed under Bulgarian legislation.

Provisions regarding maternity (provided in Articles 307 and 309 LC) regulate this protection. The employer neither compels a pregnant or breastfeeding woman or a woman at an advanced stage of in-vitro fertilization to perform work which puts them at risk of their safety or health. The pregnant woman has the right to refuse to perform work, which is defined as harmful to her health or for the health of the child.

Additional provisions fall under the category of religious views or belief systems. Following are the explicit provisions on religious practices (see PADA, Art. 13): An employer shall ensure equal working conditions without regard to the grounds under Art. 4 (1); an employer shall ensure working hours and days of rest in line with the requirements of employees' religion or faith, unless it excessively burdens the organisation or the implementation of production.

Regarding refugees, both the Asylum and Refugees Act and the Public Education Act guarantee an opportunity for children of refugees and migrant workers to attend Bulgarian schools under the same conditions as the Bulgarian children. A Bulgarian language curriculum has been developed to teach migrant pupils at the primary education stage. Refugees are schooled in Bulgarian, in culture and professional training, and enjoy a social protection package. Information to help the integration process is available in English, Arabic, Persian and Dari. Asylum-seekers on the verge of adulthood (17 to 18 years of age) receive a refugee status and can join the integration programme. In all areas, care programmes for preschool and school age

children have been organised by the State Agency for Refugees (SAR). Assistance is provided for the legalisation of documents, preparation for examinations, selection and school enrolment for children over six years of age whose parents wish them to be in the Bulgarian public school system. A Red Cross programme has even been designated for both unaccompanied children and single women with children.

Once having received the status of refugee, asylum-seekers acquire equal rights with Bulgarian citizens in the field of employment. The Crafts Act provides for asylum-seekers, refugees or other individuals who have practiced a craft abroad but cannot present documents.

- › SAR organises vocational training after the successful completion of Bulgarian language courses. These allow asylum-seekers to receive a profession qualification degree. In addition, there are informational meetings and specialized job fairs for marketing and negotiating jobs between employers and refugees, joint projects with NGOs, volunteers and academic communities aimed at cultural adaptation and social orientation.⁷⁷

Stakeholders' opinion and analysis on implementation

- › Both trade unions and employer associations claim that they support and consistently apply the principles established by the Bulgarian legislation regarding non-discrimination. These principles are applied in hiring, wage setting, career development and termination of employment. Employers also claim that they insist on applying the equal opportunities principle, regardless of race, skin colour, gender, religion, political affiliation, trade union membership, nationality, social origin, mental or physical disabilities.
- › Most of the workers in the apparel industry are women, including supervisors and management. Men are usually technicians, though there is a percentage employed in operations (sewing, ironing, cutting etc.). There are no reported differences in treatment, pay or working hours. It can be noted that men are sometimes preferred for loading and unloading jobs, due to their bigger physical strength.
- › There is no migrant labour in the Bulgarian apparel industry.
- › There are no official statistics, but the factories located in areas with a Roma population employ them as well, under the sole condition that they have the skills for the relevant job. There are no differences in pay, working hours or other benefits, except those that exist between high and low complexity jobs, which are applied to all workers.
- › As for provisions regarding disabled persons, employers with more than 50 workers are obliged annually to see that four to ten per cent of the total workplace availability is suitable for disabled persons (see Art. 315 of the LC).
- › There is no data on discrimination of (active) union members or leaders in the industry, mainly because the collective bargaining coverage is very small.

Fair Wear main audit findings over the last three years

In the majority of cases there are no written non-discrimination policies. To some extent this is due to the fact that this is a legal right, provided in the constitution and the law against discrimination. There are a couple of frequently observed findings regarding discrimination in employment over the last three years.

⁷⁷ <http://www.ohchr.org/EN/HRBodies/UPR/Pages/BGSession22.aspx>

The first is a job description attempting to exclude persons with diseases protected by the Labour Code and the second concerns lack of formal performance review system, which makes some workers believe that any additional performance bonuses are not distributed fairly.

Worker complaints related to 'No discrimination in employment'

Fair Wear's complaints procedure serves as a safety net. When a complaint is filed, Fair Wear informs the affiliate(s) sourcing from the factory in question and investigates the complaint. All complaints are published on the [Fair Wear website](#). There have been no complaints related to discrimination in employment.

6.3. NO EXPLOITATION OF CHILD LABOUR

"There shall be no use of child labour. The age for admission to employment shall not be less than the age of completion of compulsory schooling and, in any case, not less than 15 years." (ILO Convention 138)

"There shall be no forms of slavery or practices similar to slavery, such as the sale and trafficking of children, debt bondage and serfdom and forced or compulsory labour. [...] Children [under the age of 18] shall not perform work which, by its nature or the circumstances in which it is carried out, is likely to harm their health, safety or morals". (ILO Convention 182)



Official statistics on compliance

There are no official statistics on child labour. The National Statistical Institute (NSI) publishes employment statistics beginning with the age group 15 to 24, making it impossible to distinguish employment in younger age groups, such as 15 to 18 years of age, for example.

Laws and regulations

Bulgaria has ratified diverse international conventions related to child labour including the following: the 1973 ILO Minimum Age Convention No. 138 ratified in 1980; the 1989 UN Convention on the Rights of the Child ratified in 1991; the 1999 ILO Worst Forms of Child Labour Convention No. 182 ratified in 2000; the two Optional Protocols on the Involvement of Children in Armed Conflicts and on the Sale of Children; Child Prostitution and Child Pornography (in force since 2002); and the UN Convention against Trans-National Organized Crime and its two protocols: against the smuggling of migrants by land, sea and air and to prevent, suppress and punish trafficking in persons, especially women and children (in force since 2001).

The obligations of children to attend school are stipulated in the Preschool and School Education Act (PSEA).⁷⁸ Art. 8 of this act provides that preschool education is mandatory from the age of five, and school education is mandatory from the age of seven until the age of 16. Some of the other laws concerning children are the Child Protection Act, the Family Code, the Domestic Violence Act and the Protection Against Discrimination Act.

⁷⁸ Ministry of Education and Science, retrieved on 16 June 2016, only in Bulgarian
<http://www.mon.bg/?go=page&pageId=7&subpageId=57>

In Bulgaria, the minimum age to enter into an employment relationship is 18 years of age (Article 301 (3) of the Labour Code).⁷⁹ Persons from 16 to 18 years of age may also be employed, with special permit from the GLI. This requirement for minimum age is obligatory and violation of this requirement leads to the contract's invalidity.

