

TRADE UNIONS IN CEECS AND THE CHALLENGES AFTER THE EU ACCESSION: THE CASE OF BULGARIA

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The article aims at analyzing the challenges that Bulgarian trade unions faced after the entry of the country in the European Union. It contains a presentation of the trade union development in Bulgaria and a review of the conclusions of a large study undertaken before Bulgaria's accession to the EU. The new challenges and the union responses since the 1st January 2007 are discussed and some recommendations are provided.

L'articolo si prefigge di analizzare le sfide che i sindacati bulgari hanno affrontato dopo la l'entrata del paese nell'Unione europea. Esso contiene una presentazione dello sviluppo sindacale in Bulgaria e una disamina dei risultati di uno studio molto ampio intrapreso prima dell'ingresso della Bulgaria nell'UE. Le nuove sfide e i responsi sindacali a partire dal 1° gennaio del 2007 vengono discussi e vengono avanzate delle conclusioni.

1. INTRODUCTION

Trade unions in Central and Eastern Europe (CEECS) played a significant role in the post-communist transition. After the emancipation of the social partners from the tutelage of the communist parties, they contributed to the establishment of the new political and economic system and in many cases protected the social peace in Central and Eastern Europe.

Bulgaria was not an exception. The "old" reformed confederation CITUB and the newly created opposition trade union CL *Podkrepa* were among the main players in the post-communist period. They supported the economic and social reforms in the country, such as price and labour market liberalisation, privatisation of the economy, social security reforms etc., sometimes at the expense of their short term interests. In the process of integration of the country to the European Union (EU), trade unions in Bulgaria contributed to the preservation of social peace. Till recently unions were the single channel of representation of workers and employees in an economy experiencing drastic changes and their numerous consequences: poverty, unemployment, massive restructuring, emigration etc.

So during a long period of almost two decades the challenges that unions faced were related to the post-communism reforms and the entry in the EU. But once Bulgaria is a full member of the European Union since the 1st January 2007 and the bulk of the reforms are completed – the economy is almost entirely in private hands, new social security institutions are in place etc. – it seems that this is a moment to reconsider the unions' strategies. This date was related to numerous expectations, hopes and illusions. But one year and a

half later, it is interesting to see what are the new challenges for the unions? What really changed after the entry in the EU for the social dialogue and the collective bargaining? Are unions better “equipped” to protect the interests of their members? Are they in a better position to formulate and lobby for policies? What could be their role in the process of utilization of structural funds?

There are dozens of questions that need to be answered. On the basis of continuous research on trade union problems and issues¹, I'll try to address some of them in the present article in order to outline the new challenges for the unions. Within the framework of the above-mentioned projects in total hundreds of interviews as well as documents' analysis have been done over the last few years. Facilitating of meetings, trainings and moderating debates work was also done at different levels – confederations, federations, union sections at enterprise level.

After presenting trade union development during the transition (1), the article will try to analyze union strategies after the accession (2) in order to draw a number of conclusions and recommendations (3).

2. TRADE UNIONS IN BULGARIA

In order to understand well the development of the trade unions in Bulgaria and their strategies after the political changes in 1989 it is important to review their history first.

At the end of the 19th century several workers' societies were established in the country. The first trade union organisations were established by printers, teachers, craftsmen and postmen. A key date for the consolidated trade union movement in Bulgaria is 1904, when in Plovdiv the First Congress of the General Workers Trade Union (*Obsht Rabotnichestki Sindikalen Saiuz*) was held.

A period of pluralism was followed by periods of trade union monopoly, the first one between 1934-1944 and the second during the time of the socialist regime (1944-89). After the coup d'état of 1934 the Bulgarian state established a unique trade union, the Bulgarian Workers' Union (*Balgaski Rabotnicheski Saiuz*) which had about 200,000 members in 1940 (CITUB, 2000). The first collective labour agreement in the country was signed already in 1905. However it is during the 1930s that under the conditions of non-democratic regime in Bulgaria instruments of collective bargaining and labour disputes resolution were massively introduced.

