

**GENDER ASSESSMENT  
OF THE IMPACT OF EU ACCESSION  
ON THE STATUS OF WOMEN  
IN THE LABOUR MARKET IN CEE**

**NATIONAL STUDY: BULGARIA**

BULGARIAN GENDER RESEARCH FOUNDATION  
SOFIA 2003



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**Jivka Marinova, Mariya Gencheva (eds.)**

Also available national studies for Czech Rep., Hungary and Poland

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The authors

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## FORWARD

With countries of Central and Eastern (CEE) Europe, either set to join the European Union in 2004, scheduled to join at a later date, or are still aspiring to enter the accession process, accession to the EU is a dominant theme across the region. The accession and regional integration processes offer tremendous opportunities for women to advance the gender equality agenda. At the same time, there are strong economic and social forces and trends that also threaten women's human rights.

The present four gender assessments of the impact of EU accession on women's status in Bulgaria, Czech Republic, Hungary and Poland, have been undertaken under a project entitled "Gender and Economic Justice in European Accession and Integration" supported by the United Nations Development Fund for Women (UNIFEM) and implemented by the KARAT Coalition and Network of East West Women/Polska. UNIFEM support for women in Central and Eastern Europe is anchored in a human rights perspective that aims to address gaps in government compliance with their obligation to take all appropriate measures to eliminate discrimination against women. All CEE countries have ratified the major treaties, including CEDAW, and in the context of fulfilling EU directives, most countries have revised or adopted new national legislation, established national women's machineries, ombudsmen, or taken other measures to comply with EU standards. Yet in spite of such measures, women's human rights are far from being fully realized, including in relation to their economic rights. While some recent regional reports have highlighted improvement in women's labour market status as compared to men<sup>1</sup>, the CEDAW Committee's concluding comments for countries of the region point to areas of discrimination against women in employment ranging from absence of sex-disaggregated data on women living in poverty (including minority and older women); decreased women's share in the economically active population; concentration of women in low paid occupational sectors; high percentages of women working as unpaid family workers,

<sup>1</sup> World Bank, Gender in Transition (2002); UNICEF's MONEE project reports

especially in rural areas; strong vertical and horizontal segregation and wage differentials between women and men, and misuse of 'overprotective measures'<sup>2</sup>.

In the context of accession to the EU, UNIFEM saw importance in supporting gender equality activists to examine the issues and analyze the data for themselves, with a view to strengthening evidence-based advocacy for equality between women and men in labour markets in the context of accession to the EU. Whereas the aforementioned regional reports are based largely on non-disaggregated figures of activity, employment and unemployment, these four gender assessments have aimed to disaggregate some of the main labour market indicators by relevant variables such as age, region, educational level or occupation. The reports by no means take up new research per se, but by also drawing on national research and other documented examples, they shed light on some of the lesser known aspects that raise concerns over discrimination against women and violation of their human and civil rights.

There are, as always, some important elements that were left out due to lack of proper data or lack of time. One of these concerns the situation of women in rural areas; another is the situation of the working poor and women in particular. The assessments also touch only briefly upon the complex links between fertility rates and women's participation in the labour market. In this regard, it is important to note that while policy responses to address some of the challenges identified are more obvious, others clearly require further research and analysis.

UNIFEM is pleased that the four assessments will serve as a basis for discussion and debate at conference convened by the Karat Coalition in Warsaw on 7-9 November, 2003. This meeting presents an important opportunity for gender equality advocates from across the region to discuss the assessment findings, compare them with trends and experiences coming from other countries, and strategize on ways forward. It is hoped that this meeting will also allow for exchanges between NGO advocates, experts and policy makers at national and EU level, which could generate innovative ideas and solutions in response to the challenges that women face.

UNIFEM hopes that these assessments could inspire replication or adaptation in

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<sup>2</sup> Legislative measures to "protect" women from work that is seen as high risk for women can sometimes respond to legitimate concerns, yet these measures are often overly broad and discriminatory in practice, inhibiting women's ability to obtain jobs by narrowing their choices or limiting their career advancement.

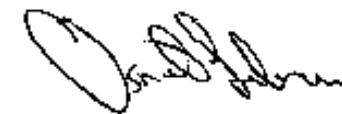
other countries. For example, in countries still in the initial stages of accession, similar assessments could be useful in monitoring State compliance with EU directives on employment or advocacy for engendering of national employment plans. In countries joining the EU in 2004, such work may be useful in monitoring women's human rights in the context of government obligations to comply with the EU Employment Strategy or the Strategy to Combat Poverty and Social Exclusion.

UNIFEM would like to express its appreciation to the national teams who produced the assessments for their devoted efforts - the Gender Research Foundation in Bulgaria, the Social Innovation Foundation in Hungary, and the Gender Studies O.P.S in Czech Republic. A very special recognition is due to Karat Coalition Secretariat, who besides producing the gender assessment in Poland, assumed responsibility for coordinating the overall initiative, from the participatory selection of the countries and research teams, to the facilitation of inter-team communications and collaboration, compilation and production of the materials, and organization of a regional conference that would ensure effective dissemination of the knowledge generated to partners across the region and enhanced advocacy impact. UNIFEM also thanks Elizabeth Villagomez for providing the teams - not all specialized in labour market economics - with technical support and expert guidance on EU employment policy and its gender aspects.

Looking ahead UNIFEM sees importance in continued efforts to increase understanding of women's position in labour markets in the context of accession to the EU, towards better protection and realization of women's human rights.

In this regard we hope to support deeper analysis of some of the issues raised in these four assessments under our regional economic programme for 2004-2007.

Osnat Lubrani



Regional Programme Director  
UNIFEM Central and Eastern Europe

## EXECUTIVE SUMMARY

The European orientation of Bulgaria is a basic foreign political and economic priority. Full EU membership is the strategic goal and fuels the transition to a market economy. Bulgaria applied for membership to the EU in 1995, and in 1999 the European Commission recommended the opening of accession negotiations. Despite the huge efforts and ongoing reforms, the country did not qualify in the first wave of accession to the EU, due to be completed in 2004.

The key challenge for Bulgaria is meeting the need of job creation while completing the restructuring of its economy. Economic transformation calls for faster progress in the establishment of a functioning labour market. Improving the skills of the working-age population is necessary to support the reallocation of labour from declining sectors and to respond to on-going restructuring. Gender gaps persist, including in wages and occupational distribution. The development of institutional mechanisms and specific programmes promoting gender equality was hampered by the rejection of the Draft Act on Equal Opportunities in 2002.

The financial support provided by the EU could make an important contribution in filling budgetary gaps and supporting the shift of resources towards investment in human capital and more active employment policies.

In the decade following the fall of the Communist regime, the process of economic transition in Bulgaria was slow and controversial. It was only after the deep economic crisis of 1997, which resulted in hyperinflation, that the economic policy took a course towards structural reforms. With regard to the labour market, Bulgaria has the lowest activity rates in comparison to the other EU candidate countries - 46,1% for women and 55% for men. Female employment rate was down to 37% in 2001 after a particularly sharp drop in the early 90s (from 87,6% in 1989 to 48,2% in 1993)

The Lisbon Strategy placed great importance on quantitative targets for achieving gender equality in economic life, such as raising the employment

rate of women from the average figure of 51% to more than 60% by 2010.

Although Bulgaria was the first country in the region to ratify CEDAW in 1982, until the end of 2002 there was no national mechanism for equal opportunities of women and men. The expectations that the Draft Act on Equal Opportunities for Women and Men would be introduced, considered, and adopted by the Thirty-Ninth National Assembly, were not met.

The present report outlines the major findings of the Joint Assessment of Employment Priorities in Bulgaria through a gender-focused lens and tries to give a critical assessment of the impact of the EU accession process on women's opportunities for employment from the point of view of civil society and, more specifically, women's NGOs.

**Chapter I** gives a general overview of the country's situation in regards to the harmonization of Bulgarian legislation with the requirements of the EU and the impact that it has on women, as well as some basic statistical data concerning demographics, levels of education, employment and wages, with a specific focus on women. This chapter also makes note of the issue of institutional machinery and of the fact that the lack of such women's machinery keeps Bulgaria behind the other accession countries.

In general, the *acquis communautaire* in the field of equal treatment has concentrated mainly on the field of employment and social security because the Union had an interest in the direct economic impact of the principle of equal pay. Despite the positive developments that have occurred in the Bulgarian Labour Code concerning the equal pay much of the *acquis communautaire* in the field of equal treatment for women and men has yet to be transposed. The activity rate, employment and unemployment rates, and the gender wage gaps are compared and discussed, as well as the National Action Plan for employment and the State Progress Report are passed under review.

**Chapter II** presents a more detailed analysis of women's access to employment and equal pay. In the period before the changes in 1989, Bulgarian women enjoyed equal social and economic status with men, but in exchange they had to fulfil three roles simultaneously: paid work, socio-political life and family life. At that time, the labour force participation of women was much higher than the rate in other European countries. While the average coefficient of women's labour representation for developed countries in the early 60s was 31.8, for Bulgaria it was 40. For 1985, the numbers are as follows: developed countries - 36.1; North America - 38.4; Eastern Europe - 43.8, and Bulgaria - 49.5. After the political and economic changes of 1989, this

coefficient decreased to 48.6 in 1990 and to 41.5 in 1996.

Employment showed a dramatic decline in the beginning of the transition period. Since 1990, employment went down by 28,2%. The rate of 47,7% in 2001 was lower than the 1993 level and ranged some 16 points below the EU average of 64%. The female employment rate was down to 46,3% in 2000, after a particularly sharp drop in the early 1990s (from 87,6% in 1989 to 48,2% in 1993).

According to the LFS of the last 5 years, the employment rate of both women and men is proportional to the level of education - the higher the education level, the higher the employment rate. However, if the employment of highly educated people has been decreasing relatively smoothly during the years, for those with primary and lower education, the rate has decreased sharply. This resulted from the closing down of low-profit industries and the introduction of high technologies, which require better education. Thereby, women are disadvantaged even before they enter the labour market, as their educational profiles often do not fit the profiles required by the market. The existing stereotypes for women's professional orientation, reinforced by the "new values" of capitalism and largely advertised by media, make the choice of young women even more restrained.

