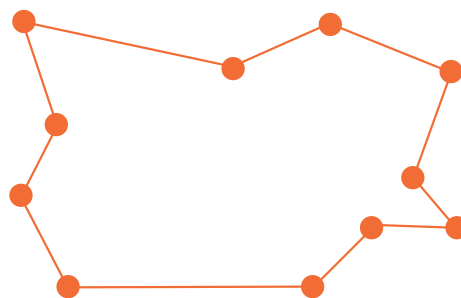





COUNTRY MONITOR



BULGARIA

Social Rights Monitor 2019



The Bulgarian society is an extremely unequal one. While unemployment is under relative control, the Gini Index is the highest one in the EU. Moreover, the number of people at risk of poverty is exceptionally high. Major reasons for these worrying indicators are the underfunding of the welfare system, a regressive tax system and a prevalent corruption problem. The Bulgarian government must make real commitments to improve the effectiveness and increase the amount of public expenditure for social protection, health and education. The European Semester Country Report for Bulgaria finds that “key factors in perpetuating the cycle of disadvantage are unequal access to the healthcare system as well as failure to enrol in early childhood education and to benefit from efficient education services”.¹ The crisis in the Bulgarian health care system translates into the exodus of health professionals and a systemic underfunding of a dysfunctional health care system. Lastly, the situation for freedom of press and expression is extremely concerning. In the Reporters with Borders ranking for 2019, Bulgaria is in 111th place just between Ethiopia and Mali.² It has therefore the worst ranking in the EU and the entire Balkan region. The situation for civil society is similarly very challenging with little possibility to consult and be involved in civic dialogue. While the trend towards a more restricted space for press freedom and civil society is unfortunately a European trend, this shocking rating must press decision makers in Sofia as well as in Brussels to take serious action.



Gini Index: 39.6
Unemployment: 5.2%
Gender equality index: 58.8
Youth unemployment: 12.7%
AROPE: 32.8%
Social welfare spending (as % of GDP): 12.5%
Tax on labour as share of total taxes: 35.6%
In work poverty: 9.9%
CIVICUS civic space monitor: Narrowed

Equal opportunities and fair working conditions

Bulgaria's flat-tax system of 10% on private income and businesses means that the tax system has very limited redistributive power and overall tax pressure is low. The majority of tax revenue stems from a relatively high VAT rate, which is disproportionately burdensome for low-incomes. This means that overall, the tax system is regressive.³ The employment rate in Bulgaria seems satisfactory with 5.2% registered as unemployed in July 2018, decreasing to 4.5% in July 2019.⁴ Men and women are similarly affected with 4.9% male and 4.1% female unemployment in summer 2019. The same statistics show that the level of youth unemployment is decreasing from 13.2% in July 2018 to 12.3% in July 2019. Our National Strategy Group for Bulgaria is concerned that while the government might be content with the numbers, a deeper analysis is necessary.

While youth unemployment is below the EU average (14.3%), Bulgaria has also a high level of NEETs (Not in Employment, Education or Training) compared to other countries in the EU. The rate of is particularly high for young Roma in Bulgaria, with girls even more affected.⁵ Improved and increased active labour market policies must be provided for low-skilled youth. The EU Youth Guarantee report 2018

highlights that among the most effective measures are local mediators for youth and/or Roma as well as job fairs.⁶ Furthermore, the lower percentage of youth unemployment is caused by the migration of many young Bulgarians and hidden, unregistered unemployment. A number from 2017 confirms that 17% of Bulgarians leave their country to study with many of them not returning home⁷.

Working conditions

Our National Strategy Group highlights that the most pertinent problems on the labour market in Bulgaria are the lack of collective labour agreements in newly established companies, therefore blocking the establishment of trade unions, precarious working conditions such as the avoidance of permanent working conditions, informal work, lacking commitment to safety at work as well as undocumented overtime working hours. Bulgarian workers can have one fixed-term contract before an employer is obliged to offer them a permanent labour contract. The National Strategy Group reports that to avoid permanent contracts, employers have been known to have multiple legal entities to give workers more than one fixed-term contract whilst continuing to do the same work for the same company. Employers have furthermore been pushing the government to double the maximum legal amount of overtime from 150 to 300 hours per year. For some workers this could mean that they will not have any days off for long periods on end.

Gender equality

Employers' organisations have furthermore spoken out in favour of reducing the duration of maternity leave, which can currently last up to 2 years. They want women to return to the labour market sooner, but this has proven difficult as the availability of childcare is limited and the costs are often prohibitively high. As a result, only 9.4 % of children below



the age of 4 are enrolled in early childhood education, compared to an EU average of 34%.⁸ The National Strategy Group points out that it is common for young women to be discriminated against in the labour market for this reason. At the same time, nationalist movements are blaming young women who do not have children for being selfish and too focussed on their career.