During the years of the planned economy in Bulgaria as well as in all other ex-socialist countries official Trade Unions were established. Soon after 9th September 1944, the date

¹ During the last years the author of the article participated in a number of research and consultancy projects on trade union and social dialogue issues and topics. Among them we could state: the project *Social Dialogue* financed by the Swiss Development and Cooperation Agency aiming at the amelioration of sectoral social dialogue in four industrial sectors in Bulgaria (2002-07), the ESF art. 6 Project CAWA: *Creative Approaches to Workforce Ageing* (2005-07); the ILO and National Institute for Conciliation and Arbitration (NICA) project *Strengthening Social Dialogue on Enterprise and Sectoral Level and Resolutions of Collective Labour Disputes in the Chemical Sector* (2004-05); the EU Project *Creation of a Compromised Mediation & Arbitration Mechanism for National Industrial Relations Systems*, the research project designed for ILO *Towards Trade Union Strategy for Decent Work (Strengthening social dialogue and tripartism and enhancing the technical expertise in labor law in the countries of South Eastern Europe)*, the European comparative research project *SMALL – representation and voice in small and medium-sized european enterprises: monitoring actors, labour organizations and legal frameworks* (2002-06), the project *Socially responsible restructuring in accession countries – promotion of the social partners role to anticipate and accompany consequences at regional level* (2007); the training project *Elex-EWCS: learning from experience* (2008) etc.

when the communists took power, under the leadership of the Bulgarian Workers' Union (communists) began the establishment of the United Workers Occupational Union (*Balgarski Profesionalni Saiuzi*). The Trade Union was assigned new functions related to the accomplishment of the Plans, the "cleaning" of enemy elements in the enterprises, training (both vocational and ideological) and even in the management of enterprises with the participation of the trade union leader in the "troika" (the director, the party leader and the trade union leader).

After the nationalisation in the end of the 1940s, the Soviet model was transposed in Bulgaria and trade unions were appointed as a transmission between the party and the workers. The Collective Agreements became an instrument of mobilisation of the personnel. Yet, during the 1950s the role of the trade unions in the management was restricted. During the numerous reforms trade unions were asked by the party to implement communication and information activities amongst the workers and employees. During the decades of the 60s, 70s and 80s trade unions fulfilled mainly functions related to the social policy at the enterprises (Petkov, Thirkell, 1991).

After the political changes in 1989, conditions for the free development and pluralism of trade unions emerged in Bulgaria. The development of unions during the transition years was dominated by the reformed "old" union on the one hand, and the newly established alternative union on the other. These legacies from the past are important in understanding the strategic choices of both unions, especially in the first years of transition.

The Confederation of Independent Trade Unions of Bulgaria (CITUB), the largest trade union, inherited important resources in terms of assets, members, structures, experts and know-how from the former trade union structures, although it was confronted with the challenge of internal reform and the need to prove its "independence" from the communist party, which was itself under reform. In these new conditions, CITUB opted for painful internal reorganization, while trying to participate actively in the establishment of a new industrial relations system and the design of reforms. Established in February 1990, CITUB is one of the best reformed former trade unions in the region, and has been the largest national trade union centre since 1990. It currently affiliates 33 federations, and has about 350,000 members². The Confederation has 28 regional councils in all the administrative districts in the country as well as local offices with municipal coordinators on more than 200 municipalities in Bulgaria (the country has in total 264 municipalities).

The second largest trade union, the Confederation of Labour *Podkrepa* (CL *Podkrepa*), was formed on 8th February 1989 by a small group of dissidents. During the initial period of CL *Podkrepa* (1989-91), it functioned rather as a political movement than a trade union, aiming to dismantle the old state-controlled economic and political system and support "reformist forces" in Bulgaria. Thus, its first demands were more political rather than focused on workers' issues. An initial lack of resources in comparison with the former monopoly union was compensated by the enthusiasm and volunteer efforts of its members. The important challenge for the new union was to transform itself from a political movement into an organization defending the interests of workers and employees at both national and sector/enterprise level. Today it is a trade union organization that affiliates 36 regional unions and 25 sectoral unions, with about 120,000 members³.