Since 1993, the unemployment rate of the 15-24 age group has always been about twice as high as the unemployment rate for people aged 25-54. In 2001, it stood at 39,5%. The unemployment rate for the older age group (55-64) has been rising since the end of the 1990s and its 2001 value of 17,2% was comparable to its level in 1993.

Even if women in the age group 35-44 show the lowest unemployment rate, the research performed mainly by non-governmental organisations shows that women from this age group face discrimination in the hiring process. At the same time however, this group has better chances for re-training and re-adaptation to the labour market.

Women form the prevailing part of discouraged workers, represent 56% of people out of the labour force. In the 15-25 age group men and women rank almost equal; this could be explained by the ongoing education of women and the military service of men. However, among the 25-34 year olds, the number of women out of the labour force is 1,5 times more, which is mainly due to maternity. Women prevail in all other groups of discouraged workers.

There are indications of discriminatory trends in the wage formation system.



According to available research in 1997, women earned, on average 28% less than men. Women are the predominant work force in lower-paid sectors such as education, healthcare and social services. Women frequently face "the glass ceiling" in their career advancement and are appointed to senior positions, be it in the public or private sector in only a very low percentage.

**Chapter III** analyses the relation between social services and women's employment. While the political and economic transition has opened the way for long-term sustainable economic development and for the achievement of greater respect for human freedoms, its immediate effect on economic output and on a wide range of child and family welfare indicators has been rather negative. Women were mostly affected by these changes. The decreasing quality and quantity of child care services led to an additional drop of women's employment and to the increase in the number of discouraged workers among women. Meanwhile, many women have to withdraw from full-time employment and accept underpaid jobs or work without contracts. Private child care and elderly care services are gradually emerging, but they are expensive and unaffordable for the average citizen. The tax benefit system has a disincentive effect on labour supply and does not account for unemployed or underage family members, who depend on the income of employed family members.

**Chapter IV** outlines a controversial issue, which is very specific for Bulgaria. After the parliamentary elections in 2001, women filled an unprecedented high percentage of seats in the Parliament - 26%. This, however, could not prevent the rejection of the Draft Act on Equal Opportunities for Women and Men. Women in Parliament were unable to capture the concerns and tensions in society, mainly in regards to women's social and economic rights. Unfortunately, they failed to recognize the power they had and to consolidate around common ideas and interests.

Also, by rejecting the Draft, women MPs from the majority missed the chance to ensure a 40% gender quota for decision-making in the administration. They missed the opportunity to introduce a new approach in education, to promote the protection against discrimination in the media, etc.

However, since the spring of 2003, a resurgence can be observed in the public's interest in forming a Special Committee on Equal Opportunities. In February 2003, a new consultative body was established at the level of the Ministry of Labour and Social Policy. This is an opportunity for non-governmental and governmental representatives involved in activities related to gen-

der equality to consult the Ministry on policies and strategies of employment, aiming towards the elaboration of a National Action Plan on Gender Equality based on the commitments made to the Beijing Platform for Action.

***As a result of this gender assessment, some of the following recommendations for the labour market have been formulated:***

- Employment policies need to be forward-looking and integrate the challenges resulting from economic restructuring. Wage settings should be reshaped while reforms on taxation, education and training should speed up.
- The revision of the social assistance system should pay attention to the disincentive effect on the labour market.
- Women in Parliament need increased support from women's NGOs for carrying out initiatives and tasks related to gender equality.
- Research, education, information and awareness raising, counselling services and legal assistance should be encouraged, especially in cases of gender discrimination.
- The development of institutional mechanisms and specific programmes promoting gender equality should be re-launched on the basis of anti-discrimination legislation.
- A thorough understanding of discrimination at work, regular monitoring of its manifestation, and research on its social and economic consequences are all required.

Equal opportunities provide an indispensable avenue for achieving these goals.

# CHAPTER I.

## GENDER, THE STATE AND EU ACCESSION

### 1. GENERAL OVERVIEW

The European orientation of Bulgaria is a basic foreign political and economic priority. Full EU membership is the strategic goal, which is in the basis of the transition to a market economy.

Bulgaria is a Balkan country where deep patriarchal stereotypes are confronted with the new realities of political democratization and profound economic changes. Despite the huge efforts and ongoing reforms, Bulgaria did not qualify for the first wave of the accession to the EU. On one hand, this brought about a huge disappointment among the population, which had to suffer all the negative effects of the restructuring of the economy, but on the other hand, both the institutions and civil society were allowed some additional time to prepare for the realities of the EU.

In the first half of the decade following the fall of the Communist regime, the reform process in Bulgaria was slow and controversial. It was only after the deep economic crisis of 1997, which resulted in hyperinflation, that the economic policy took a course towards structural reforms.

According to the Conclusions of the Copenhagen European Council of June 1993, membership in the European Union required the existence of a functioning market economy and the capacity to cope with competitive pressure and market forces within the Union. According to the Community Framework Strategy on Gender Equality, the full realisation of democracy, which is a key part of the external development policy in the Union, requires the participation of all citizens - women and men - in the economy, the decision making,

social, cultural and civil life.

The Lisbon Strategy set quantitative targets of utmost importance for achieving gender equality in economic life, such as raising the employment rate of women from the average figure of 51% to more than 60% by 2010. In this context, particular attention should be paid to the full integration of women into the new economy.

Since 1993, the achievements of Bulgaria have been assessed constantly. Bulgaria applied for membership to the EU in 1995 and in 1999 the EC recommended the opening of accession negotiations.

***"Bulgaria is close to begin a functioning market economy. It should be able to cope with competitive pressure and market forces within the Union in the medium term, provided it continues implementing reform and intensifies the reform effort to remove persistent difficulties."***

***2001, Regular Report of the Commission.***

Following the economic crisis of 1996/97, when the GDP marked a negative growth, the arrangements of the Currency Board introduced in July 1997 helped to stabilise the economy and to achieve an actual average GDP growth of almost 4% since 1998. From over 1000% in 1997, inflation was compressed to 9,8% in 2002. Fiscal discipline kept the deficit below 1% of GDP in all years, which gradually reduced public debt. The substantial inflows of direct foreign investment indicate an improving business climate. As a consequence of the structural reforms, but also of their late implementation, unemployment has continued rising in 2002 as well. However, the latest data from the beginning of 2003 show some positive trends of a decreasing unemployment rate.

The privatization of enterprises representing more than half of all state-owned assets is perceived as a progress of the restructuring. One example is the strategy for the liberalization of the electricity sector, which started in 2002 with substantial price increases and the privatization of distribution companies<sup>3</sup>. However it remained a controversial issue and divided the opinion of the public. No doubt, single-parent households and the elderly population will bear the biggest burden.

<sup>3</sup> Regular Report on Bulgaria's progress towards accession, Brussels, 9.10.2002 SEC(2002) 1400

The progressive closing of the Bulgarian Nuclear Power Plant in Kozloduy was a precondition for Bulgarian accession to the EU. However, closing down plant units will have a negative effect on both electric power exports to the neighbouring countries and the formation of domestic consumer prices, which will inevitably cause a drop in the actual income of citizens and households in general. Currently, no data is available to draw a reliable assessment of its potential impact on women, but, bearing in mind that women constitute the larger share of the poor, it is likely that they will range among the worst affected since a bigger part of their revenues will be taken by the costs of these charges.

According to the last census of 2001, Bulgaria's population was 7 970 000. The GDP per capita was 28% of the EU 15 average and among the lowest of the candidate countries.<sup>4</sup> However, in spite of the crises in neighbouring countries and unfavourable global conditions, the real GDP growth was 5,4% in 2000, 4% in 2001 and is expected to remain 4% in the coming years, though the huge bureaucratic obstacles that need to be overcome in order to establish and operate an enterprise remain high. The ongoing restructuring process in the economy inevitably leads to a large-scale job loss, which is not counterbalanced by new employment opportunities.

Dynamics of GDP

	1997	1998	1999	2000	2001	Average	2002
Real GDP growth rate (%)	-5,6	4,0	2,3	5,4	4,0	2,0	3,2
Inflation rate (annual average)	~1000	18,7	2,6	10,3	7,4	9,8	6,4

## 2. CIVIL SOCIETY INVOLVEMENT

Civil society has been following closely and with a critical eye the progress of the State accession policy. Women's NGOs have been participating actively in many open forums and discussions together with State representatives such as the monitoring of the EU Accession Process, especially in the field of Equal Opportunities for women and men, as well as in different events organised by

<sup>4</sup> Joint Assessment of Employment Priorities in Bulgaria, 29 Oct.2002

the Council of Europe concerning violence against women, trafficking in women and children, women and peace building, etc. Women's NGOs took part in the Stability Pact initiatives, launching programs for political and economic empowerment of women and for participation of women in the rebuilding of the Balkans and decision making. Women's NGOs, such as the BGRF, the GPF, WAD and many others from Sofia and around the country were particularly active in this field. Their representatives were invited to join the State delegation to different political forums such as the Beijing + 5 UNGASS, the Councils of the European Social Charter, the Public Councils to the Commission on Civic Issues at the Bulgarian Parliament, etc.

In June 2000, in line with the implementation of the Government's legislative programme and in accordance with the National Plan for the Adoption of the Acquis (NPAA), a specialised working group was set up with the participation of the social partners and a significant number of NGOs (over 30 NGOs). The work of this group targeted the following directions: collection and analysis of existing relevant statistical and sociological information; the conduction of several express polls; the drafting of a Bill on Equal Opportunities for Women and Men; the elaboration of the structure of the national machinery for the equality of women and men. The Ministry of Labour and Social Policy (MLSP) played a very important role in the drafting of this Bill.