The minimum age may be increased to 18 years for positions involving difficult, dangerous or harmful work (Article 303 (1) of the Labour Code). The work is harmful if it is related to biological, physical or chemical threats that may harm a person's physical condition or work ability. A dangerous job is one where the danger itself is objectively probable and cannot be eluded.

There are exceptions to age standards. In the following cases the minimum age may be lower based upon several factors. For example, persons between the ages of 15 and 16 may be employed in work which is light and non-hazardous to neither their health nor to their physical, mental and moral development. Additionally, the work cannot be detrimental to their regular attendance at school or to their participation in vocational guidance or training programmes (Article 301 (2) of the Labour Code).

Another exception relates to the entertainment industry. Girls who are 14 years of age or older and boys 13 years of age or older may be appointed to apprentice positions at circuses; additionally, children under 15 years of age may be recruited for participation in the shooting of films or other theatrical productions under relaxed conditions and in conformity with the requirements for their proper physical, mental and moral development. The working conditions in such cases are determined by the Council of Ministers (Article 301 (2) of the LC).

Additionally, these are the requirements to employing persons below 16 years of age (Art. 302 of the LC): they must undergo a thorough medical examination with the conclusion that they are fit to perform the respective work, and the said work will not impair their health or proper physical and mental development; in each particular case they need the permission of the Labour Inspectorate.

Finally, the requirements to employing persons between 16 and 18 years of age (Art. 303 of the LC) include the following: first, no one under 18 may be employed in work which is hard, hazardous or harmful to the health and to proper physical, mental and moral development; second, those under 18 must undergo a pre-employment medical examination resulting in a medical conclusion which establishes their fitness to perform the respective work; third, they must be employed with the permission of the Labour Inspectorate for each particular case.

In all situations, the form of proof of age is the personal ID, which is legally required from age 14. Employers are obliged to check the personal ID of the worker upon hiring and to have a copy of the ID in the personal worker file.

Law stipulates the following restrictions to employing minors (below 18 years of age): they may not engage in jobs that are beyond their physical or psychological capacity; they may not be exposed to things with a harmful physical, biological or chemical impact, in particular to toxic agents, carcinogens and agents causing heritable genetic or intrauterine damage; they may not be involved with hazards which chronically affect human health in any way whatsoever, including exposure to radiation; they may not be exposed to extremely low or high temperatures, noise or vibrations; they may not be at risk of an employment injury which the minor cannot recognise due to his or her physical or psychological immaturity (Art. 304 of the LC).

⁷⁹ Labour Code, retrieved 7 June 2016, in English

<https://www.mlsp.government.bg/index.php?section=CONTENT&I=359&lang=eng>

There are also special care provisions for minors, according to Article 305. These stipulations include: the responsibility of the employer to provide workers under the age of 18 alleviated working conditions as well as opportunities for the attainment of professional qualifications or upgrading qualifications; the employer's responsibility to inform both underage workers and their parents or caretakers of the potential risks at work and measures taken to ensure health and safety at work; the work hours for workers under 18 years of age cannot exceed 35 hours weekly and seven hours daily in a five-day workweek, and time for the attainment of professional qualifications must be counted as hours within this workweek; and finally, factory and office workers under 18 years of age are entitled to basic paid annual leave of at least 26 working days until the calendar year they become 18 years of age.

Stakeholders' opinion and analysis on implementation

- › While performing its activities, CITUB has found individual cases of violation of legislation related to child labour, mainly in the hospitality industry. In such cases, the trade union has warned the labour inspection to exercise stricter control on compliance. The trade union has not found cases of child labour in the garment industry.
- › According to employers, there is no child labour issue in the garment industry.

Fair Wear main audit findings over the last three years

There have been no findings regarding child labour in Bulgaria.

Worker complaints related to 'No exploitation of child labour'

Fair Wear's complaints procedure serves as a safety net. When a complaint is filed, Fair Wear informs the affiliate(s) sourcing from the factory in question and investigates the complaint. All the complaints are published on the [Fair Wear website](#).

There have been no complaints related to child labour.

6.4. FREEDOM OF ASSOCIATION AND THE RIGHT TO COLLECTIVE BARGAINING

“The right of all workers to form and join trade unions and bargain collectively shall be recognised.” (ILO Conventions 87 and 98) “Workers’ representatives shall not be the subject of discrimination and shall have access to all workplaces necessary to carry out their representation functions”.
(ILO Convention 135 and Recommendation 143)



Official statistics on compliance

The official statistics on collective bargaining agreements (CBAs) is published by the General Labour Inspectorate (GLI)⁸⁰ and the National Institute on Conciliation and Arbitration (NICA).⁸¹ Since 2012 there have been no industry level CBAs in the apparel industry.

Laws and regulations

The legal framework concerning collective bargaining is covered in Chapter 4, Art. 50 to 60 of the Labour Code (LC). It encompasses the main principles of the international law: ILO Conventions No. 98 of 1949, ratified in 1959 and No. 154 of 1981, not ratified, and the European Social Charter of 1996, ratified in 2000.

According to Art. 4 of the LC, workers have the right, without permission, to freely form trade union organisations of their choice and to freely join and leave them, complying solely with their own rules of procedure.

Trade unions are the only legally-recognised workers’ representative for collective bargaining.

Legislation provides for collective bargaining on three levels: the industry level, the company level and municipal level (where the terms and conditions of municipal employees are negotiated). In practice, the key focus for bargaining is at the company level because many companies, particularly larger ones, are reluctant to be party to industry level agreements despite the efforts being made by the government and unions to increase their importance. In addition, the key terms of some industry level agreements do no more than restate existing legislation, especially in industries facing economic difficulties.

The typical bargaining structure is two-tier, combining an industry level agreement that provides the basic framework with a company/organisation level agreement setting out the key details.

There is a provision that where an industry agreement has been signed by all the representative unions and employers, the government can extend it to all employers in the industry at their request. Otherwise, only the workers who are members of the union that has signed the agreement are covered. Other workers can make a decision to join a CBA.

Stakeholders’ opinion and analysis on implementation

The trade unions continue to experience obstacles created by employers whose workers want to establish trade union organisations. This issues is most severe in small and medium-sized factories.

⁸⁰ <http://www.gli.government.bg/page.php?c=43&d=117> only in Bulgarian

⁸¹ <http://www.nipa.bg/%D0%B0%D0%BD%D0%B0%D0%BB%D0%B8%D0%B7%D0%B8/%D0%BE%D1%82%D1%80%D0%B0%D1%81%D1%8A%D0%BB%D0%B1%D1%80%D0%B0%D0%BD%D1%88/?lang=EN> only in Bulgarian

More than ten per cent of persons employed in the industry are covered by a collective bargaining agreement. In the time of crisis, CBAs are under pressure and are limited to retaining agreements and jobs.

