

DECENT WORK COUNTRY PROGRAMME

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. It also takes account of the priorities of the 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, national priorities focus on the European integration agenda, and on the effective utilisation of the EU Structural and Cohesion Funds. 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. 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, continuing to drop.

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. 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: Two pilot projects will be implemented in Blagoevgrad and Plovdiv to improve the employment prospects of young unemployed threatened by social exclusion testing methods.

The main activity of the project will be the execution of pilot projects that will concentrate on bringing together various players in order to improve the employment prospects of the target group

in both regions. On the basis of a tender procedure, 2 innovative projects will be selected in the region and the successful institutions will be supported in the planning and execution of the projects. In addition, the network will be supported in formulating and adopting a Regional Youth Employment Pact and will be provided with an analytical study of the causes of unemployment of young people in two regions.

***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 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 Workers with Family Responsibilities.*

An official from the Equal Opportunities Directorate, Ministry of Labour and Social Policy benefited of a 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 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 coming debate in Bulgaria on the design of new private pension benefits (using the ILO analysis of the gender dimensions of social security reform). Trade union members of the boards of social security institutions will be trained to improve governance of these institutions.

***Outcome 2:** Strengthened capacity of officials of the Ministry of Labour and Social Policy, Local Governments, and NGOs to deliver community based social services to persons in need, including the elderly, persons with disabilities, and displaced children.*

The ILO will provide training on good practices in social service delivery, using training materials developed under South East Europe social security project.

Government provides "Life skills" education to children placed in residential institutions to enhance their skills for independent living under the IPEC project.

***Outcome 3:** Trade union OSH representatives use a new set of ILO tools and methods in identifying and evaluating hazards and when proposing solutions for management of safety and health at work.*

Extension of earlier capacity-building of trade unions in the field of OSH in Bulgaria. 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.

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.

Outcome 5: Constituents are prepared to implement HIV/AIDS workplace policies and programmes in partnership with national multi-sectoral bodies on HIV/AIDS

The ILO Code of Practice on HIV/AIDS and the world of work is translated into Bulgarian and disseminated through a training seminar for constituents and members of national multi-sectoral bodies on HIV/AIDS.

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 ILO will submit reports 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: New Contribution Payment Centers in the oblasts are established by BIA.

New centres will be developed in new oblasts (goal: four centres to be set up). The activity will depend on funding made available.

Outcome 3: 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 partner a strategy for increasing wages based on the ILO advice.

Outcome 4: Meaningful social dialogue between educational authorities (public and private) and teachers' unions addresses the issues leading to teacher shortages and facilitates and encourages positive 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.

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 UNDP, the World Bank and EC Delegation.

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.

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