Different women's networks have undertaken a critical analysis of the State policy in the field of violence against women and equality of women and men. The participation of women in the process of privatisation<sup>5</sup> has been analysed, as well as the participation of women in politics<sup>6</sup> and governance. The results of this research showed a big gap in participation between men and women, both in absolute numbers and in relation to the hierarchy and payment. **This research was also the first attempt to show the different effects political and economic changes had on women and the actual deterioration of their position in the 90s.**

Women's NGOs have distinctly expressed their position on the formation of an institutional mechanism to treat equal opportunities according to European standards and are still expecting a favourable decision. Most of them play a particularly important role in the field of social protection, since

<sup>5</sup> Strengthening Citizens Participation in the Privatisation Process: Women's Rights in the Economic Transition, BGRF, 1999

<sup>6</sup> Equal Rights and Equal Opportunities for Women in Politics in Bulgaria, BGRF, 2000

they largely represent and defend the interests of specific disadvantaged groups. Because these NGOs are familiar with the specifics of particular communities (life style, culture, religion, labour and social skills and habits, health and similar problems) they play an equal role along with the State in the development and implementation of social protection and are able to ensure that assistance will reach every single target. The partnership with NGOs delivering high quality professional services has particular importance. Such NGOs are "Nadja" Center, "Animus Association" Foundation, "Demetra", "SOS Families at Risk", "Open Door" Foundation, etc., as well as women's business associations and clubs throughout the country. The government relies heavily on such NGOs to cover basic social services, without providing any financial support so far.

Therefore, some of the main engagements linked to the economic situation are expected to be undertaken by citizens themselves:

- to actively seek for training or jobs whenever possible;
- to take an independent stance and manage by oneself, where the opportunity arises
- to take care of one's children and family and help them if necessary;
- to enhance their social insurance culture and put aside funds for their retirement years ;
- to be a conscientious taxpayer, etc.

### 3. WOMEN'S MACHINERY

Bulgaria was the first country in the region to ratify the UN Women's Convention (CEDAW) in 1982 (i.e. twenty years ago). Unfortunately, by the end of 2002, no national mechanism for equal opportunities of women and men has been created. Neither is there a sub-commission in Parliament to treat issues of gender equality<sup>7</sup>. Traditional stereotypes concerning the position of women in political life are still quite strong, despite Article 6 of the Constitution,

<sup>7</sup> Recently there has been a motion to create such commission. This is a non formal body established on February 26, 2003: A consultative commission on equal opportunities for women and men to the President of the National Council on Employment Promotion who is the deputy Minister of Labour and Social Policy.

which provides for equality of citizens before the law. The expectations that the Draft Act on Equal Opportunities for Women and Men would be introduced, considered and adopted by the Thirty-Ninth National Assembly, were not met. By adopting this law, Bulgaria would address the concerns and the requirements of both the European Union and of the UN Committee on the Elimination of Discrimination against Women. **Unfortunately, the Draft was rejected by both the Committee on Human Rights and the Committee on Labour and Social Policy. Their main reason was that there was no gender-based discrimination in Bulgaria.** Some legal arguments were evoked as well, *e.g.* the existence of sufficient constitutional guarantees against discrimination, the current effective rules of Bulgarian law against gender-based discrimination, etc. The committees thus failed to see the need for a separate law against gender-based discrimination. Some specific legal solutions embedded in the draft were also challenged, *e.g.* the provisions on affirmative action and the shift from the general principle of the burden of proof. The negative vote of the parliamentary commissions was even more painful because of the impressive number of women (26%) in the Bulgarian Parliament.

The issue of institutional machinery, or the bodies and mechanisms used to implement the government policy of equality at all levels in the country, both centrally and locally, is the key to a consistent implementation of the principle of non-discrimination and the efficient enforcement of any regulations on equal treatment.

On the basis of numerous in-depth discussions during the preparation of the Draft Act on Equal Opportunities, and mostly due to considerations advanced by the Council of Ministers, the idea of an independent agency on equal opportunities was rejected and the solution was to grant mandate to the Ministry of Labour and Social Policy for the overall coordination of the government policy in this area.

The draft act provided for the setting up of a National Board for Equal Opportunities for Women and Men as a standing advisory body. Together with government representatives, the Board was to consist of 20 members: representative employers' organisations, workers' organisations, and involved NGOs, with 5 representatives allocated to each of the groups. Through municipal council decisions, public boards would be set up at municipalities to exert public control over the implementation of the law. The authorities and the bodies provided for in the law would regularly develop strategies, plans, and programmes in the implementation of government affirmative policy in all spheres of social life.

The lack of women's machinery keeps Bulgaria behind the other accession countries. Women's NGOs continue to advocate for its establishment and look for the support and cooperation of western NGOs and for the best practices and achievements of other accession countries.

This issue failed to become the subject of big public debate. Again, the lack of awareness among women at decision making positions, as well as the lack of a culture and tradition that is open for debate on important social issues forces the question of gender equality policies onto the waiting list for an indefinite period of time.

The postponement of Bulgaria's EU accession for 2007 allows sufficient time to intensify lobbying and awareness raising, although, there is a concern of losing the momentum and the advantage of the high percentage of women in the Bulgarian Parliament.

In February 2003, a Consultative Commission on Equal Opportunities of Women and Men was set up at the MLSP. The Commission is headed by the Chairperson of the National Council for the Employment Promotion, namely, the Minister of Labour and Social Policy. The Commission will draft an expert proposal for a National Action Plan for Gender Equality and Equality of All Vulnerable Groups. The Commission consists of representatives of the state authorities responsible for the elaboration and the implementation of gender equality policies, social partners and NGOs coming from structures in this field, which have earned public respect for their serious surveys and analyses. The Consultative Commission aims to:

- Promote and strengthen the administrative capacity (through creation of focal points for equal opportunities of the institutions and organisations responsible for the elaboration and implementation of the policy on gender equality).
- Improve the co-ordination in regulating the process of enforcing the principle of equal opportunities in Bulgaria.
- Promote social and civil dialogue for strengthening the equal opportunity policy.

In May 2003, the Ombudsperson Act was voted in Parliament and promulgated in the State Gazette, which opens the door for alternative protection against discrimination.

#### 4. LEGAL FRAMEWORK

Bulgaria ratified CEDAW in 1982, but the ratification was not published in the State Gazette and this is the reason why CEDAW has a particular status in regards to national legislation. The fact that CEDAW was not officially promulgated in the State Gazette means that although it is a part of national legislation, it does not supersede the regulations that eventually contradict it.

Bulgaria reports regularly before the CEDAW Committee. The second and the third Regular Reports have been assessed in 1998 and at that time the Committee noted that women's unemployment has to be tackled as well as the cases of discrimination in employment, where employers take preference to men or very young women without family engagements. The Committee noted with concern that the Bulgarian Government did not understand the meaning of the affirmative actions as a means to achieve *de facto* equality.

Bulgaria signed the Optional Protocol to CEDAW on June 6, 2000, but has not ratified it so far. In the year 2000, the State started the EU accession negotiations, whereby Bulgarian legislation is to be harmonised with the *acquis communautaire*.

Historically, the *acquis communautaire* in the field of equal treatment focused mainly on the issues of employment and social security because the Union had an interest in the direct economic impact of the principle of equal pay from the very beginning. At present, the policy on gender equality is part of all EU policies and programmes. In its report for the period 1999-2000, the European Commission stressed the fact that equal opportunities for women and men are an economic necessity and approximately one fifth of the annual increase of the GNP in EU countries was due to the increased participation of women in the labour force.

Despite the positive developments of the Bulgarian Labour Code in regards to equal pay, and irrespective of the EU concerns that much of the *acquis communautaire* in the field of equal treatment for women and men had yet to be transposed and that the process was not a speedy one (as mentioned earlier), the Draft Act on Equal Opportunities for Women and Men (which was a complex document aiming to resolve issues related to gender equality in Bulgaria) was rejected in April 2002.

*National frameworks concerning the principle of equal pay for work of equal value*<sup>8</sup>.

The principle of equal pay for men and women was reintroduced with the amendments to the Labour Code in 2001, thereby establishing the legal ground on which to bring a claim of discrimination in this field. The principle is valid for all payments in labour relations. There are no discriminatory provisions in the Bulgarian legislation that are contrary to the principle of equal pay for men and women and Bulgaria complies with Article 3 of Directive 75/117/EEC.

However, it should be noted that until 1992, a general clause existed in the former Labour Code providing for equal pay for work of equal value, but it was subsequently abolished as incompatible with the principles of the market economy and reminiscent of socialist times applying to every worker without difference. As a result, women were put at a greater disadvantage during transition since the gender gap is particularly evident in the field of remuneration. The only provisions that could be applied for protection against discrimination in this field were, and still are the general anti-discrimination clause in Article 6 of the Constitution and Section 8(3) of the Labour Code, which prohibit, *inter alia*, discrimination based on sex.

#### *The Labour Code*

The newly amended Article 243 provides that women and men have the right to equal pay for the same work or work of equal value, and this principle is valid for all the payments in labour relations. While the amendment marks a definite progress, it is not as broad as the legal wording of Directive 75/117/EEC, either in scope or in its specification of the remuneration. The anti-discrimination clause contained in Section 8(3) has been broadened to prohibit both direct and indirect discrimination on the grounds of sex, which is defined in paragraph 1 p.7 of the Transitional and Conclusive Provisions.

Bulgaria has ratified the ILO Convention 100 on Equal Remuneration and the revised European Social Charter, Article 4(3).<sup>9</sup>

<sup>8</sup> Council Directive 75/117/EEC of 10 of February 75 on the approximation of laws of the Member States relating to the application of the principle of equal pay for men and women

<sup>9</sup> Under Article 5(4) of the Constitution, international documents signed and ratified by Bulgaria are deemed part of Bulgarian legislation



The legal provisions on protection from gender-based discrimination in employment relations do not differentiate between the public and private sphere, but daily practice and research does reveal differences between the two. In particular, the economic constraints of the private sector lead women to suffer inequalities in employment conditions, including in relation to pay. Workers who consider themselves discriminated against in terms of remuneration have the right to initiate court proceeding according to Chapter 18 of the Labour Code.<sup>10</sup>

There have been no complaints concerning the principle of non-discrimination in remuneration between women and men, and the Labour Inspection has not been particularly active in identifying such discrimination in either sector. Instead of focusing on inequalities, the inspections tend to focus more on identifying cases of employers evading their payments of social security contributions. The examples come mainly from the garment industry in the south of the country, where foreign employers use to employ women on the basis of minimum salary, but extended working hours or sometimes hiring without any contract.