According to the management of the Federation of Independent Trade Union Organisations in the Light Industry (FITUOLI), there are serious problems for garment industry workers trying to exercise their right to Freedom of Association. There have been attempts by employers to eradicate trade union organisations, as well as an unwillingness to sign CBAs at both the industry and company levels. Moreover, even with signed CBAs, some of the main agreements are not being complied with. These cases concern cancelling social benefits, failure to update wages, non-payment of overtime and violations of the Labour Code. When trade unions argue about increase of wages, the employers respond that this can only be done at the cost of redundancies. In other cases the employers put pressure on workers to abandon their trade union membership, using different forms of coercion. Other employers, for different reasons, do not provide the information necessary to draft CBAs or they delay negotiations for months. FITUOLI management admits that it is very difficult, even almost impossible, to form trade union organisations in the light industry companies that have been established in the past ten to 12 years.

Unlike the light industry, the garment industry is one of the sectors with traditional trade union presence, but despite this it is also unfortunately characterised by its low wages.

The cost of labour within factories is strongly influenced by collective bargaining. The topics influenced by CBAs are wages, leaves, compensations and additional remunerations, where especially the latter has recently diminished in both types and amounts.

The lack of CBA in the garment industry in the past several years is a shortcoming which leads to wages as low as the level of the national minimum wage, not even reaching the minimum social insurance thresholds. Because there is no traditional company level upgrade, data shows that in the past eight years not one single CBA has been signed in the garment industry due to competition among the numerous and inefficient employers' associations, who are unwilling to take responsibility for this failing.

Meanwhile, the analyses of FITUOLI together with CITUB, reveal that despite almost no social dialogue at the industry level, the situation is rather better at the company level. Since 1991, thanks to actual social dialogue, employers and trade unions have regularly signed collective bargaining agreements with companies like Amer Sports Bulgaria Ltd., Knitex-96 JSC, Mizia-96 JSC, Technotex JSC, E. Miroglio and Pirin Tex Ltd.

The employers of the Bulgarian Industrial Association (BIA) and their members declared that they fully recognise the right to freedom of association of their workers. There are also functioning trade union organisations of CITUB or CL Podkrepa, or even on some occasions both, in several of the garment factories.

There are long-standing traditions of social dialogue in many of these factories. Collective bargaining is common and CBAs are being concluded.

Due to the great difficulties faced by the garment industry invoked by the economic crisis as well as the extraordinary competition by mainly Asian producers, both the employers' and the industry's trade union organisations failed to sign an industry-wide collective bargaining agreement in the past several years.

Fair Wear main audit findings over the last three years

In the past ten years, there has been no CBA in any of the audited factories. Consequently there are no CLAs, since in Bulgaria only trade unions have the right to bargain collectively. In most cases there are no independent union or workers' committees, which are run by workers without management involvement. For

some of the factories such committees do not make sense as they are small family-owned factories, often employing less than ten workers, some of them relatives.

After the audit recommendations, factories often establish such committees only on paper. In our findings one single factory has an effectively operating works council (similar to the European works councils).

Most employers claim that first, they do not obstruct their workers from joining a trade union of their choice, and second, trade unions have free access to workers outside the working hours. Trade unions claim the opposite.

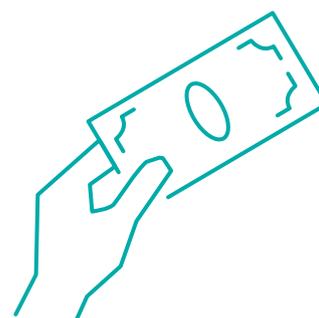
Workers are usually disinterested in joining trade unions, as they do not believe they would help them in achieving more favourable conditions. In some of the smaller towns, trade union representatives are not even physically present, making it impossible for workers to join a trade union, even if they would like to.

Worker complaints related to 'Freedom of association and the right to collective bargaining'

There have been no complaints regarding this standard.

6.5. PAYMENT OF A LIVING WAGE

“Wages and benefits paid for a standard working week shall meet at least legal or industry minimum standards and always be sufficient to meet basic needs of workers and their families and to provide some discretionary income” (ILO Conventions 26 and 131, the Universal Declaration of Human Rights, art 23(3) and art 25(1))”.



“Deductions from wages for disciplinary measures shall not be permitted nor shall any deductions from wages not provided for by national law be permitted. Deductions shall never constitute an amount that will lead the employee to receive less than the minimum wage. Employees shall be adequately and clearly informed about the specifications of their wages including wage rates and pay period”.

Official statistics on compliance

Data about wages is published by the NSI⁸² for large economic sectors. Data for the NACE 2nd level can be purchased from NSI. From time to time, the research body of CITUB, ISTUR, publishes detailed calculations for some industries. ILOSTAT also publishes data about wages by economic activity, but the latest data is from 2011.

Laws and regulations

- ▶ In 1935 Bulgaria ratified ILO Convention 26, but not 131. Bulgaria has, however, ratified the Universal Declaration of Human Rights.
- ▶ Article 244 of the Labour Code stipulates that the council of ministers will set the national minimum wage.

Minimum wage development 2018-2020 is shown below:

Year	Valid	Monthly	Hourly	Council of Ministers Decree
2020	01.01.2020	610.00 BGN	3.66 BGN	350/19.12.2019
2019	01.01.2019 - 31.12.2019	560.00 BGN	3.37 BGN	320/20.12.2018
2018	01.01.2018 - 31.12.2018	510.00 BGN	3.07 BGN	316/20.12.2017

Source: Bulgarian Official Gazette⁸³ for the relevant periods

The government has increased the statutory monthly minimum wage from the Bulgarian Lev (560 BGN or €286 euro) in 2019 to 610 BGN (€312 euro) in 2020. The social partners are continuing their discussion to

⁸² <http://www.nsi.bg/en/content/6540/economic-activities>

⁸³ <http://dv.parliament.bg/DVWeb/broeveList.faces> only in Bulgarian

determine the minimum wage. The trade unions support the planned increase while the employers are against it, arguing that the increase is greater than the growth in labour productivity, 50 to 75 per cent higher than the growth in average wages. The Bulgarian Industrial Capital Association is concerned that the government often does not take into account the employers' opinion on the minimum wage within the NCTC.