² According to the web site of CITUB – www.knsb-bg.org, accessed on 31 July 2008.

³ According to the data provided by the CL *Podkrepa*, www.podkrepa.org.

There are some smaller trade union organizations in Bulgaria, but these do not meet national representativeness criteria at the present moment⁴.

The sectoral structure of trade union membership has gone through major changes during the transition period. For example the largest trade union affiliated to CITUB in 1990 was the agricultural union, but now this organization has a very limited membership. It is not surprising that after the privatization and downsizing of many industrial sectors, the majority of CITUB members belong to the public sector – public administration, public services, and other structures with a strong historical state background, such as education (the Union of Teachers has about 80,978 members), health care (33,953), telecommunications (26,745), energy (about 20,000), and mining (25,790), to name a few. The situation is similar in CL *Podkrepa*. The first federation, established at the end of 1989, was the miners' union. Other federations were established mainly in 1990-91. Since then, federations in many sectors have experienced significant changes in their membership⁵.

In the transition period Bulgarian unions did a lot for the institutionalization of social dialogue⁶ (starting with the National Council for Tripartite Cooperation established in 1993 to a number of institutions with tripartite governance in the domain of labour policies, pensions, collective labour disputes resolution, vocational training etc.). Through these institutions and through direct lobbying to governments and political parties unions played and still continue to play an important role in the formulation of the labour, fiscal and social security policies and regulations, health and safety conditions etc.

The collective labour bargaining was reintroduced in Bulgaria in the early 90s and it gradually gained importance in many sectors and enterprises. However, collective bargaining in the framework of the predominance of state ownership in the 90s (Aro, Repo, 1997) differed from the collective bargaining after the privatisation of the economy – for a number of reasons. New owners in many cases were suspicious to any kind of intervention in their enterprises and tried to reject the collective bargaining and the unions. The introduction of social security minimal thresholds at the beginning of the current decade gave new stimulus for the bargaining at sectoral level⁷. Amended in 2001, the Labour Code grants more autonomy to bipartite social dialogue by recognising the importance of CLAS which, concluded at a sectoral or branch level by all the concerned social partners, can, should the partners demand it, be extended (or at least certain clauses) by the Ministry of

⁴ However some of these smaller confederations were nationally representative in different moments during the last two decades. Current research of the ETUI, *Development of trade unions in the NMS of the EU and candidate member states*, done for Bulgaria by the author of the article shows that some of these confederations claim that they have enough members in order to be representative.

⁵ The data stated here is based on the publications: V. Kirov, *Facing EU Accession: Bulgarian Trade Unions at the Crossroads*, in D. Dimitrova, J. Vilroks, *Trade Union Strategies in Central and Eastern Europe*, ILO, Budapest 2005, pp. 111-51, it is very probable that the members of most of the federations have decreased since then but there is no evidence for this.

⁶ For the initial period of the transition see Thirkell, Tseneva (1992).

⁷ Following amendments to the social security legislation and in line with the 2003 state budget law, since the beginning of 2003 employers have been required to pay social security contributions for their employees on the basis of a specific minimum amount of pay – the “minimum social insurance threshold” – to be determined by collective bargaining at sector and branch level for 48 economic activity groups and nine occupational groups. The aim is to stop the practice of employers paying contributions on the basis not of the employees' actual wage but of the much lower national minimum wage (source: Industrial Relations and Undeclared Work in Bulgaria: <http://www.eiro.eurofound.eu.int/2004/06/tfeature/bg0406202t.html>). These minimum thresholds were negotiated in 2002 by trade unions and employers' organizations for the various sectors, and extended to cover all companies in the relevant sector by the state budget law. In 2003 the thresholds were updated for 2004, and negotiations over thresholds for the following years continued, in the majority of the cases they are successful, but wherever the social partners cannot come to an agreement, the respective levels are determined by the Ministry of Labour and Social Policy.