*Equal treatment for women and men as regards access to employment, vocational training and promotion, and working conditions*<sup>11</sup>

The principle of equal rights for men and women and non-discrimination is incorporated in the legal framework, although it is a tradition for Bulgaria to prioritise and overestimate equality de jure.

The Bulgarian legislation adopted so far refers to equal rights and non-discrimination on the grounds of sex in the Bulgarian Constitution<sup>12</sup>, in Section

<sup>10</sup> Under article 359 of the Labour Code, workers must not pay a court fee in cases of labour litigation. This is the only provision so far that assists the worker, but it has been questioned by the Association of Foreign Investors in Bulgaria (BIBA), who believe that this clause puts the employer and worker in unequal position.

<sup>11</sup> Council Directive 76/207/EEC of 9 February 1976 on the implementation of the principle of equal treatment for men and women as regards access to employment, vocational training and promotion and working condition.

<sup>12</sup> Article 6 declares that women and men have equal rights and also prohibits discrimination based on various grounds, including sex; Article 46(2) stipulates that spouses have equal rights and equal obligations in matrimony and the family; Article 47(1) stipulates that the upbringing of children until they reach full age is the obligation of both parents who must be assisted by the state.

8(3) of the amended Labour Code, Article 2 of the Act on Employment Promotion, Article 7(4) of the Act of Civil Servants. The fact that the principle of equal treatment of women and men must be explicitly expressed in domestic legislation, separately from the guarantee of non-discrimination on other grounds, was one of the main arguments for the need for the specific Act on Equal Opportunities in Bulgaria. Despite the new provisions of Section 67 and 68 of the Labour Code, created to ensure stability in the duration of contracts, these measures are not effective enough to regulate the disadvantaged situation of women in the labour market.

*Protection of pregnant women from the inherent risk of certain activities and related employment rights*

Bulgarian legislation envisages the special protection of women, especially pregnant women and mothers, and meets the requirements of Directive 92/85/EEC to a significant extent. The Labour Code provides for a number of privileges for women in relation to preserving their health and that of their children, some of which (such as paid maternity leave) also aim at stimulating the birth rate.

Concerning the risk to the safety or health of a pregnant worker and employer's obligations, Bulgarian legislation fully corresponds with the meaning of Article 5 of Directive 92/85/EEC, and is also in line with CEDAW.

Regarding maternity leave, Bulgarian legislation fully complies with international standards related to maternity leave, and Bulgaria has ratified the ILO Convention No 3 and Convention No 183 on Maternity Protection (2000). The State reports under both Conventions.

*The principle of equal treatment of men and women in occupational social security schemes*<sup>14</sup>

A radical reform of the pension system in Bulgaria was introduced with the promulgation of the Code of Obligatory Social Insurance (COSI). According to the previous Act on Pension, the retirement age for men and women dif-

<sup>14</sup> Council Directive 96/97/EC of 20 December 1996 amending Directive 86/378/EEC on the implementation of the principle of equal treatment for men and women in occupational social security schemes

ferred according to the category of job performed. The COSI introduced the second pillar to the social insurance framework, which came into existence in 2001. An analysis of the second pillar reveals that it is not fully comparable with the occupational social security schemes employed in EU countries, the main difference being the risk covered (old age and death) and the defined contributions versus the defined benefits in the EU Directive 86/378/EEC, as amended by 96/97, on occupational social security schemes and all social security risks mentioned therein.

There is no officially published data on the impact of the reform of the social security system on the status of women in Bulgaria after 1999.

### *The framework of parental leave*<sup>15</sup>

The Bulgarian Constitution reflects traditional concepts of gender roles but does not contain the terms "paternal" or "parental" leave. The Labour Code and the Act on Civil Service do not contain a specific definition of parental leave as distinct form of maternity leave. According to the national Program for the Adoption of the Acquis, this will be introduced with the drafting of an amendment to the Labour Code in 2004.

The Labour Code of 1986, in addition to the special protection of women, especially pregnant women and mothers, the Labour Code provided a number of privileges for fathers in order to facilitate an active role in raising children. It stipulated that with the mother's consent after the period of leave for pregnancy, additional leave could be granted to the father. Now again the parental leave can be implemented by the father only with the mother's consent. Due to the economic situation and gender stereotypes existing in Bulgarian society, the mother is usually replaced by the grandmother. The real problem is that the payment for maternity leave is extremely insufficient (50 Euro per month) and it is hardly probable that a man would agree to 'benefit' from it. In principle, this benefit is applicable to mothers who are not otherwise insured and whose revenue is under a predefined limit, but is payable to fathers as well with the formal consent of the mother until the child reaches the age of one. This benefit is allocated by the municipal service for social assistance and is not linked to the employment status of the mother or the father.

<sup>15</sup> Council Directive 96/34/EC of 3 June 1996 on the framework agreement on parental leave concluded by UNICE, CEEP, and ETUC

*Law on the Ratification of the Memorandum of Understanding between the EU and Republic of Bulgaria for the participation of Bulgaria in the "Framework Strategy of the European Community on Equal Opportunities between women and men" (2001-2005)*<sup>16</sup>

Under this law Bulgaria will be able to submit applications under the EU "EQUAL" Programme - this special initiative being the first of its kind and a unique opportunity to receive structural support on the issue, as the initiative is financed through the European Social Fund (ESF).

## 5. GENERAL OVERVIEW OF THE LABOUR MARKET SITUATION FOR WOMEN

In the years of transition **the differentiation among women in the labour market has been increasing.** They differ in terms of status and income not only as compared to men, but also within the group of economically active women. They have different education, different qualifications, and different access to labour and professional development. They are employed, self-employed, employers, etc. In some cases women are more affected by unemployment than men, and often they form the larger share of the long-term unemployed group, despite the fact that they are more active in acquiring additional qualifications, learning new professions and looking for new jobs.

According to the Employment Agency<sup>17</sup>, long-term unemployment in 2001 increased by 28,3% as compared to 2000. Part of this group within the unemployed reached 49,3%. (The long-term unemployment in countries of the EU was 3,3%<sup>18</sup>) From the total number of unemployed first-job seekers, more than half (55,9%) of the females were unable to find jobs after leaving school or university, where the share of males is 24%. If we consider official unemployment registration data for 2001, the percentage of women dropped by 4,6 percentage points to reach 52,1% and that of men increased by 2,1 per-

<sup>16</sup> State Gazette No 120 of 29.12.2002

<sup>17</sup> MLSP, Employment Agency: Information on unemployment and measures to promote the employment in 2001.

<sup>18</sup> Communication from the commission to the council, the European parliament, the Economic and Social Committee and the Committee of the Regions - "A strategy for full employment and better jobs for all"



centage points to reach 47,9%. This is partly due to the fact that women are more flexible in relation to labour contracts and working time. Women's unemployment is more sensitive to economic fluctuation: it is mostly structural and it decreases more slowly during economic growth. **During the period of transition, women gradually began to lose their economic and social security and, very often, their economic independence.**

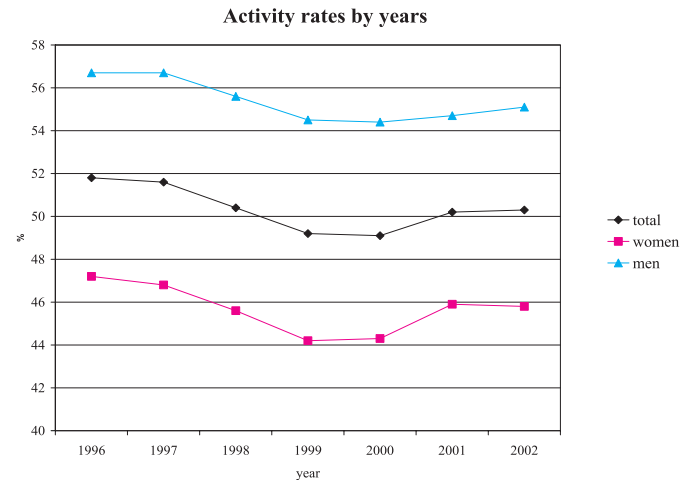
According to the Employment Agency, the female employment rate dropped to 37% in 2001, after a particularly sharp drop in the early 1990s (from 87,6% in 1989 to 48,2% in 1993). **It remains below the male employment rate (43,4%) and the EU average (54,9).** However, it has to be stressed that these numbers reflect only registered employment and activity rates, which are below the actual rate, as they do not take into account informal employment. Different assessments in Bulgaria show that the share of the informal economy varies between 20-36%! According to the LFS, the employment rates both for women and men are higher (47,2% employment rate for women and 56,1% for men in 2001<sup>19</sup>).

**Within the different age groups, the highest employment rate is in the group aged 35-44 (72,3% in 2001)** and with regard to the education level, the highest employment rate is for the group with higher education - 66,4%. The high employment rate of women aged 35-44 could be explained by the fact that still the average age of giving birth of Bulgarians remains under 25 which makes the group of women aged 25-34 more vulnerable to indirect discrimination. According to research by BGRF, women in this age group exercise much more frequently their legitimate right to sick leave, which impacts negatively on their chances for employment. This is especially true for the private sector.<sup>20</sup> Unemployment reached nearly 20% in 2001 (20,2% for women as of March 2001), and was highest among the young and the lowest educated. Unemployment among women in the age group 15-24 was 37,1% and increased until 2002 to 37,8%.

The **activity rates** both of women and men dropped at the beginning of the 90s following almost the same pattern. However, women's activity dropped under 50% and, despite the slight recovery in the period 2000-2001, remained much lower than the EU average. In 2000, the female activity rate was 86% of the male activity rate for the same period.

<sup>19</sup> Employment in Europe, European Commission 2002.