Other wage benchmarks in Bulgaria are the poverty line and the living wage.

For 2019 the national poverty line was 348 BGN (approximately € 178), and will be 363 BGN (€ 186) since 1 January 2020.

In November 2019 the CITUB's research body ISTUR published the estimated living wage as 618.15 BGN (€ 316) or 2,472 BGN (€ 1,264) for a four-member family, assuming two adults and two children.⁸⁴

The only industry-related wage standard related particularly to the apparel industry is the minimum social insurance threshold (MSIT), approved from time to time by parliament for the state public security. For 2019 this was 560 BGN (approximately € 286), equal to the minimum wage. Apart from the specific industry, these thresholds have several categories including management, experts, skilled workers and unskilled workers. In the factories, the minimum social insurance threshold is usually set at the lowest one – unskilled workers, even though sewing machine operators, cutters and other staff are considered skilled workers. The problem is that there is no official definition of the categories used for minimum social insurance thresholds. Another fault is that due to a gap in the legislation, employers may pay social and health insurance contributions based on these MSIT, while also paying the worker the national minimum wage.

According to Art. 128 of the Labour Code, employers are obligated to calculate and register workers' wages in the payroll, to pay the due remuneration and to issue statements for paid or unpaid wages and benefits, at the worker's request.

Employment contracts with apprentices must not be less than six months and must be longer than 12 months. Such contracts can be signed with persons from 29 years of age. Wages are determined by the employer, but may not be less than the national minimum wage. A difference with the other employment contracts is the shorter term of notice – 15 days, compared to 30 days for regular employment contracts.

Stakeholders' opinion and analysis on implementation

Trade unions fully support the requirement for payment of a living wage. Unfortunately, despite the consistent efforts for gradual increase of the minimum wage, there are thousands Bulgarian workers that are falling in the category of 'working poor'. Many industries pay wages that are so much lower than the European standards, that it does not allow workers to meet their basic needs, let alone afford savings.

This is especially valid for the garment industry, where the average wage is about 60 per cent of the national average. Many companies do not comply with the ordinance on the organisation of wages, choosing instead to apply their own internal policies, which lead to miserable pay, resulting in a big turnover in labour.

Based on CITUB survey of 2013, the labour costs of employers in the garment industry are 3.10 BGN per hour worked, and 5,164 BGN per worker employed, annually. These labour costs are 27.5 per cent of the total production costs in the garment industry. In times of crisis there are other factors that negatively influence the price of labour in the garment industry, such as the cancellation of bonuses, strong reduction of social benefits, optimisation of staff and reduced working hours. Another specific factor influencing the price of

⁸⁴ ISTUR, October 2015, retrieved on 7 June 2016, only in Bulgarian

<https://www.knsb-bg.org/index.php/izdrajka-na-jivota>

labour in this industry is the unfair competition of small factories operating in the grey economy, the sector of the economy that is neither monitored nor taxed by the government.

Another significant issue is the trend of employers delaying payment of wages and social insurance contributions, thereby using the workers as creditors of the factory.

Regretfully, this industry continues to be in the group of lowest paid economically. Meanwhile, employers' associations admit that the crisis within the industry resulted in several cases of delays of or partial wage payment.

» There are no CBAs in the industry, hence there are no CBA standards concerning wages.

Fair Wear main audit findings over the last three years

Out of 14 audits from 2017 to 2019, there were 29 findings. The main findings were as follows: in seven cases wages were below the living wage estimate; six cases of non-transparency about wages; four cases of missing or incomplete payslips; three cases of double payroll.

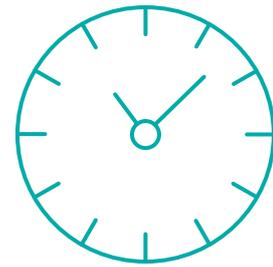
Worker complaints related to 'payment of a living wage'

Fair Wear's complaints procedure serves as a safety net. When a complaint is filed, Fair Wear informs the affiliate(s) sourcing from the factory in question and investigates the complaint. All the complaints are published on the [Fair Wear website](#).

In December 2015 Fair Wear received two complaints from a worker for a factory supplying Heigo who represented five co-workers. The complaints related to Fair Wear's standards of 'reasonable hours of work' and 'living wage'. More about this complaint can be found here: <http://www.fairwear.org/506/resources/>.

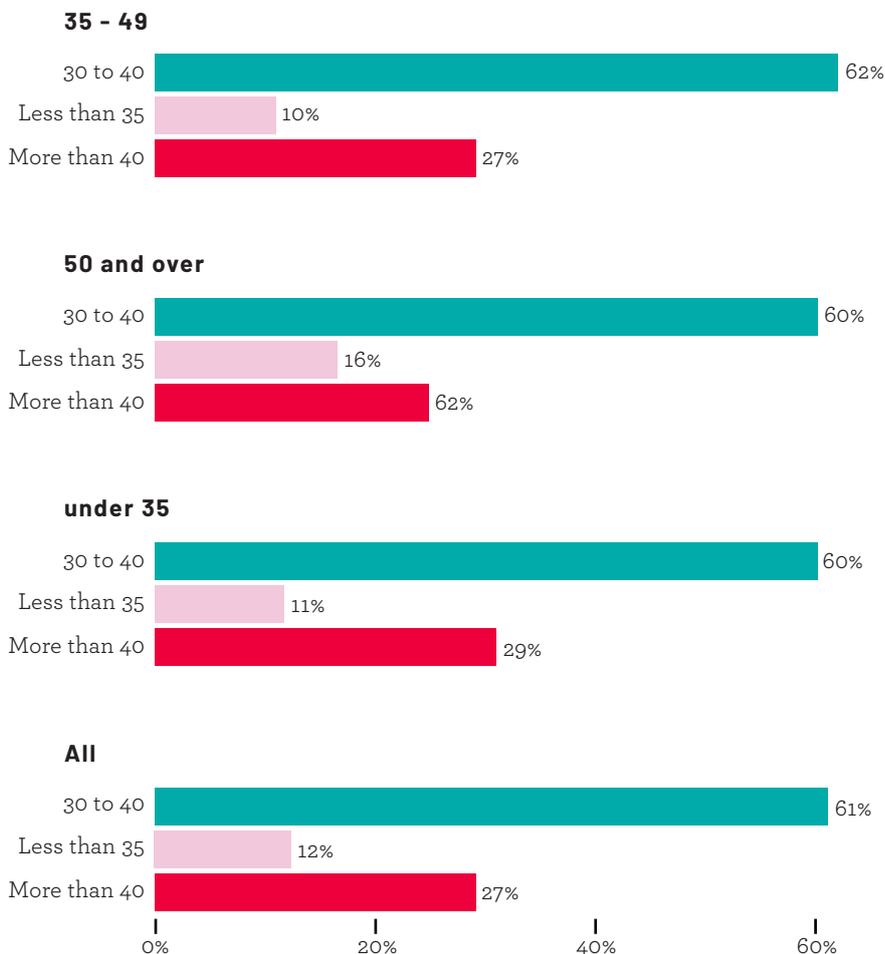
6.6. NO EXCESSIVE WORKING HOURS

“Hours of work shall comply with applicable laws and industry standards. In any event, workers shall not on a regular basis be required to work in excess of 48 hours per week and shall be provided with at least one day off for every seven-day period. Overtime shall be voluntary, shall not exceed 12 hours per week, shall not be demanded on a regular basis and shall always be compensated at a premium rate”. (ILO Convention 1)