Labour and Social Policies to the whole sector or branch, although such extension has not been applied till the present moment. Although the Labour legislation modification from 2002 gave the opportunity for conclusion of a National collective agreement, it never became a fact even though negotiations have been initiated several times.

Although at macro (national) and mezzo (sectoral) level the role of the unions during the post-communism was extremely important, during the recent years the Bulgarian unions experience difficulties to establish sections and representation in newly established businesses (after 1989)⁸. Collective bargaining at enterprise level takes place predominantly in former state-owned enterprises and in the public sector, where unions are still strong or at least present. There is no data about the share of companies with collective agreements, according to their size, as it is the case in other countries from the region (e.g. Hungary). However we could hypothesize that collective bargaining takes place predominantly in large companies.

For almost ten years the economic crisis was pointed out as the reason for the union decline in membership and respectively the factor that rendered bargaining difficult. However the sustained growth of the Bulgarian economy since 1998 does not help the expected renewal of union membership and scope and content of collective bargaining.

3. THE TRADE UNIONS IN BULGARIA BEFORE THE ENTRY IN THE EUROPEAN UNION

The research work on Bulgarian unions, completed in the framework of the ILO project *Towards Trade Union Strategy for Decent Work*⁹ resulted in publishing a chapter of the book *Trade Unions Strategies in Central and Eastern Europe: Towards Decent Work*, titled *Facing EU Accession: Bulgarian Trade Unions at the Crossroads* (Kirov, 2005, pp. 111-52) where a number of conclusions about trade unions in Bulgaria are discussed. Before presenting the actual challenges facing Bulgarian unions it is important to go back and pass through the summary of the important conclusions made.

First of all, Bulgarian unions are still strong, but with decreasing resources before the EU accession. In the years 2004-05-07, almost 16-17 years after the political changes of 1989, Bulgaria was one of the countries in the CEE region where trade unions have preserved and maintained influence and strength.

The union movement succeeded in warding off fragmentation, as was the case in other CEE countries such as Hungary or Romania. Differences in the positions and strategies of CITUB and CL *Podkrepa* were dominant at the beginning of transition, but with the advance of reforms they were replaced by an approximation of positions and greater cooperation. Actually in the early 1990s the two largest unions were in a state of war: while CITUB was trying to emancipate itself from the heritage of its predecessor, CL *Podkrepa* was very active in dismantling the former system. First, with regards to the political system in Bulgaria, both trade unions advocated a transition to democracy and free market economy, but the position of CL *Podkrepa* towards the dismantlement of the old system was much more radical. Second, both trade unions were advocates of privatization of the economy, along with protection of workers' rights, but there were differences in the area of em-

⁸ There are a number of success stories of unionisation in newly established enterprises in Bulgaria but they are not numerous.

⁹ *Strengthening social dialogue and tripartism and enhancing the technical expertise in labour law in the countries of South Eastern Europe* – REF/02/M52/FRA, ILO SRO Budapest Project.

ployees' participation. Third, the two unions shared similar visions as to the establishment of the industrial relations system and the social reforms. The fact that the major trade union confederations in Bulgaria have been cooperating actively since 1995 has been a major factor for current union strength, and a guarantee for further influence.

Although the overall union density has decreased during the period, it is still about 26%¹⁰, which is higher than in many of the Central European and Baltic countries. Trade union presence has diminished in terms of membership, but there are still sectors where coverage is relatively high – of course, the majority of these sectors belong to the public sector but there are also sectors of the heavy industry, entirely privatised where the trade union presence is more than 50% – such as metallurgy.

At the beginning of the transition period, trade unions had not only much larger membership, but also more resources at their disposal. Gradually their own human resources capacities decreased at all levels – at confederation as well as regional and industry structures (Kirov, 2005). Financial inflows necessary for supporting their activities gradually turned away from membership fees, towards more diversified sources, including participation in commercial activities, donors' support and project work. And while demand for expertise grows, the actual number of union experts is on the decline.