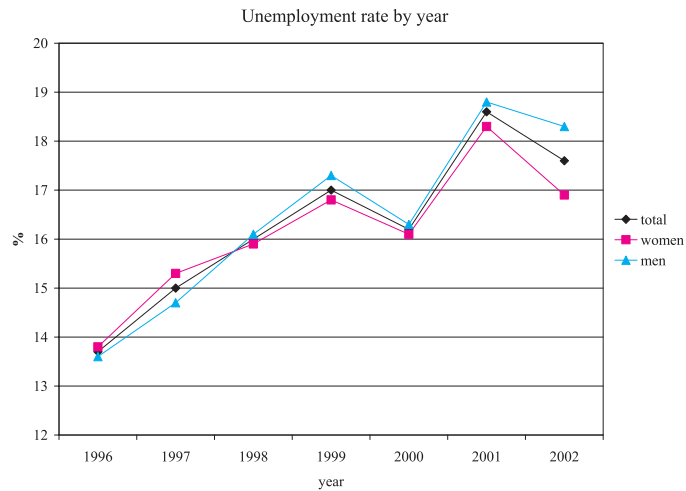
<sup>20</sup> Strengthening Citizens Participation in the Privatisation Process: Women's Rights in the Economic Transition, BGRF, 1999



The **employment rate** of women is low by EU standards and below that of men. The gender gap in employment is even bigger as the participation rate of women is lower. At the same time, women used to retire five years earlier than men (a situation that is changing progressively with the new retirement and social security regulations) and the age group 55-64, although not employed, is not considered unemployed either. By the year 2009, the retirement age for women will reach 60 years. Women in this age group are active and often they join the informal labour market or dedicate themselves to the childcare of grandchildren or other care activities within the households. With the deterioration of the social services this phenomenon became more widespread than before.



**Unemployment** increased until 2001 mainly due to the high pace of restructuring of the economy. It increased steadily from 12,2% in 1998 to 19,9% in 2001 in spite of economic growth. Registered unemployment in the first half of 2002 was lower than in the corresponding period in 2001. However, the rate of employment in the large informal economy as well as in agriculture is difficult to assess. The proper functioning of the labour market is hampered by the fairly low regional mobility of the workforce, caused by a combination of mentality, imperfections of the housing market, and the underlying mismatch of workers' skills and the demand of the labour market regionally.



The fact that even in the younger generations, the gender wage gap is 10-15% is difficult to explain. In principle, as more young women than men finish their secondary schooling and obtain some tertiary qualifications, the reverse would have been expected. As the wage gap in the early years in the labour market cannot be attributed to differences in work experience, it is more likely that young women, by their educational choices end up in occupations that are paid relatively poorly.

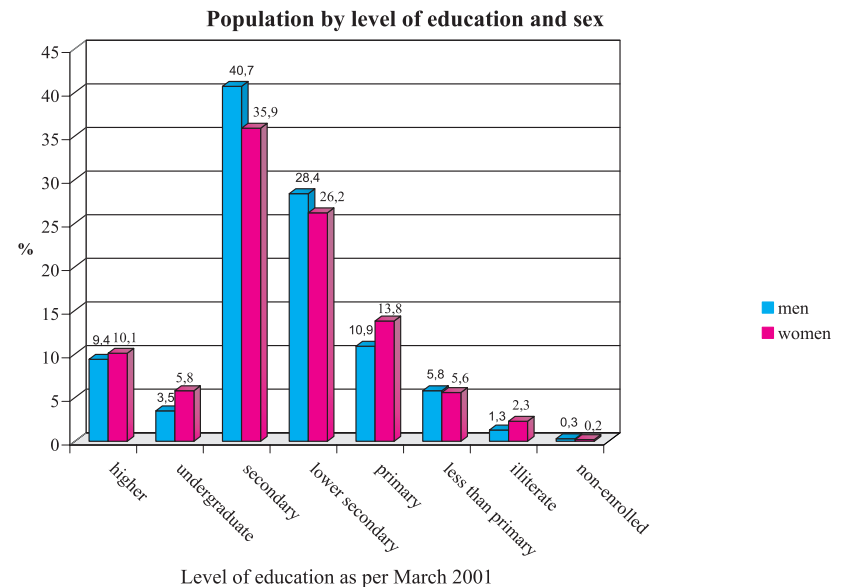
The persistence of the **gender pay gap** across all EU member states has led to an increasing determination among policy-makers to develop practical measures to counter the pay gap and to design and implement policies to bring about gender pay equality. At present in Bulgaria, there is no source of pay data that allows its reliable assessment. This is an indicator that is missing traditionally in the national statistics. **As women and men's participation in dif-**

**ferent economic sectors is very different, and therefore very complex to determine, it simply has been left aside.**

The potential threat for women is linked to increased opportunities for employment mainly in sectors demanding a low level of education and professional qualification, and the decrease of access to highly rewarding professions and employment. This leads as well to the limitation of their opportunities and to structural unemployment.

*A note on Education*

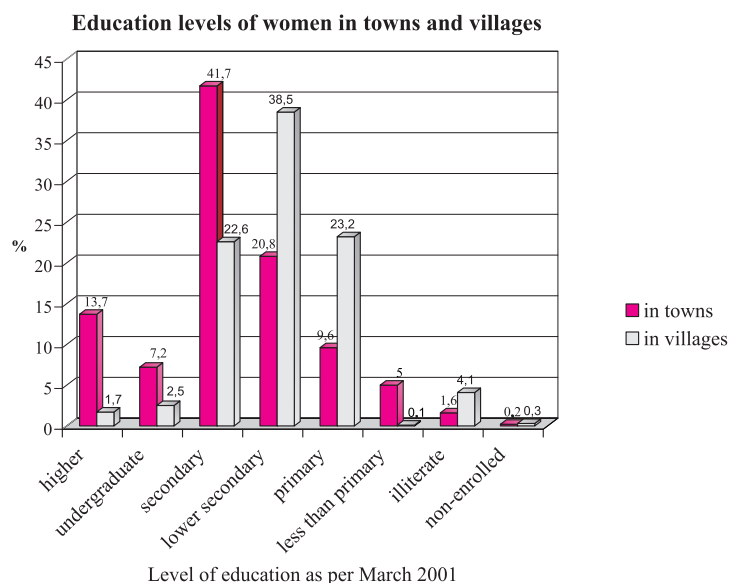
During the years of transition, the whole education system was seriously challenged. First, the decrease in the school-age population led to the closing down of many educational institutions (both schools and kindergartens) and brought about a decrease in the number of professors and teachers. Secondly, the average salary in the field of education lags much behind the average salary for the country as a whole. Thirdly, the traditionally feminised sector became even more feminised with the exception of the higher hierarchical position as school directors, university professors, and deans.



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However, there are no substantial differences in the education level of men and women in Bulgaria. The real difference lies between the population living in towns and those living in villages. The data clearly shows that women prevail in the group of population with higher and undergraduate level of education and men prevail in the group with secondary and lower secondary education. As the data is calculated on the basis of absolute numbers, this reflects the true picture of the educational breakdown of the population without reference to the employment status.



With regard to the employment status, women and men with higher education seem to have equal opportunities for employment, but obviously women with lower education level are much less employed than men with the same education level. Generally, the education level of the population is high as compared to the countries of the EU and similar to the level in Eastern Europe.

#### Education level of the population in some European countries

Country	Primary and lower	Secondary	Upper secondary/undergraduate	higher
Poland	21.7	67.5	-	10.9
Czech Republic	14.7	74.9	-	10.4
Hungary	36.7	50.1	-	13.2
<b>Bulgaria</b>	<b>34.1</b>	<b>47.8</b>	<b>5.0</b>	<b>13.1</b>
Belgium	43.3	31.4	13.5	11.8
Italy	56.4	34.9	-	8.7
Portugal	79.9	10.8	2.7	6.5
France	39.3	40.2	10.1	10.5

Looking at the education level of the population in other countries in Europe, Bulgaria has the same level of highly educated people as Hungary, more than France and Italy, and twice as much as Portugal. Bulgaria is rich in human capital, but most of it remains untouched. It is important to note as well, that the percentage of women who have completed tertiary education is bigger than the percentage of men.

Youth unemployment is high and reflects the depressed situation of the labour market, but tends to be higher for young people who have vocational education than for those with secondary general education. Due to restructuring and financial difficulties, the traditional links between vocational education and training (VET) and enterprises were broken. There is no longer a direct transition from school to work and companies no longer ensure practical training. While having a higher education clearly is an advantage, keeping in mind the employment rate of highly skilled individuals, some tertiary graduates encounter difficulties in finding a job.

#### *A note on Demographics and Fertility rates*

The population of Bulgaria decreased by more than 10% in the last 13 years since the beginning of the political changes - from more than 9 million peo-

ple in 1989, by the end of the year 2001, it dropped to 7 915 000 persons. This is the result of natural changes, the worsened economic situation, the endless economic transition, and emigration of the younger generation. The largest portion of young people who left the country were highly educated boys and girls who were pushed aside by the restructuring economy, and after a reasonable time of unemployment or low paid jobs, they left the country before becoming totally discouraged. More than 500 000 people in active working age left Bulgaria after 1989!

Women represent 51.3% of the Bulgarian population. The average duration of life is 68.2 for men and 75.3 for women. This makes women particularly vulnerable, especially elderly women, who have so far been retiring at an early age, lose their partners relatively early, and have to cope alone with lower pension for a considerable period of time. According to research performed by BGRF in the field of informal work in Bulgaria in 2002, almost 30% of women involved in this sphere were retired individuals, for whom this work was a survival strategy<sup>21</sup>.

Bulgaria has an aging population with the age group over 55 representing nearly 28% of the total population. This problem is aggravated as time passes. Only 16.3% of the population were underage (under 16) in 2001 and the percentage is decreasing (in 1990, they were 21.6%, in 1995 - 19.1%, in 2000 - 16.8%). The share of the population over 60 is 24.9%. The average age of the population is increasing to reach 40,4 years in 2001 and the age dependency ratio is high - 46,8 in 2001.