Official statistics on compliance

The National Statistical Institute does not publish official information on actual working hours. According to Eurofound,⁸⁵ between one quarter and one third across different age groups work more than 40 hours a week, while around 60 per cent work between 35 and 40 hours a week.

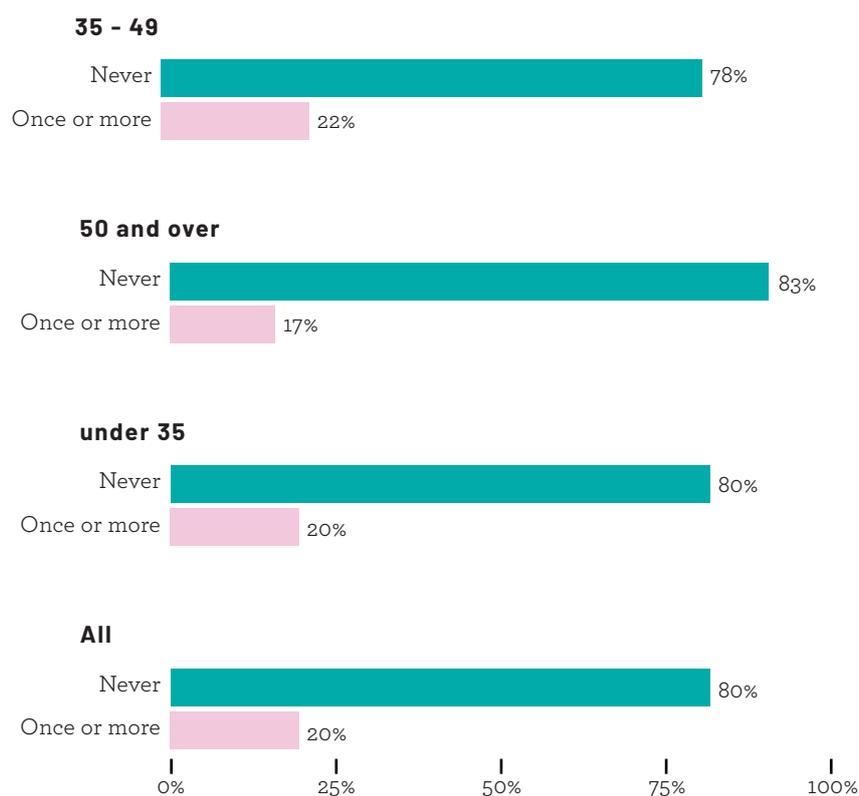


Source: Eurofound⁸⁶

⁸⁵ https://www.eurofound.europa.eu/data/european-working-conditions-survey?locale=EN&dataSource=EWCS2017NW&media=png&width=740&question=Q24&plot=inCountry&countryGroup=linear&subset=agecat_3&country=BG

⁸⁶ https://www.eurofound.europa.eu/data/european-working-conditions-survey?locale=EN&dataSource=EWCS2017NW&media=png&width=740&question=Q24&plot=inCountry&countryGroup=linear&subset=agecat_3&country=BG

Around 20% of employees state that they work 10 or more hours a day once or more times a week.



Source: Eurofound⁸⁷

Within the same age groups between 49 and 55% state they work in the weekend more than once a week.⁸⁸

Laws and regulations

In 1922 Bulgaria ratified ILO Convention 1.

The main law regarding working hours can be found within the Labour Code. Art. 136 stipulates normal (usual) working hours per day as eight hours within a normal (usual) workweek of five days. There are several cases where the LC allows exceptions. Some exceptions are listed below:

Extended working hours should be based on a written order by the management, and only after consulting with representatives of trade unions or worker representatives. The maximum extension is ten hours per day and 40 hours per week, with extra hours compensated for with time-off. The employer must additionally keep a special register for the extension and compensation of working hours, allowing a period of 60 days per year, but not more than 20 days in a row. Therefore, the compensation must be completed within a period of four months.

Time averaging may be applied for any period up to six months, but the maximum working hours may not exceed 12 hours per day and 56 hours per week. The uninterrupted weekly rest may not be less than 36

⁸⁷ https://www.eurofound.europa.eu/data/european-working-conditions-survey?locale=EN&dataSource=EWCS2017NW&media=png&width=740&question=Q37d&plot=inCountry&countryGroup=linear&subset=agecat_3&country=BG

⁸⁸ https://www.eurofound.europa.eu/data/european-working-conditions-survey?locale=EN&dataSource=EWCS2017NW&media=png&width=740&question=Q37d&plot=inCountry&countryGroup=linear&subset=agecat_3&country=BG

hours. During this period of time the employer is obligated to keep the work schedules available for review by the authorities, and they should be kept for a period of three years.

Legal provisions on hours of overtime are set forth in the Labour Code, Art. 146, in which overtime for one worker may not exceed the following stipulations: 150 hours per calendar year; 30 hours daytime or 20 hours night-time work per calendar month; six hours daytime or four hours night-time work per calendar week; and three hours daytime or two hours of night-time work in two calendar days.

Legal provisions on overtime payment are set forth in the Labour Code, Art. 262. Premium rates are 50 per cent, 75 per cent and 100 per cent on the gross wage for weekdays, weekend and official holidays, respectively. Premium rates when time averaging is applied is 50 per cent, and are calculated based on the wage in the labour contract. There is no special provision regarding piece rates. No special permit is required for overtime, but the employers are obliged to keep an overtime register and report it by January 31st the following year to the labour inspectorate.

