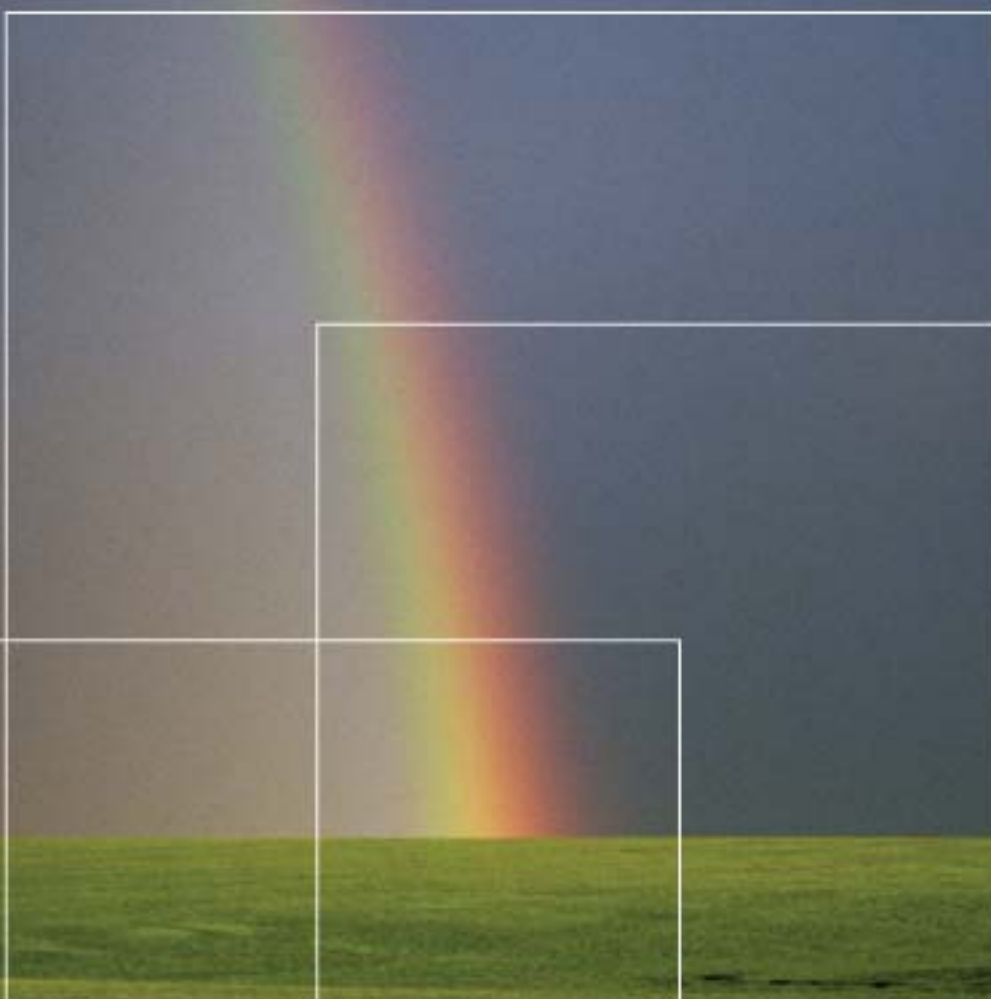




International
Labour
Office

International Labour Office
Decent Work Country Programme

Bulgaria



DECENT
WORK
COUNTRY
PROGRAMME

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BULGARIA

2006-2007

Introduction

The primary goal of the ILO is to promote opportunities for women and men to obtain decent and productive work in conditions of freedom, equity, security and human dignity. Decent work country programmes promote decent work as a key component of development policies and at the same time as a national policy objective of governments and social partners. The present country programme is informed by international development agendas such as the Millennium Development Goals and based on the national development objectives of ILO constituents, as expressed in consultations held with them. The programme details the policies, strategies and results required to realise progress towards decent work for all. This document reflects the strategic planning of ILO cooperation activities with Bulgaria for the biennium 2006-2007. Reflecting the constituents' as well as the ILO experts' assessment of past cooperation, the programme aims at ensuring greater synergies and stronger coherence of ILO activities in Bulgaria and thus contribute to achieving sustainable impacts.

I. The current situation from a Decent Work perspective

During the period immediately before and after accession to the EU, which took place on 1 January 2007, national priorities focus on the European integration agenda. While most of the Bulgarian legislation is now in line with that of the EU, the institutional capacity is not yet fully in place for implementing the *acquis*.

Over the last several years Bulgaria has made progress towards long-term stability and sustained growth. As a result of macroeconomic policies and deep structural reforms, average growth has reached 5.6 % in both 2004 and 2005. The forecasted growth for 2006 is 6.2%. A broad structural reform programme contributed to solid recent economic performance. Growth is led by the private sector which now accounts for 75% of the economy. Per capita income increased by an average 6.4 percent per year since 1998 (at p.p. p in real terms).

Despite the economic recovery of the last few years and sustained efforts to raise living standards reflected in an improved Human Development Index ranking (55th in 2005), poverty continues to be a problem, particularly by EU standards. In 2005, Bulgaria's GDP per capita constituted approximately 30 % of the EU average and the monthly average wage is almost 10 times lower than the EU average.