The birth rate in Bulgaria, which reached its lowest ever value in 1997 - 7.7‰ has increased slightly and reached 9.0‰ in 2000, but natural growth is still alarmingly negative.

Birth rate and natural growth of the population

Year	Birth rate per 1000	Natural growth per 1000	Fertility rate
1990	12.1	-0.4	1.81
1995	8.6	-5.0	1.23
1997	7.7	-7.0	1.09
2001	8.6	-5.6	1.24

<sup>21</sup> BGRF-BEPA home net report, Sofia 2002

The sharp decrease of the birth rate in the 90s is undoubtedly linked to the worsened economic situation in the country during the transition. The uncertainty of revenues discouraged families to have children. The child allowances, which were meant to encourage and promote the birth rate, lost their absolute value. In 2002, a new regulation was introduced under the requirements of international financial institutions, according to which the eligibility for child allowances became revenue dependent (means tested). As the threshold was fixed quite low, a lot of families lost even this small support. Another reason for the decrease in the birth rate is the fact that a substantial part of the young population of fertile age left the country at the beginning of the 90s to look for better employment opportunities abroad.

## **6. NATIONAL ACTION PLANS FOR EMPLOYMENT AND PROGRESS REPORTS (CHAPTER 13: SOCIAL POLICY AND EMPLOYMENT) AND JOINT EMPLOYMENT ASSESSMENTS**

Since the last Regular Report of Bulgaria, the Employment Promotion Act, which entered into force in January 2002, further aligns Bulgaria with the Directive on Collective Redundancies. At the same time, no progress has been made in the field of adopting framework legislation on equal treatment for men and women. The Employment Promotion Act aims to promote social dialogue, inter alia through the establishment of a tripartite National Council on employment promotion. The law stipulates that regional employment programs are to be developed and implemented by Employment commissions at the district level and monitored by Cooperation Councils. Both bodies involve the regional authorities, social partners, and NGOs. In February 2002, the Government and a number of social partners signed a Charter of Social Cooperation.

The situation in the labour market remains difficult with the high unemployment rate - 20,8% for men and 18,9% for women in 2001. The high and increasing share of long-term unemployment (63%) is of great concern. Women adjust to deteriorating labour markets by accepting shorter working hours and as a result are becoming underemployed.

The Strategy for 2002 outlines the specific policies of the MLSP and the actions aimed at achieving their objectives. Its extremely broad range turns it into a kind of social contract with Bulgarian citizens with a vision to improve

their social status over the next three years, namely through:

- For people of working age - providing active job intermediary services for permanent job placement in the real economy sector; enhancing their employability through vocational training and retraining; improvement of the social insurance system; modernization of industrial relations;
- For people over working age - combating poverty and strengthening the social security for today's and future pensioners.
- For children - constant concern for enhancing their wellbeing.
- For disadvantaged people - addressing social exclusion; enhancing the employment opportunities and improving the social services for that target group.
- For all citizens and families experiencing difficulties - providing professional social assistance with an individual approach tailored to each specific case.

The objective of the Strategy is to provide Bulgarian society with an overarching and coordinated policy approach, which will assist Bulgarian citizens in facing the new challenges resulting from the radical transformation of both the economy and society. The main challenge is to create preconditions for increasing employment, reducing poverty, and overcoming social exclusion under the conditions of still unfavorable economic environment. Other challenges are: getting the negative tendencies in the labor market under control, where labor supply substantially exceeds labor demand; existence of a relatively large informal "grey" economy; insufficient foreign investment; substantial discrepancy between work force qualifications and the needs of the restructuring economy for well-trained professionals.

Until recently, the social policy has been guided by the principle of passive social protection. In order to facilitate the creation of a just social order, it is necessary to transform the social policy into one that is active and, which deals with the causes, rather than effects of social problems.

The scope of the policy was aimed at minimum wages, guaranteed a minimum income and a minimum pension, ensuring compensation and social assistance for the unemployed. In fact, compensation mechanisms for the existing incomes were sought. **The new highlights result from the integration of different policies and instruments on the basis of target surveys.** For example, the results of analyses of the unemployment structure have led to changes in the approach towards programmes and active measures, as well as their target. The efforts were shifted from providing compensations and

benefits to providing employment opportunities. Currently, emphasis is laid on the prevention of long-term unemployment in order to prevent the unemployed from shifting to the long-term unemployed group, which relies on social assistance.

According to the Strategy, higher quality and effectiveness of vocational training, and respectively, more job placements, should be ensured through lengthening the duration of the training process and increasing the allocated funds.

The measures for enhancing the employability of certain groups of unemployed people, which constitute a priority in the Government's policy, will be supported by ongoing programmes and some planned nationwide programmes, including:

- National program, *Computer training for youths*;
- National program, *Enhancing employability and encouragement of entrepreneurship among young individuals*;
- National program for educational and labour inclusion of young people dropping out of the secondary educational system;
- National program for education, vocational training and employment of the Roma population;
- National program for ensuring alternative employment for persons who have lost their jobs due to monopolies and privatisation of large companies;

Appropriate instruments for creating a functioning business environment are the established Agro-Business Centres and Information Business Centres under the project *Employment through support to the business-JOBS*.

**The promotion of entrepreneurship among women and young people is also strategically motivated.** The implementation of infrastructure programs supports both the economic reintegration of unemployed people and the creation by municipalities of preconditions necessary for a future of sustainable employment.

However, gender was not mainstreamed in the national strategies for employment, as the European Commission suggested. Gender mainstreaming is a discourse promoted by civil society and still, the decision-making bodies have not put it on their agendas. Again, women's NGOs are those who are pushing for changes in this field and this is a continuous fight.

## CHAPTER II.

# WOMEN'S ACCESS TO EMPLOYMENT AND EQUAL PAY

### 1. BRIEF HISTORICAL ANALYSIS OF GENDER ROLES

Against the backdrop of formal gender equality, in the period after World War II, the model of "emancipated women" was imposed in Bulgaria through a variety of economic, legal, and social mechanisms. The aim was to foster women's contribution to fast pace post-war development. A major landmark of the Bulgarian socio-economic development in that period was the policy of rapid "expulsion" of women from their homes into compulsory work force inclusion. Women were strongly encouraged to participate in all forms of labour (even in professions with detrimental impact on female health).

In such a way, two parallel processes emerged at rapidly - the development of the legal underpinnings of equality between men and women, and women's massive inclusion in the labour force on par with men. At the same time, by virtue of past traditions, women carried the burden of childbearing and housework. Thus, there were three major spheres of women's realization in the socialist economy - work, socio-political life of the nation, and the family.

In order to facilitate women's balanced fulfilment of these three types of responsibility, the state created favourable legal and economic conditions. For example, in the 1970s, a long and well-paid maternity leave was introduced, one that many other European countries were lacking. The same period of change spurred all kinds of social legislation - more favourable conditions for women in divorce procedures, women's right to abortion, etc. In exchange for a social and economic status equal to that of men,

women were obligated to successfully fulfil the three above-mentioned social roles, mainly to contribute to the gross national product and to give birth and raise children.

As a result of these social policies, women in Bulgaria enjoyed a much higher rate of labour force participation than the women in other European countries. For example, while the average coefficient of women's labour representation for developed countries in the early 60s was 31.8, it was 40 for Bulgaria. For 1975, the numbers are respectively 36.6 and 46.1. For 1985 the numbers are as follows: developed countries - 36.1; North America - 38.4; Eastern Europe - 43.8, and Bulgaria - 49.5. After the political and economic changes in 1989, this coefficient decreased to 48.6 in 1990, and to 41.5 in 1996.

However, encouraging women's participation in the national economy during socialism did not automatically guarantee women's *de facto* equal status with men. While women were compelled to work in order to share the burden of family expenses, they were also expected to fulfill their domestic obligations.

A source of sex discrimination was the existing division of labour in socialist economy. At the very beginning of women's massive influx in the labour force, the majority of them were taking professions requiring less formal education, such as agriculture, textile, food industry, tobacco processing, trade and services, which were generally underpaid (on the assumption that men would be the main breadwinners). However things changed gradually. The education level of women rose rapidly. Nevertheless, the majority of management-level personnel remained men. There were (and still are) some completely feminised professions, such as medical services and education, which were always characterized by a low level of pay and decreasing prestige.

It is worth noting however an important achievement of the socialist economy: women's high level of education. This asset has not been effectively utilized in the period of economic transformation due to an inability to sustain full employment<sup>22</sup>.

<sup>22</sup> Strengthening Citizens Participation in the Privatisation Process: Women's Rights in the Economic Transition, BGRF, 1999



## 2. LABOUR MARKET ANALYSIS □ ACTIVITY RATES, EMPLOYMENT RATES, UNEMPLOYMENT RATES, BREAK DOWN BY AGE, EDUCATIONAL LEVEL, AND REGION

*"The ideal unemployed person is a woman-mother over 40 years old."  
Elka Anastassova, member of the Bulgarian Parliament*

### 2.1. Activity rate

In the period after 1990, the labour force decreased steadily and in 2001 it was 50,4% of the population over 15 years, where the male employment rate was 55% and female rate was 46,1%.

The average **labour participation rate** in Bulgaria for people aged 15-64 once 66,5% at the time of the first LFS in 1993, was down from the high levels of the pre-transition period. After a continuous decline until 2000, when it reached 60,1%, it started to rise again in 2001 reaching 61,9%, which was below the EU average of 69,2%. Until 2000, the decline in participation was of the same order for men (71,2% in 1993 to 64,8% in 2000) and women (from 61,9% to 55,5%). Both participation rates are below EU averages (78,1% for male and 60,2% for female in 2001).

The drop in the activity rate concerned all age groups. In the 25-54 age group the participation rate went down from nearly 88% in 1993 to 82% in 2001 (84,2% for men and 79,2% for women). The decline was particularly sharp for the younger age group 15-24 (from 43,0% in 1993 to 31,3% in 2001) and for young women in particular (from 43,2% to 30,4% in 2001). Available studies<sup>23</sup> suggest that this is less a reflection of increased participation in education, and more of an important phenomenon of discouraged workers (in the mid-1990s, 40% of the young unemployed withdrew from the labour force, as compared with 20% in the prime-age group). In December 2000, young people represented 26% of the total number of discouraged workers.