There are no particular legal provisions on how working hours must be registered. The only provision and other arrangements related to working hours are described in the internal rules and regulations of the company including working hours, rests and annual leaves. Art. 4a of the ordinance stipulates the beginning and the end of the workday, the order of shifts, breaks during the workday and the procedure for recording working hours. Practically the companies use both paper forms (called form 76) and electronic forms for the registration of working hours.

Stakeholders' opinion and analysis on implementation

In cases when overtime becomes unavoidable, the trade unions require employers to pay it with the relevant premium rate. They also require employers to provide legal breaks and rest, including compensation for overtime with rest days.

According to the employers' association, working hours must comply with the law, with workers never exceeding more than 48 hours a week, with at least one day off in seven. Overtime is voluntary and working hours, including overtime, must not exceed 60 hours per week. Overtime will not be a regular occurrence, and must be paid at the premium rate in accordance with the law. In the garment industry overtime is not widespread. In cases of urgent orders when it often becomes necessary to work overtime, most of the employers comply with the labour law regarding overtime, both in terms of maximum overtime allowed, and with regard to premium rate payment.

According to the officially filed overtime hours (reported to the General Labour Inspectorate for 2014), more than 929,000 workers and employees at 3,516 companies have worked 14.5 million overtime hours in 2014. Most of these are healthcare staff, employees of private security companies and public transport drivers.⁸⁹ There is no recent data published by GLI on the overtime hours.

Fair Wear main audit findings over the last three years

During social audits, overtime is a frequent finding in the apparel factories. In the period 2017 to 2019 there were seventeen findings about overtime. The main issues were four cases of not including the short daily breaks in the working hours as legally required, five cases of unreported overtime, and 6 cases of double attendance forms..

⁸⁹ http://www.dnevnik.bg/bulgaria/2015/04/06/2507823_deklariraniyat_izvunreden_trud_prez_2014_g_e_bil_nad/

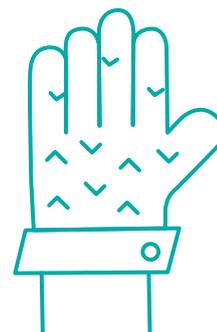
Worker complaints related to 'reasonable hours of work'

Fair Wear's complaints procedure serves as a safety net. When a complaint is filed, Fair Wear informs the affiliate(s) sourcing from the factory in question and investigates the complaint. All the complaints are published on the [Fair Wear website](#).

In December 2015 Fair Wear received two complaints from a worker for a factory supplying Heigo who represented five co-workers. The complaints related to Fair Wear's standards 'reasonable hours of work' and 'living wage'. More about this complaint can be found here: <http://www.fairwear.org/506/resources/>

6.7. SAFE AND HEALTHY WORKING CONDITIONS

“A safe and hygienic working environment shall be provided, and best occupational health and safety practice shall be promoted, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Appropriate attention shall be paid to occupational hazards specific to this branch of the industry and assure that a safe and hygienic work environment is provided for. Effective regulations shall be implemented to prevent accidents and minimize health risks as much as possible (following ILO Convention 155...) Physical abuse, threats of physical abuse, unusual punishments or discipline, sexual and other harassment, and intimidation by the employer are strictly prohibited”.



Official statistics on compliance

Statistics about labour accidents is published by NSSI. In 2017 there have been 66 workplace labour accidents registered, 48 of which involved women in the textile and garments and leather sectors. There have been two cases of injuries, one leading to disability and one leading to death. This is decrease compared to 2016, when there were 73 labour accidents, 54 of which involved women, again with two injuries, one leading to disability and one leading to death.

Lost calendar days due to sick leaves were 4,728 in 2017 compared to 4,415 in 2016, again in the three aforementioned sectors.⁹⁰

There are no statistics on workplace harassment or abuse.

Laws and regulations

Bulgaria has not ratified ILO Convention 155.

The main laws fall under the Healthy and Safe Working Conditions Act (HSWCA). Apart from that, there are almost 100 more documents including laws, regulations, standards and rules of procedure. The abundant requirements, far too complex for most companies, lead to all companies establishing a legal obligation to conclude a service contract with an occupational health company. These companies are established based on Art. 25(c) of the HSWCA and are registered by a commission with the Ministry of Health. Section 2 of Ordinance 3 from January 2008 on the Conditions and Procedures of Operations of Occupational Health Companies, presents a broad range of OHC obligations regarding health and safety within enterprises. The aim of this ordinance and the existence of the OHCs is to cover all areas of the complex and immense health and safety legislation.

Machine safety, material safety, chemical safety, noise, dust, lighting, temperature, stress, ergonomics, emergency preparedness, maternity protection, violence, conflict sexual harassment are all regulated by the nearly 100 components of aforementioned legislation.

⁹⁰ <http://www.nssi.bg/aboutbg/st/statistic/304-tzpb/infotz>

The Bulgarian National Social Security Institute (NSSI) publishes a list of recognized occupational diseases for all economic activities. The current list contains only two diseases recognized for the garment industry: back and neck neurological diseases and polyneuropathy. For the textile industry, there are more recognized occupational diseases, mainly related to potential long-term use of chemicals, metals and their compounds. Most of the diseases are related to the respiratory system, skin and eyes, and more seldom with kidney diseases and cancer.

Provisions regarding sick leaves are included in the Labour Code, the HSWCA and the social insurance code. Specifically mentioned is that sick leave longer than three days is paid by NSSI. All companies are obliged to keep a sick leave journal and labour accidents record. The employers are obliged to inform NSSI within three days from the occurrence of the labour accident.

The main authority monitoring the implementation of legal health and safety requirements is the GLI. Others include the local fire departments regarding fire safety, physicians from contracted occupational health companies (OHCs) regarding regular medical checks, OHCs regarding physical factors, measurement and ergonomics. OHCs are also obliged to provide risk assessment, showing hazardous workplaces (if any), the necessary machine safety, material safety or other safety instructions, train the factory responsible persons in all safety issues relevant to the factory.

Stakeholders' opinion and analysis on implementation

The main issues regarding health and safety are related to health problems (back and neck pain) due to workers keeping the same posture for a long time, sometimes on non-ergonomic chairs. Workers also report hand and arm pains related to repetitive movements on the sewing machine, respiratory and allergy problems related to long-term exposure to dust, leg and feet pain when the work requires standing throughout the whole day, and colds due to inappropriate heating in winter or use of AC in the summer.

According to trade unions, examples can be found in the past seven to eight years when employers did not take the necessary precautions to avoid work accidents. It is especially worrisome that regular training and instructions on health and safety issues are very often superficial. In many companies, there are high levels of dust, noise, vibrations, insufficient light or dangerous paints and glues. Some worker benefits have been revoked, such as benefits for working under harmful conditions.