At the same time during the transition period the unions operated in a context of increasing challenges. At the beginning of the transition, the policy agenda included several main tasks: economic stabilization, privatization, social reforms, and so on. By the end of the 1990s, the new pattern of economic and social development was becoming clear. Throughout the 1990s, Bulgarian unions supported reforms even though these often went against their interests in the short term. The decision to assume shared responsibility for these reforms was assessed as largely unavoidable at the time (*ibid.*). The social reforms formulated in late 1990s and implemented in the current decade also represent serious challenges for the unions, and the results of these processes still need to be evaluated. Pension and health system reforms, as well as employment and regional development policies, have provided space for new union strategies, choices and participation. But in order to participate in these processes there was a need of expertise and clear ranking of the priorities.

Many other parameters changed in recent years. Almost twenty years after 1989 enterprises are mainly private, the majority of jobs have been transferred to SMEs, the types of employment status have been diversified, and collective bargaining has decreased in significance. This context has modified, multiplied and diversified the challenges for trade unions. Since the end of the 1990s, they have had to negotiate with private employers and employers' associations, rather than with ministries responsible for the state-owned enterprises. The question of representing employees in SMEs and the need to strengthen representation among self-employed and informal workers have also come to the forefront – and some work has already been done on these issues, as reflected in the CITUB's 2003 strategy for unionization, which calls for better sectoral and regional targeting (*ibid.*).

Even if trade unions have been active participants in the formulation and implementation of key reforms such as privatization (during certain periods), pension reform, labour legislation as well as health and safety reforms, they have had limited impact in other areas such as labour market policy, health system reform or European integration (*ibid.*). This fact needs further reflection, especially in the context of European accession, where the so-

¹⁰ There is no exact data about the union density in Bulgaria. We refer to calculations made by the author in 2005 (Kirov, 2005). According to new sources (e.g. Kohl, 2008), the trade union density in the country is about 20%.

cial partners are expected to be more active in an enlarging social dialogue on a very large number of issues and at various levels.

At national level, the two largest trade unions have participated in a considerable number of tripartite bodies, above all the NCTC. Through the NCTC, trade unions have had the opportunity to discuss and influence government policies to some degree. However, it is questionable whether their participation in advisory boards leads to serious influence on policies for the labour market, social security, health care and other fields of social and labour policy. Trade unions still have some influence on public policy. A review in recent years shows that governments often determined the rules of the game: for example in 1997-2002, trade unions participated in the elaboration of laws and policies in the sphere of industrial and labour relations (e.g. the amended Labour Code). However, in other areas they have been only observers. Questions arise as to the usefulness of such "participation" on the one hand, and the degree to which unions should share responsibility with government on various reforms, on the other.

The challenges of collective bargaining at sectoral and enterprise level remained important all over the post-communist transition. The sectoral level of social dialogue in CEE countries has been identified as the "weakest link" in the collective bargaining system (Ghellab, Vaughan-Whitehead, 2003). The trade union position at sectoral level is largely uneven in Bulgaria. As mentioned, unions are still strong and have high density in the public sector – including health care, education, and some industries such as metallurgy. There is a deep need to analyze in depth the emerging imbalance of power between labour and capital in the privatized and restructured economy, in order to develop a more comprehensive trade union bargaining agenda. The strength of unions in large, formerly state-owned companies should be preserved and expanded through a renewed bargaining agenda.

Lessons need to be drawn from past experience, which indicates that trade unions' participation in *ad hoc* political alliances and lobbying platforms is necessary. However, direct participation in elections through trade unions own parties should be very carefully considered in the future, in the light of some unsuccessful past attempts. Instead, by promoting sensitive public debate and by lobbying, trade unions can earn political support for further union action.