The gender gap in participation is higher in **rural areas** (46,7% for men

<sup>23</sup> Targeting Youth Unemployment Policy in Bulgaria, Economic and Business Review for Central and South-Eastern Europe, June 2001;  
From Transition to EU Accession - the Bulgarian Labour Market during the 1990s, World Bank Technical Paper, May 2001

against 34,2% for women in 2001) than in urban areas (activity rates are 58,4% for men and 51,1% for women). This can be partly explained by the higher concentration of women with academic education in urban areas. It must be noted, however, that the activity rates differ by age groups as well. In the age group 15-19 the activity rate in rural areas is twice as high as that in urban areas - 15,4% compared to 8,2%. The same is valid for the age group 65-69: 8,6% activity rate for rural areas against 4,1% for urban areas. This can be explained by the earlier involvement in income-generating activities of young people in rural areas, as well as by the longer participation of the elderly in rural activities.

### 2.2. Employment

The employment rate of the working age population showed a dramatic decline at the beginning of the transition period and fell from 54,5% in 1997 to 50,7% in 2000. Since 1990, it went down by 28,2%. In 2001, it is below its 1993 level and some 16 points below the EU average of 64%. The female employment rate was down to 46,3% in 2000, after a particularly sharp drop in the early 1990 (from 87,6% in 1989 to 48,2% in 1993).

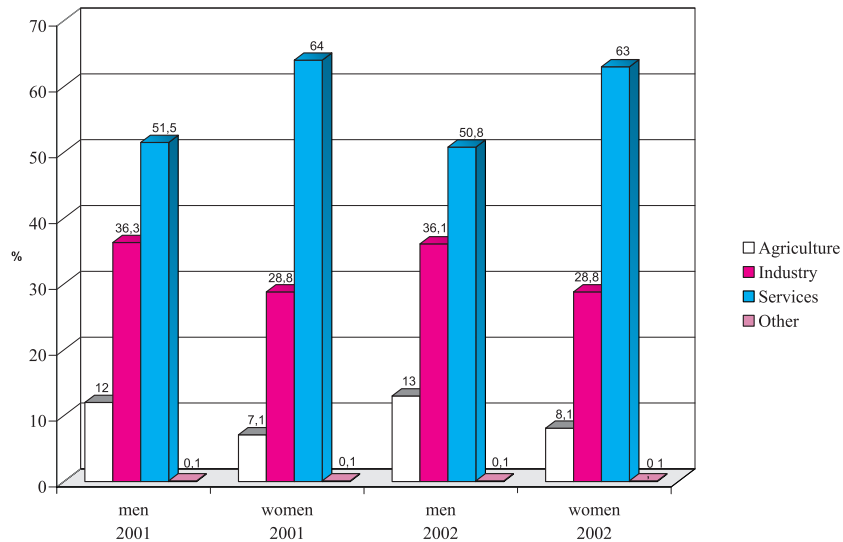
The share of women in the total amount of employed people in the middle of 2002 was about 47%. Women are concentrated in economic sectors such as education (79,6%), health care (75,7%), finances and insurance (61,7%), hotels and catering (57,7%), commerce (51,4%), etc. All of these economic activities are characterised by intensive workloads and low payments<sup>24</sup>.

Employment in industry has been declining continuously since the beginning of the transition period, although at a slower pace since the mid 1990s. Industrial employment fell by 42% between 1990 and 1996 and by another 24% between 1996 and 2001. Women constitute only 24% of the workforce employed in various industries such as mining and quarrying, electricity, gas and water supply and construction. The salaries in these sectors are in the higher end of the official table (between 386 and 540 BGN). At the same time, women form the larger group in the manufacturing sector: 53%. However, in the field of financial intermediation, where salaries are also in the higher end, women are twice as much as men, but there is a trend of decrease in their share.

<sup>24</sup> Statistical Yearbook 2000, 2001

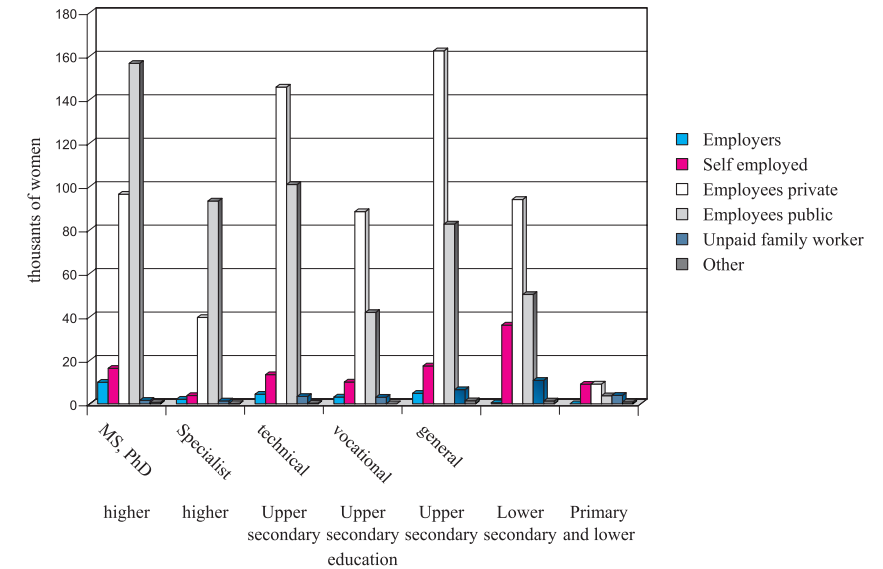
Employment in services decreased by 6% between 1990 and 1996. Despite a short period of growth at the end of 1990s (4% between 1997-1999), in 1999, the overall employment in services remained below its 1990 level. Since then, it has fallen by another 3,3%. Over the decade, employment in services has decreased by 10%. Women are almost 63% of those employed in services: in education they are 4,2 times more than men, and in health care and other social services, they are 3,9 times more than men.

Employed people by sex and economic sector



The restructuring of the economy and its orientation mainly towards services has not yet generated any substantial reallocation of jobs between the three main sectors. The share of industry in total employment went down from nearly 45% in 1990 to 27,6% in 2001, while the share of agriculture increased from 18% to 28% and that of services from around 37% to 44,6%. Here are the two major matters of concern: first, the importance of agriculture whose share in employment is 6,5 times higher than in EU (4% in the EU) and second, the low contribution of services to employment with a share in total employment only 2/3 of that in the EU. Bulgaria has not succeeded fully in developing services and job creation in the service sector has not reached the critical size to enable it to compensate for the dramatic job destruction in the industry.

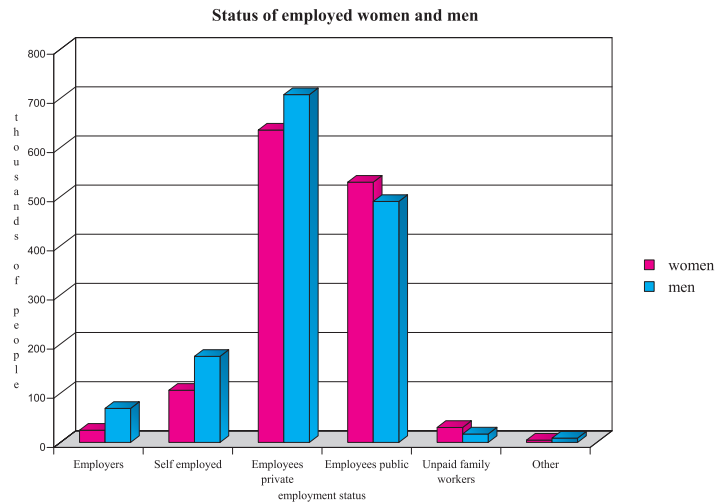
### Break down of women's employment by education and professional status



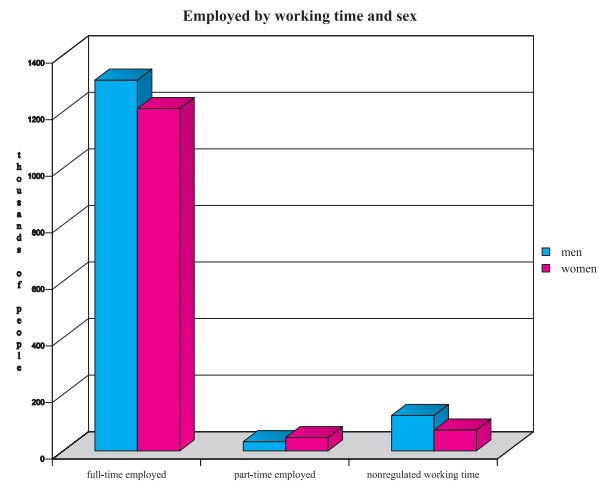
The decline of public employment has been continuous, but fairly irregular. After a substantial decline in the early years of transition (by 40% between 1990-1993) the pace of decrease slowed down in the mid 1990s (25% between 1993 and 1996) accelerating again at a later time (54,7% decline between 1996 and 2001). The decrease in public employment was extremely pronounced in 1997 (-18%) with the actual commencement of the privatisation process and in 2000 public employment dropped by 20% from its 1999 level. In 2001, public employment was just about one fifth of its level in 1990. Women were mostly affected, as their share in the public sector was much higher. The data clearly shows the prevalence of women with higher education in the public sector and of women with secondary education in the private sector. Among women employers, women with higher education prevail as well.

In 2001, around 8,5% of those employed had managerial jobs and about 26,5% were working in professional and technical occupations (military included). Skilled and semi-skilled manual occupations accounted for about 28% of the employed.