Often in the garment industry, employers do not provide even the simplest comfort, such as ergonomic chairs that can be regulated in accordance with a worker's height, work posture and nature of production. Or there is no option provided for workers to sit, if they usually stand, for example those working in cutting, ironing or quality control.

Working surfaces are small and do not allow free movement for the worker. There are no preventative programmes to reduce ergonomic risk factors like limiting repetitive movements or working in the uncomfortable posture of each type of job.

The employers' association is of the opinion that the working conditions in the garment industry are highly variable, due to whether production is located in an old or a new building. The economic crisis during the past several years posed difficulties to employers and reduced their abilities to invest in the improvement of working conditions. In some factories, employers must choose whether to invest in replacing old with modern equipment in order to complete the orders with the necessary quality, or they must invest significant funds in modernizing the buildings and improving the physical working environment.

- › As far as the safety of women in the workplace, there is no reliable statistic on violence against women or sexual harassment.
- › Workers commute to work mainly in three ways: by using their own transport, using free transport provided by the factory or taking public transport. Sometimes the factory is within walking distance from workers' homes.

Fair Wear main audit findings over the last three years

Usually findings related to health and safety are highest in number due to the comprehensiveness of the Bulgarian Health and Safety Act and its relevant regulations. The most common health and safety findings during the last three years are the following: the chairs are uncomfortable and non-ergonomic; workers that should use personal protective equipment (PPEs) do not use them; first aid kits are incomplete or medications are expired; health and safety (H&S) committees have workers who are not aware that they are members; missing MSDSs; H&S committees are not trained; H&S committees do not consist of equal number of worker and management representatives, H&S committees do not meet regularly and do not issue minutes of meetings.

There are also many findings related to documentation or services not provided by the legally mandatory OHCs, often because the factory fails to order such services. These services may include the following: missing conclusions for fitness to perform the job; missing health analyses based on sick leaves journal and other H&S related documents; risk assessments not performed within the necessary legally required period; medical checks not performed within the necessary periods and missing physical factors measurements (OHC).

Worker complaints related to 'safe and healthy working conditions'

Fair Wear's complaints procedure serves as a safety net. When a complaint is filed, Fair Wear informs the affiliate(s) sourcing from the factory in question and investigates the complaint. All the complaints are published on the [Fair Wear website](#).

There have been no complaints related to health and safety.

6.8. LEGALLY-BINDING EMPLOYMENT RELATIONSHIP



“Working relationships shall be legally binding, and all obligations to employees under labour or social security laws and regulations shall be respected”.

Official statistics on compliance

A According to ILO report published in 2018⁹¹ the informal employment in Bulgaria in 2012 is estimated at 15.9 per cent compared to 28.9 per cent in Romania and 32.8 per cent in Greece.

Laws and regulations

› The main law regulating employment relationship is the Labour Code.

Legal provisions regarding the social security system are included in the social insurance code. Art. 4 states that public social and health insurance covering general disease and maternity, disability due to general sickness, old age and death, labour accident and occupational disease as well as unemployment is mandatory for all workers and employees. Art. 5 gives a definition for ‘insurers’ as ‘any individual, legal entity and organisation obliged by law to pay social and health insurance contributions for other persons’. Social insurance is 24.3 per cent of the income and is divided into 10.58 per cent paid by the insured and 13.72 per cent by the insurer (employer). The authority engaged with the administration of the social security system is the National Social Security Institute (NSSI).

Legal provisions regarding health insurance are included in the Health Insurance Act. All Bulgarian citizens have mandatory health insurance. Health insurance is eight per cent of the income and is distributed 60:40, employer to employee (i.e. 4.8 per cent:3.4 per cent). The authority engaged with the administration of the social security system is the National Health Insurance Fund (NHIF).

An employer is obliged to deduct the worker’s portion of the social and health insurance contributions and pay it to NSSI and NHIF together with the employer’s payment. This is done on a monthly basis, together with the monthly payment of wages.

The employment relationship is regulated by the Labour Code. Art. 1, paragraph two states that ‘Relations concerning provision of labour force can only be treated as employment relationships’. Art. 61 provides that the labour contract shall be concluded between the employer and employee before the beginning of work. Art. 62 provides that contract shall be in writing and registered with the National Revenue Agency (NRA) within three days. Art. 63 provides that together with the notice of registration with NRA, a signed copy of the contract shall be handed over to the employee. It also states that employers have no right to allow the employee to work before handing over the above documents.

Employers must keep quite a lot of documentation for the relevant inspections from government authorities. For example, for NRA audits all financial documents including sales invoices and paid invoices for products and services, documents about ownership/rent of the premises, sales contracts, cash receipts issued, bank statements, VAT journal and VAT returns, social and health insurance contributions payments, annual tax returns and taxes paid, labour contracts, payroll, worker files, etc. are needed.

For NSSI audits, employers must present statements about paid social and health insurance contributions as well as payroll.

Labour inspection checks the availability of the accident register, sick leaves register, worker files, fire safety documents, payroll, and all documents that have to be issued by the OHCs, including risk assessment, health analyses, conclusions for fitness to perform the job and others.

Stakeholders' opinion and analysis on implementation

In their activities, the trade unions require that all workers receive their labour contracts before starting work. Regretfully, in the garment industry there are still many labour law violations. The most frequent violations are related to health and safety, followed by work without written contract, delayed payment of wages and illegal overtime work, among others.

The interviewed employer association claims that their member-employers from the garment industry comply with the labour laws, and that cases of work without contract are a rare exception.

Most undeclared work in Bulgaria is in the agriculture and tourism sectors, as well as in construction and home repairs.

Fair Wear main audit findings over the last three years

The main findings over the past three years are mostly related to missing documentation, i.e. additional agreements to the labour contracts after an increase in minimum social insurance thresholds, even though the proper wages have been paid, and missing job descriptions.

Worker complaints related to 'legally-binding employment relationship'

Fair Wear's complaints procedure serves as a safety net. When a complaint is filed, Fair Wear informs the affiliate(s) sourcing from the factory in question and investigates the complaint. All the complaints are published on the [Fair Wear website](#).

There have been no complaints regarding legally-binding employment relationship.