The analysis of the challenges for the unions included a review of the future challenges as well. According to this analysis the future strength of Bulgarian trade unions will largely depend on their ability to address several interconnected issues in a short period of time. First, they must further develop meaningful autonomous collective bargaining. The second priority is to strengthen their representation in SMEs, and in new sectors of economy where the workforce is growing but trade union density is low (some of them have also important shares of the informal economy). Recruiting more women and young workers is also high on the agenda in this respect. Third, unions need to strengthen their technical expertise to better match the challenges and opportunities of European integration, including the promotion of decent work and promoting equal opportunities. Last but not least, unions need to optimize their utilization of resources, and strategically rank their priorities in areas where resources are insufficient.

4. THE CHALLENGES AFTER 2007

It is still very early to make serious conclusions what are the effects of the entry of Bulgaria in the European Union on the Bulgarian system of industrial relations and collective

bargaining and on the social partners, organizations of workers and of employers. However some hypothesis about the challenges and the trade union responses could be formulated and a number of questions that will need to be addressed in future research could be pointed out.

Before examining these questions it is important to remind that first of all the process of Bulgaria's integration in the EU has been for a long time "the sole domain" of a small group of government experts and the key word in this process has been "speed" at the expense of the content of the agreements. What is more, as shown by Gradev (Gradev, 2005), the social questions are not a priority in the process of negotiations.

There are number of questions to be raised after the EU entry. Are there changes in the social dialogue and the role of the trade unions? Are there changes in the collective bargaining system? Does the representation of the working force in the private sectors change? What is new concerning the representation of the employees in the private sector? How the EU membership impacts the information and consultation mechanisms? How is this process promoted and accelerated via the EWC? What is the role of the unions in the use of EU structural funds?¹¹ Does the process of policy formulation change and is it easier for unions to lobby for their interests? Does the role of the trade unions in the system of collective labour disputes resolution change?

To what extent there is a need of reformulation of trade union strategies at national level? How to strengthen the role of the dialogue at sectoral level? Are there changes at the level of the enterprise? What is finally the impact of EU membership on the social dialogue in new member states?

The recent accession of Bulgaria to the European Union has brought interesting developments in the domain of social dialogue and certainly opens new perspectives for union action. The European legislation was transposed into national regulations and we could expect to find more sound social dialogue structures at all levels, which could stimulate employees' participation. The recent entry also stimulated the successful negotiations of a "Pact on economic and social development", effective for 2007-09. On 26 September 2006, the Bulgarian Prime Minister, the two trade union confederations, the Confederation of Independent Trade Unions in Bulgaria and the Confederation of Labour Podkrepa, and the six nationally representative employer organisations signed this document that was supposed to become a framework for economic and social development of the country. This framework, or at least the clauses concerning the «development of industrial relations, including labour legislation, effective social dialogue at all levels, establishment of a labour court and promotion of trade union rights»¹² are still not translated into the "real life" but opened the door for interesting and meaningful dialogue, both tripartite and bipartite.

Something more, we need not to forget that Bulgarian social dialogue became also part of the European social dialogue. Since its entry, the country has its representatives in a number of European institutions such as the European Economic and Social Committee (EESC), as well as in other European inter-professional or sectoral institutions/forums. Of course, on the one hand this fact contributed to the organizations' increase of capacity, but

¹¹ Since the entry, trade unions like all other civil organizations in Bulgaria had access to the EU structural funds. This access gives unique opportunity to unions to be involved in the regional development and civil society actions on the basis of concrete projects. But do they have the capacity to do this?

¹² Daskalova (2006), www.eurofound.europa.eu/eiro/2006/09/articles/bg0609029i.htm (accessed on the 31 of July 2008).

on the other hand many important figures form the Bulgarian trade union movement are more engaged with European issues than with Bulgarian social dialogue and it is not always very well appreciated in the union organisations. The entry in the European Union also eased the contacts and the exchange between the Bulgarian and the European inter-professional and sectoral social partners and this could be important prerequisite for the introduction the European priorities in the national social dialogue agenda.