The unemployment rate in 2005 was 11.5% average and dropped continuously to 8.7% at the end of November 2006.

Minority communities lag behind national averages in terms of most MDG indicators.

The main political document of the incumbent government is "Political priorities of the government of European integration, economic growth and social responsibility" adopted on 28 September 2005. The main priorities in the social area are:

- Increasing employment by at least 240 000 jobs and reduction of long-term unemployment down to less than 10 %. Active policy intended to enhance the training and encourage the employment of the vulnerable groups.
- Annual revision of the poverty line in Bulgaria, following EU practices. One-off considerable pay rise in the budget sphere, related to Bulgaria's integration and co-ordinated with the IMF; annual

increase in the incomes, taking into account the GDP growth, the stability of prices, labour productivity and the competitiveness of the economy.

- Sustainable rise of pensions. Gradual increase of the pensions' share in the GDP up to 10 %. Establishment of demographic reserve fund ("Silver"). More reasonable flexible participation in the pension system."

The priorities of the social partners are also related to the EU accession. At present they have pointed out:

- The development of a new incomes' policy parallel to solving some particular problems of the additional payments related to OSH and seniority bonuses.

- Improving the social security system by developing of legislation dealing with demographic reserves fund and occupational pensions schemes;

- Further improving the social dialogue and particularly the sectoral collective bargaining and setting up a new system for settling individual labour disputes;

- Further improvement of the OSH legislation and implementation of the existing regulations to comply with the *acquis*.

The lessons learned through past co-operation show that achieving impact and sustainability requires:

(a) continuity in programming and concentration in a tight thematic focus congruent with key national priorities and concerns;

(b) strong linkages between programme activities; and

(c) policy work and advocacy to be backed by concrete demonstration schemes.

These conclusions were drawn from previous activities in the areas of social protection-social insurance and assistance; employment policy and social dialogue. In these long standing areas of co-operation and also in the strengthening the organisations of the social partners, the most significant achievement was the demonstration that social dialogue is the unique approach to reconcile conflicting interests and bring positive results in the context of the EU accession.

II. Priority areas of cooperation

Considering the lessons learned during past cooperation, the ILO will aim at reinforcing the constituents' capacities and enlarging influence of the Office's Decent Work policy in line with the Bulgarian Development Goals and according to the government's action programme. The strategy will be to work with close involvement of the constituents and widespread promotion of the assistance provided by ongoing projects.

The national political consensus on the direction of the reform and the necessity of working within the framework provided by EU accession has offered good opportunities for UN agencies to work on many issues throughout the country. They mostly focus on employment generation, health, minority integration and equal opportunity, human rights and capacity building of local governments. These are priority areas for the Bulgarian government, and consequently UN agency work can produce tangible results. In the coming years, as Bulgaria joined the European Union, UN system programmes will increasingly focus on supporting Bulgaria to benefit from the new development opportunities arising from the EU membership.

In addition, more emphasis will be put on sharing experiences among neighbouring countries or countries with similar problems through technical cooperation.

Within the overarching theme of “Decent Work for All” the ILO will concentrate on three country programme priorities in Bulgaria in this biennium, which should be seen as long-term goals:

- I. Employment and labour market policies that meet national needs and comply with EU standards
- II. Improved social protection policies are adopted for vulnerable groups
- III. Strengthening of the representation, services and of the influence of the social partners

Priority 1: Employment and labour market policies that meet national needs and comply with EU standards.

Outcome 1: Strategies to tackle discouragement and inactivity of young people threatened by social exclusion are developed and pilot implemented by labour market institutions.

This outcome aims to strengthen the capacity of labour market institutions, including the social partners, in detecting young people threatened by social exclusion and disengaged from the labour market. The detachment of these young people prevents their access to employment and basic social services. Young women will be specifically targeted since their higher inactivity places them at a higher risk of social exclusion. The implementation strategy revolves around the establishment of a coordination mechanism (youth employment pacts) comprising representatives of local institutions and the civil society in two regions (Plovdiv and Blagoevgrad). This mechanism will identify and support initiatives to be implemented by partners that can reach out to socially excluded young people. Lessons learned from pilot implementation will inform a national working group, led by the Ministry of Labour and Social Policy, which will be in charge of the development and wide dissemination of strategies and tools to tackle youth discouragement and inactivity. This outcome is designed to contribute to the achievement of the broader objectives and targets set forth in the Bulgarian Employment Strategy and Joint Inclusion Memorandum.

Outcome 2: Social financing mechanisms are integrated into the national Active Labour Market Policies, to provide adequate support for the unemployed.

Activities will be organized to implement the recommendations developed in the framework of the first phase of the TC project "Social Finance for Support to Self-Employment" (2004 - 2006) and will be aimed at creating synergies at the local level between the existing actors providing support for microenterprises creation and the institutions providing support to the unemployed.

The activities will also expand to other target groups, looking at the potentials that social finance support can bring for the households of migrant workers in order to make a productive use of the remittances for employment creation.