Good practice

The 2019 Disability Act

Since January 1, 2019 the new Disability Act requires employment for people with disabilities for Bulgarian companies exceeding 50 employees. For companies with over 100 employees the number increases proportionally in a number equal of two per cent of their total number of staff⁹. Our National Strategy Group assesses that this is a serious measure against discrimination and hopes it will encourage integration of persons with a disability in the workplace. If the employer decides that they are not in a position to employ a person with a disability, this results in a compensation payment to the state of Bulgaria amounting to 30% of the minimum wage of each vacancy. Furthermore, they highlight that the compensation payments should be spent on enabling a more inclusive environment for persons with a disability in Bulgaria. This legislative act was accepted after six months of protests in front of the Bulgarian Parliament by parents of children with a disability.¹⁰

Social protection and inclusion

According to Eurostat, Bulgaria is the country with the biggest income inequality in the European Union.¹¹ The Social Scoreboard shows that in 2017, 39 % of the total population was at risk of poverty or social exclusion. Over the past ten years, the share of people in in-work poverty has furthermore increased, particularly for low-skilled workers and

people in temporary employment. Amongst Roma, the share of people at risk of poverty reaches 89%. This is exacerbated by a lack of integration policies for the Roma population.¹² Bulgaria's minister of Defence and leader of the nationalist VMRO party, Krasimir Karakachanov, has recently advocated cutting social benefits for Roma as a way to 'integrate' them.¹³

Social protection

The social protection system is underfinanced and its redistribution capacity is limited. Many people are not covered by the social security system, including seasonal workers and the self-employed. The adequacy and coverage of social assistance are furthermore subpar. In 2016, only 6.3% of people living below the poverty threshold benefited from minimum income support. Over the past ten years, the level of social assistance benefits was increased twice, by a total of 37%. However, during the same period the national poverty line grew by 112%. As a result, the replacement rate of the minimum income schemes is only about 24% of the poverty threshold, which is by no means sufficient for leading a decent life.¹⁴

Health care crisis

A sincere, swift and effective implementation of the National Health Strategy is urgently needed to ensure that people receive medical services that are available, accessible, of high quality and affordable. The Bulgarian health care system is in an extremely worrying condition. There exist significant obstacles to accessing healthcare in Bulgaria, and public expenditure on healthcare is far too little to improve the situation. Inefficient management and insolvent hospitals pose severe structural problems to the Bulgarian health care system which is described as being "close to collapse"¹⁵. A staggering number of 719.000 people, which is more than 10% of the population, are without health insurance. For the Roma



population the number is even more worrying: Less than half of Roma women have health coverage¹⁶. Furthermore, brain drain is a major problem for the Bulgarian health care system. Each year around 450 doctors and around 1,000 nurses leave Bulgaria in search for better job opportunities in Western Europe¹⁷. It is not only the remuneration that is insufficient for medical professionals but a dysfunctional health care system, bad working conditions and a lack of basic medical supplies act as strong push factors. According to our National Strategy Group, the situation in the countryside and rural Bulgaria is particularly bad with more stable conditions in Sofia, Plovdiv and Varna.

Civic space

Civic space is a major area of concern for Bulgaria. Our National Strategy Group assesses freedom of expression in the country as very critical highlighting media monopolies, pressures on (anti-corruption) journalists and independent journalism in general. The most notorious example of the country's drastic problem with media diversity is embodied in the figure of Delyan Slavchev Peevski who owns two big Bulgarian newspapers (Telegraph and Monitor), the TV channel "Kanal 3" as well as other news websites and print media¹⁸.

The murder in 2018 of the Bulgarian investigative journalist Viktoria Marinova, who had been working on corruption files related to the misuse of EU funds, sparked international outcry on the state of press freedom in the country¹⁹. According to a 2019 Reporters without Borders report, Bulgaria ranks 111th in the world between Ethiopia (110th) and Mali (112th), making it by far the worst performer in the EU²⁰. Reporters without Borders assess the situation so severe that "[t]hreats against reports have also increased in recent months, to the extent that journalism is dangerous in Bulgaria". Likewise, the

situation for civil society organisations is challenging in Bulgaria. Our National Strategy Group criticises increasing administrative burdens for NGOs that cumber the work of these organisations. Civic dialogue remains weak with only few and slow improvements made over the last few years. A positive example is the Public Council that was established under the National Assembly's Committee on Interaction with Non-Governmental Organisations and Citizen's Complaints in 2015²¹.

Comparison to the Country Specific Recommendations

A lot more attention should be put on the recommendations for Bulgaria regarding the acute and drastic situation of the health care sector in Bulgaria. The recommendations only mention the reduction of out-of-pocket payments in this regard and the shortage of health professionals²². Furthermore, it is disappointing that not more emphasis is put on the worrying condition of income inequality in Bulgaria. Unfortunately, mostly labour market related issues, such the improvement of employability through reinforced skills, are mentioned in the report. They also highlight that the quality and inclusiveness of education and training for disadvantaged groups, particularly for Roma, must be improved. We urge the European Commission to put an increased focus on the fragile situation of social protection, poverty, access to education and health in the next Country Specific Recommendations that must reflect the very challenging situation in these sectors in Bulgaria.



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SOLIDAR is a European Network of membership based Civil Society organisations who gather several millions of citizens throughout Europe and worldwide. SOLIDAR voices the values of its member organisations to the EU and international institutions across the three main policy sectors: social affairs, lifelong learning and international cooperation.



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