To what extent the collective bargaining in the country changes after the entry? Does it follow the development of the economy and the employment patterns? We could argue that it is not yet the case. There is no data that could provide evidence for an enlarged content of the collective bargaining in Bulgaria. For example during the last 2-3 years the Bulgarian labour market experienced sharp fall of the unemployment rates and qualified labor shortages for many professions and branches. At the same time collective labour agreements at sectoral and enterprise level rarely treat exhaustively the question of in-company training. Very often there are 1 or 2 very general articles saying that the questions of training should be negotiated within the enterprise.

The second important question related to collective bargaining concerns the new sectors of the economy. A large percentage of the labour force is already employed in sectors such as the new technologies, the private security – more than 100.000 jobs etc. In general it is too early to draw conclusions, but there are no indications that the collective bargaining wins ground. We could say that for the moment there is no difference with respect to collective bargaining in these sectors after the entry. In other sectors, such as tourism or trade that are quite important in terms of their share in the overall employment, sectoral agreements do not differ a lot from the provisions in the Labour Code and what is more, they cover only a small portion of the employees.

The total number of collective agreements active in 2006¹³ according to the information of the General Labour Inspection is the following:

- At sectoral level – 10 sectoral CLAS (= collective agreements) and 58 branch CLAS;
- 1,637 company level CLAS registered with the Labour Inspectorate and 317 new annexes to already registered ones.

The 2007 data is not yet published, but according to interviewed trade union officials there are no indications that the situation is improving. It is probable that these figures declined since 2007.

As mentioned already, the Bulgarian law envisaged the possibility of an extension of sectoral agreements; however since the introduction of this amendment in 2002, there was no case of an extension.

The representation of the Bulgarian employees was realised only through the trade union organisations from 1989 till 2006. However the union density decreased in all sectors over the transition period and from almost 100% in 1989 (in the conditions of state property) to about 20% in 2008. Trade unions had difficulties to maintain members in the large enterprises and to attract people in the newly established companies. They also face increasing difficulties to attract young people, to live up to the challenges of the atypical forms of employment and of the increasing migration flows, emigration for many years of post-communist transition, but also immigration at the present moment.

Very often in Bulgaria, unions blamed employers' attitudes for the decrease of union membership and influence. As the results from recent research on employees' representa-

¹³ Skarby (2007).

tion in SMEs in Europe indicate (Illesy *et al.*, 2007) SME's workers and employees have little knowledge of their rights to representation, particularly those in micro firms. This is especially relevant for health and safety and in relation to the legislative requirement for the establishment of representative committees. The trade unions could be more active in this particular field. Some important efforts have been done till now – e.g. more than 100.000 brochures about human, civil, labour, social and trade union rights have been prepared and distributed among workers by CITUB. It seems that they did not cover the entire labour force which is becoming more and more fragmented in small enterprises/establishments.

It is difficult to say if the representation of the employees is better after the entry in EU. There are trade union censuses that are carried out every four years. So the next census probably will provide comprehensive data about the state of the art, however is it more probable that the negative trends are deepening.

In the framework of the integration process Bulgaria finally harmonized its legislation with the European directive 14/2002 in 2006. Since august 2006 it is possible to establish mechanisms for information and consultation of the employees. After long and difficult discussions between the Bulgarian employers and trade unions, they agreed on the formula that could be used in Bulgaria. However negotiation procedures and talks about the establishment of such a mechanism have started only in few enterprises in Bulgaria during the autumn of 2006¹⁴. There is no evidence that after the 1st January 2007 the number of these bodies increased significantly. One possible interpretation could be that unions were not interested to have such kind of mechanisms in place because they were afraid that it could be used by employers against them. It seems however that this effort was made only to harmonize the national legislation with the EU norms, but it did not bring changes to the industrial relations systems at the exception of few large enterprises such as Cummerio, Miroglio etc.

In 2008 there was an EIRO publication, according to which the overall number of establishments with employees' information and consultation bodies in Bulgaria where CITUB has a section equals 137. These enterprises are predominantly the subsidiaries of multinationals in sectors such as food industry, construction etc. (Mihailova, 2008). We could hypothesize that this type of consultative bodies has no chances of becoming very popular in Bulgaria.