Outcome 3: The government of Bulgaria ratifies Convention No. 156 on Workers with Family Responsibilities.

An official from the Equal Opportunities Directorate, Ministry of Labour and Social Policy benefited of training in the ILO Training Centre in Turin on the issue of Equal Opportunities in April 2006. The ILO's department NORMES will hold a seminar presenting the content of Convention No.156 and organise a follow-up with SRO Budapest.

Priority 2: Improved social protection policies are adopted for vulnerable groups

Outcome 1: Social partners participate actively in the governing boards of tripartite social security institutions, including the National Social Security Authority.

The ILO will organise a training for social partners using the new ILO Budapest Handbook for Social Security Governance, translated into Bulgarian. The ILO will also provide advisory services and a seminar on demographic reserve funds, and advisory services to prepare for the coming debate in Bulgaria on the design of new private pension benefits (using the ILO analysis of the

gender dimensions of social security reform and advisory services). Trade union members of the boards of social security institutions will be trained to improve governance of these institutions.

Outcome 2: A new set of ILO OSH tools and methods used by labour inspectors and social partners in identifying and evaluating hazards and proposing solutions for management of safety and health at work.

Previous capacity-building of trade unions in the field of OSH in Bulgaria will be extended. Activities will include a training of trainers' workshop for KNSB OSH officers who will be capable of training members of OSH committees to identify and evaluate hazards and propose solutions for management of safety and health at work. Training materials based on ILO tools will be developed in Bulgarian.

Labour Inspectors will be encouraged to use a Bulgarian version of the ILO publication "A Tool Kit or Labour Inspectors".

A national OSH profile will be developed on a tripartite basis, with the aim of developing a national programme on OSH.

Outcome 4: A Child Labour Monitoring System (CLMS) for identification of children at risk is piloted in Sofia and Kurdjali and operational.

Many institutions and organisations target child labour as part of their mandate (Labour and school inspection, police, child protection and social services, medical services, NGOs.). The CLMS allow for a coordinated approach for the identification, withdrawal, rehabilitation and follow-up of the child. It also allows figures and data on child labour to be compiled and to feed into policy formulation.

Priority 3: Strengthening of the representation, services and of the influence of the social partners

Outcome 1: The Government and social partners discuss and agree on policy options for the improvement of the judicial mechanisms of settling labour disputes.

The ILO conducted a feasibility study on the improvement of judicial mechanisms. The ILO organised a high level conference which discussed the findings of the study. The report of this conference was published. The ILO will submit this report and the conclusions of the conference to the Government for consideration. The ILO will assist in the implementation of the recommendations if steps are taken.

Outcome 2: Government and social partners discuss wage and income policy reform at national and sectoral levels, based on ILO recommendations.

Trade unions will elaborate proposals for wage system's reform and influence social dialogue on income policies.

Trade unions will develop proposals for a reform of the national collective bargaining registration procedures. Their capacity to monitor the implementation of collective agreements will be enhanced.

The Government will propose to the social partners a strategy for increasing wages based on the ILO's advice.

Outcome 3: Meaningful social dialogue between educational authorities (public and private). In this context, teachers' unions will address the issues leading to teacher shortages, and will facilitate and encourage effective education reform.

The ILO's Education Action Programme "Teachers for the future: Meeting teacher shortages to achieve Education for All (EFA)" seeks to address the issues leading to teacher shortages, thereby assisting Member States and the social partners to improve the attractiveness of teaching and meet

educational quality goals through a programme of research and policy analysis on causes and solutions, social dialogue forums to share experiences and policy options, and a global report. The National Steering Group set up under the programme will propose action to implement priority policy recommendations of the National Seminar held in Sofia in 2005.

III. Management and implementation

The cooperation programme will be managed through a network among SRO Budapest, the National Correspondent in Sofia, EUROPE and technical units at headquarters in Geneva. The National Correspondent will play a coordination role together with SRO Budapest. The ILO will continue its cooperation with other stakeholders in the country such as the joint UN system, with the UNDP, the EC Delegation and the World Bank.

The objectives of the programme will be pursued through technical cooperation projects, advisory missions, and seminars for information dissemination and capacity building. Extra-budgetary resources and the ILO's regular budget resources will be used to finance the implementation of this Country Programme. The ILO network mentioned will continue to seek further funding for the follow-up to the results achieved, bearing in mind priority concerns of the constituents. The government and the social partners will facilitate their respective expert staff and premises and provide logistic support, as appropriate. They are committed to implementing the follow-up steps necessary to achieve the expected results.

IV. Performance monitoring and evaluation arrangements

The implementation of the Decent Work Country Programme will be reviewed on a regular basis with the constituents using interactive methods. The missions of the ILO experts and their internal reports will be used as part of the monitoring process. Every six months, the Decent Work Country Programme implementation plan will be internally reviewed by the constituents and the National Correspondent. The SRO Director will assess the programme achievements with the constituents in Bulgaria once per year. On this occasion, adjustments will be made to adapt to the changes, if necessary, in order to improve the implementation strategy, and eventually redefine some of the country programme activities.