7. Sources used in this country study

This information has been gathered by Ivan Neykov, Chairman of the Balkan Institute for Labour and Social Policy, and Zlatka Gospodinova, social auditor and project coordinator at the Balkan Institute for Labour and Social Policy. The study is prepared through gathering information about national laws and local stakeholders' views on labour issues in the garment industry in Bulgaria. In addition to this, Fair Wear has gathered information from internationally-recognized sources on the economic, social, political and human rights situation in the country.

The following stakeholders representing public authorities, employers, trade unions and NGOs were consulted in writing this country study:

I. GOVERNMENT/PUBLIC AUTHORITIES

Ministry of Labour and Social Policy

The ministry is the national policy-maker in the fields of labour, social protection, employment, pensions, children and family, demographic policy, people with disabilities, working abroad, social inclusion, social services and equal opportunities.

https://www.mlsp.government.bg/index.php?section=HOMEN2&lang=_eng

General Labour Inspectorate (GLI)

The GLI is budget-financed legal entity within the Minister of Labour and Social Policy, responsible for labour law compliance, and exercises specialised control over the following legislation relating to compliance: the Health and Safety at Working Conditions Act, Employment Promotion Act, legislation related to the rights and obligations of the parties in employment relations and other relevant laws. It is also responsible for providing information and technical advice to employers and workers on the most efficient methods for compliance with the labour laws and the implementation of the Employment Promotion Act. As part of these tasks, GLI is responsible for informing the competent bodies in case of established insufficiencies and flaws in the effective labour laws.

<http://www.gli.government.bg/en/page.php?c=5>

National Social Security Institute (NSSI)

NSSI is a public institution that manages the state social security in the Republic of Bulgaria. NSSI administers the compulsory social security for sickness, maternity, unemployment, accidents at work and professional diseases, disability, old age and death. It is the competent institution of Bulgaria in coordination with the social security for EU and is responsible for the implementation of bilateral agreements in the fields of sickness and maternity benefits, death grants, unemployment benefits and pensions for disability, old age and survivors.

<http://www.noi.bg/en/>

National Statistical Institute (NSI)

The NSI is the national body publishing official demographic, labour market, economic, business and other statistical data.

<http://www.nsi.bg/en>

II. EMPLOYERS

The Bulgarian Industrial Association (BIA)

The BIA, a union within Bulgarian business, is a non-governmental organisation founded in April, 1980. The BIA is a nationally-recognized organisation of employers and participates together with its representatives in the operation of all national consultative councils, supervisory and managing bodies of state public institutions. The BIA is the only business organisation which is a member of BUSINESSEUROPE, a confederate-like European business organisation, thus representing Bulgarian company and employer interests on a European level. Furthermore, it actively participates in the work of the International Labour Organisation (ILO), the European Economic and Social Committee (EESC) and the southeast European Employers' Forum (SEEEF). The BIA is also among the founders of the Union of Black Sea and Caspian Confederation of Enterprises (UBCCE).

<http://en.bia-bg.com/bia/>

The Bulgarian Association of Apparel and Textile Producers and Exporters (BAATPE)

BAATPE is a non-profit employers' association established for professionals in the Bulgarian textile and clothing industry. Founded in March of 1999, it serves as an active NGO in the field of economic development and international cooperation. Members of BAATPE include more than 150 export-oriented companies, including producers of cotton yarns, knitted and woven fabrics, to ladies and men's wear, knitted apparel and bath towels. Approximately 90 per cent of their production is designated for foreign markets in Germany, Greece, France, Italy, the United Kingdom, the USA, the Netherlands, Belgium and Austria.

<http://www.bgtextiles.org/?cid=50>

III. TRADE UNIONS

The Confederation of Independent Trade Unions in Bulgaria (CITUB) and its research body, The Institute for Social Trade Union Research (ISTUR)

CITUB is the heir of a century-old trade union tradition. As the biggest Bulgarian NGO numbering 275,762 members, it is recognized as the nationally-representative trade union. CITUB unites 35 federations, trade unions and associations.

Established 1990, ISTUR is the research unit of CITUB. It publishes research papers, analyses and a quarterly bulletin entitled 'Standard of Living', which contains a benchmark of the living wage.

<http://www.knsb-bg.org/>

The Federation of Independent Trade Union Organisations in the Light Industry (FITUOLI)

FITUOLI is a voluntary union of independent and equally-standing trade union organisations whose members are employed workers, specialists and employees from the light industry. These members are united in protecting their labour, professional and social interests. Established in 1990, FITUOLI functions on professional and territorial principle and encompasses trade union organisations from the following industries: textile, knitwear, shoes, leather accessories, furs, glass and white ware, machinery, household goods and children's goods. FITUOLI operates within state-owned, private, mixed, collective, cooperative and other companies.

FITUOLI is member of both the IndustriAll European Trade Union, seated in Brussels and the IndustriALL Global Union, seated in Geneva. Until 2012 FITUOLI was a member of the International Textile, Garment and Leather Workers Federation (ITGLWF) and of the European Trade Union Federation of Textiles, Clothing and Leather (ETUF:TCL).

<http://fnsolp-bg.org/index.php/bg/>.

IV. LABOUR RELATED NGOS

Balkan Institute for Labour and Social Policy (BILSP)

BILSP is a non-governmental, voluntary, independent, non-political and non-profit association established in September 2001.

BILSP works in priority areas such as EU funds management, international donor funds management, corporate social responsibility, lifelong learning, labour market, human resources, industrial relations, social insurance and social protection, occupational safety and health, labour legislation, social policy, social entrepreneurship and vocational training.

<http://bilsp.org/index.php?t=92>

V. INTERNATIONAL STAKEHOLDERS

International Labour Organisation (ILO)

The ILO is devoted to promoting social justice and internationally-recognized human and labour rights, pursuing its founding mission that social justice is essential to universal and lasting peace.

<http://www.ilo.org/global/about-the-ilo/lang--en/index.htm>

The European Foundation for the Improvement of Living and Working Conditions (Eurofound)

Eurofound is a tripartite European Union Agency that was established in 1975 to contribute to the planning and design of better living and working conditions. It carries out its role in partnership with governments, employers, trade unions and the European Union institutions.

<https://www.eurofound.europa.eu/>

EU-OSHA

EU-OSHA is the European Union information agency for occupational safety and health. Its aim is to make European workplaces safer, healthier and more productive for the benefit of businesses, employees and governments and to promote a culture of risk prevention to improve working conditions in Europe.

<https://osha.europa.eu/en>

Eurostat

Eurostat is the statistical office of the European Union, situated in Luxembourg. Its task is to provide the European Union with European-level statistics that enable comparisons between countries and regions.

<http://ec.europa.eu/eurostat>

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Government of the Netherlands



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