Since the 1st January 2007 Bulgarian and Romanian representatives in EWC could change their status from observers to full members. Before that date only in few multinationals were elected Bulgarian observers in EWC (among them in Danone, Solvay, Nestle, Miroglio and Umicore). Bulgarian confederations made efforts to prepare their members in subsidiaries of MNC for the EWC, at least theoretically. The recent evaluation of the situation concerning Bulgarian representative in EWC, done in early 2008 in the framework of ELEX project shows that about twenty enterprises in Bulgaria have already their representatives in EWCs. According to data provided by a study of the European Foundation *European Works Councils in practice: Key research findings* (European Foundation, 2008) in Bulgaria there are 197 companies covered by the Directive and in 105 there are EWC. The practical preparation of the Bulgarian representatives for these councils is an urgent task. We should note that within the framework of some cooperation projects, supported by the European commission or trade unions from the old member states significant work was ac-

¹⁴ In the framework of the Social Dialogue project the author of the present article with other colleague organized a training for employees representative in metallurgical plants.

complished in this direction. Also in both confederations there is an internal exchange, for example within CITUB this exchange is done in the *Club of Presidents of union organizations at Multinational companies*. However on the basis of the first conclusions in the project ELEX we could recommend further efforts in the promotion of the EWC mechanisms of information and consultation which can be of use not only for the employees in subsidiaries but also for the employees in their subcontractors.

5. CONCLUSIONS

Trade unions in Bulgaria face multiple challenges after the entry of the country in the European Union and the analysis of their responses is yet to be done. During the process of integration unions kept social peace and were in a position of passive support. Probably for this reason it seems as if the discontent of numerous professional categories was just postponed for the period after the entry.

The date – 1st January 2008 was not a magic one for the industrial relations system in the country. It is true that social dialogue practices in Bulgaria were stimulated by the entry and the participation of the Bulgarian social partners in the structures of the European social dialogue. However it is up to the national social partners at all levels to do their best in order to represent the interests of their members.

The challenges for the trade unions originate from several areas. The promotion of social dialogue and collective bargaining still needs serious efforts at all levels, national, sectoral and enterprise. On the first place, national social dialogue was stimulated by the conclusion of the Social Pact. However it is difficult to assess what is the concrete role of this pact. National social dialogue participants should evaluate the practical results of the agreements under the signed Pact because otherwise there is a risk that the pact will remain a document without any consequences. Second, serious efforts are needed to face the challenges of the sectoral collective bargaining and dialogue. The need for meaningful sectoral dialogue is even more urgent than before – in the conditions of multiple sectoral challenges and the general lack of skilled labour force. This task requires specific actions in order to train, retrain and adapt human resources. There is also a need to lobby for the extension of sectoral agreements – this could be a valuable tool in enlarging the scope of collective bargaining in the country. The serious efforts undertaken by employers in human resources development at given sectors requires a more active and adequate participation of trade unions. Social dialogue within the enterprise also needs renewal in two aspects: the first is that collective bargaining and the conclusion of the CLA is not sufficient, dialogue is important on a broader range of issues; the second is the need to enlarge the content of the agreements in order to make them more meaningful for the employees. There are interesting practices in some enterprises that could be disseminated largely.

The information and consultations issues need also more attention from unions. In the context of decreasing membership it is really important for the union to address the question: how employees in Bulgaria could be adequately represented? There are two important challenges to be met. The first one is to see how unions could enlarge their presence and gain new members. The second is related to the need to promote the new mechanisms for information and consultation. In this respect it is vitally important to analyze the practice of the information and consultation bodies, established in some enterprises since the entry of this legislation into force in 2007. After that it could be interesting to see if these

forms and practices could be promoted. The EWCS are also a field that needs concrete steps in order to better prepare and accommodate Bulgarian representatives in these structures, so that they could make better use of this form for information and consultation.

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