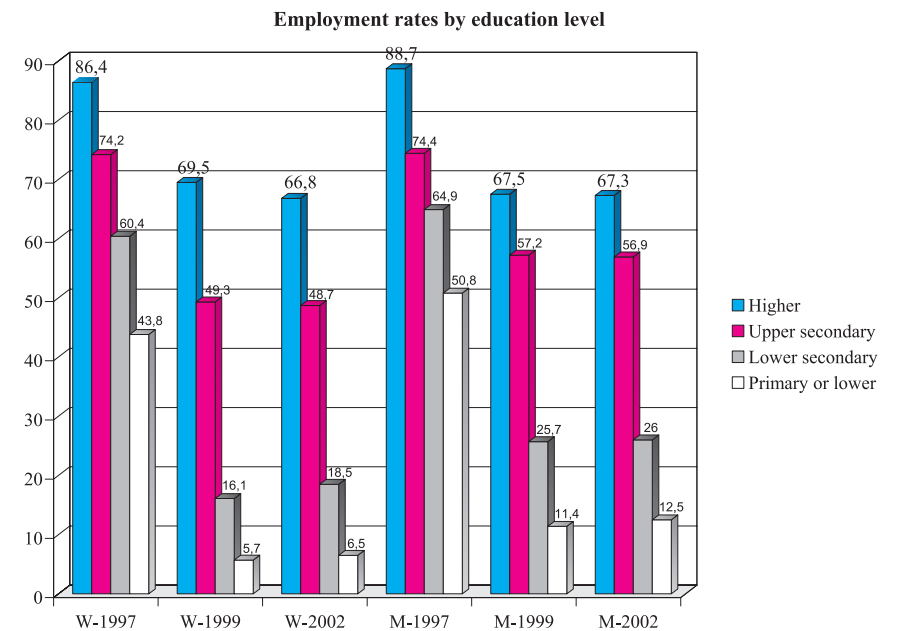


From the total employed in the 15-64 age group in 2001, 85% were employees, 13% self-employed and 1,5% unpaid family workers; 27% of the self-employed were themselves employers. The majority of the self-employed and employers are in the services sector (47,6% and 69,4% respectively). Considering the numbers more generally, it is obvious that women-employers are more than 3 times less than men-employers. Self-employed women are also less than men with this status, but women prevail in the public sector employees, and there are twice as many unpaid women family worker than men. The data from the graph reflects the absolute numbers of working women and men, and reflects the actual situation as of June 2002.



In the period 1990-1998 the percentage of women working part time in Bulgaria was the smallest in Europe (1,1%), compared to 13,1% in Poland and 35,1 in Germany. In 2001 again, only 3% of the employed (15-64) worked part-time. The difference with the EU is particularly marked for women (3,5% in Bulgaria, 33,4% in the EU).

Bulgaria still has a sizable informal sector estimated to account for 20-36% of the GDP in 2000 and to employ a significant share of the workforce mainly in precarious and low productivity jobs, without employment protection. The prevailing number of women in the informal sector is a gender-specific labour indicator. The incidence of work in the informal sector for the year 2001 has been assessed to be more than 1/3 of that in the formal economy, according to expert estimations of trade unions and private researchers. The official statistics do not offer any indicators for measuring the extent and characteristics of the informal sector. Instead, the phenomenon is wrongly perceived as being illegal, "grey economy" activities. As a result, there are no reliable gender indicators and namely, no data on the percentage of women's involvement in the informal sector, home working included.

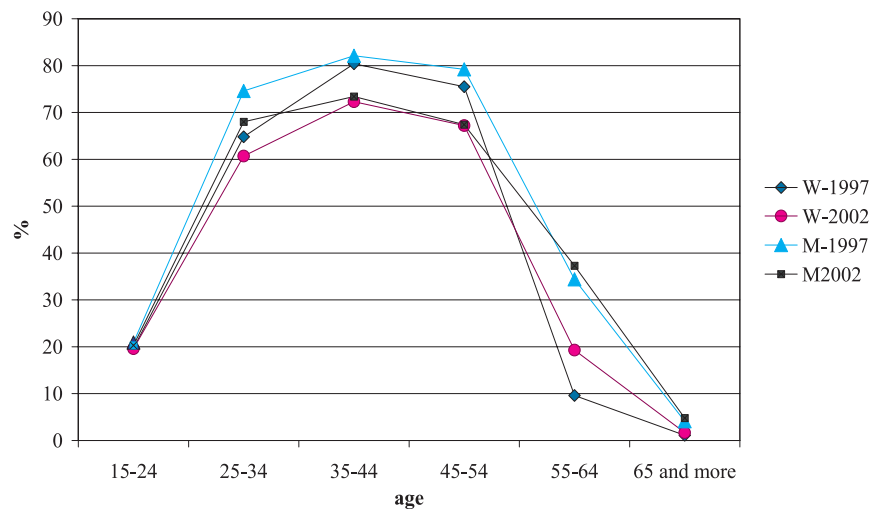


To effectively achieve gender equality in Bulgarian society, women need greater flexibility in choosing employment and work schedules.

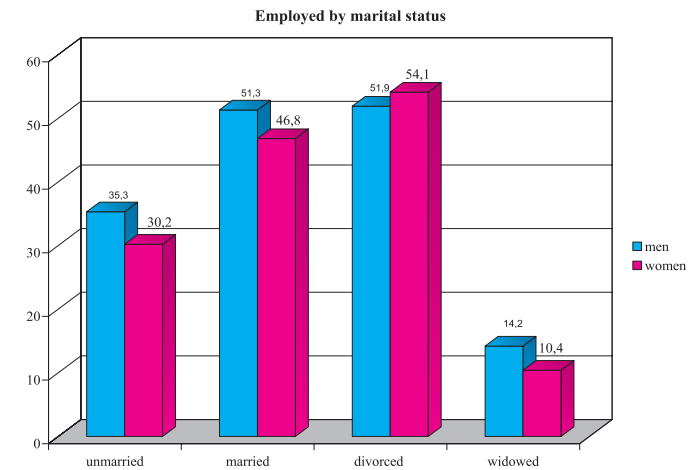
According to the LFS of the last 5 years, the employment rate of both women and men is proportional to the level of education. However, if the employment of highly educated people has been decreasing relatively smoothly during the years, for those with primary and lower education the rate has decreased sharply. This resulted from the closing down of low-profit industries and the introduction of high technologies, which require better education. Therefore, women are disadvantaged even before they enter the labour market.

The existing stereotypes for the professional orientation, reinforced by the "new values" of capitalism and largely advertised by the media, make the choice of young women even more restricted. Most girls applying to university choose the "humanities" specialty, or eventually medicine and pharmacy, where there is a restrictive quota for girls, who attain better results at the entrance examinations. The high technologies are presumably "saved" for boys. This trend (although observable in the past) was not so definite. However, as compared to mid-aged women holding academic degrees in various engineering fields, who lost their jobs in the years of transition and never managed to regain their living standard, younger women tend to position themselves in less time-consuming and more profitable occupations from the very beginning. This creates and enlarges the digital divide, which further enlarges the pay gap between the two sexes.

Employment rate by age: women and men 1997-2002

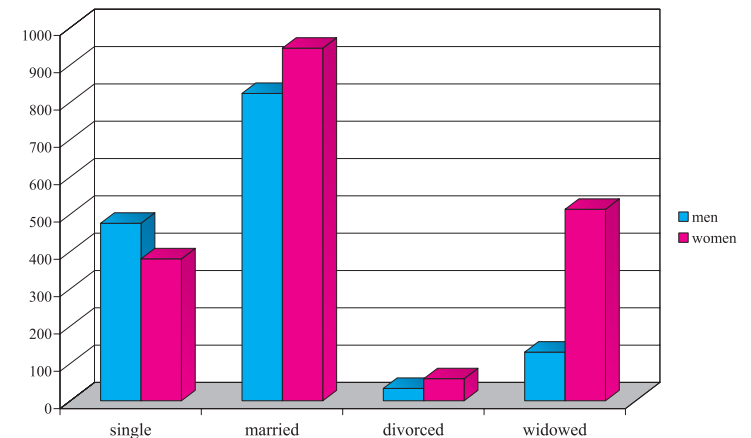


It is interesting to look at the breakdown of women and men's employment according to their marital status. Surprisingly, both the activity rate and the employment rate of married and divorced women and men are higher than those of unmarried people. On the one hand, this could be explained by the age difference and, on the other, by the fact that family people are more active in searching for jobs and feel pressed to accept underpaid and non-qualified jobs. This is particularly true of divorced women with children.



Meanwhile, if we consider the group of people out of the labour force, it is largely dominated by married women. Since the chart gives absolute numbers, the share of married women out of the labour force may be said to be even bigger. Widowed women are also a vulnerable group.

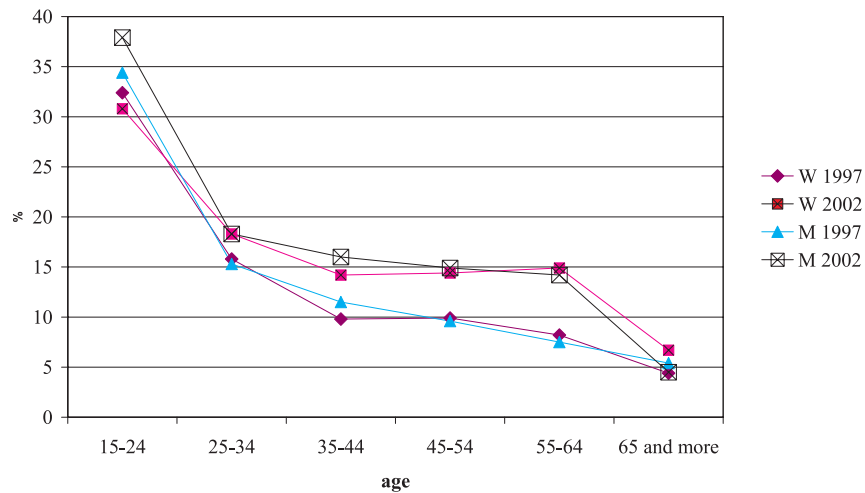
Persons out of the labour force



2.3. Unemployment

In the period 1997-2001, the unemployment rate increased from 13,7% to 19,9%. Women predominate in the group of those unemployed for 18-24 months.

Unemployment rates by age: women and men 1997-2002

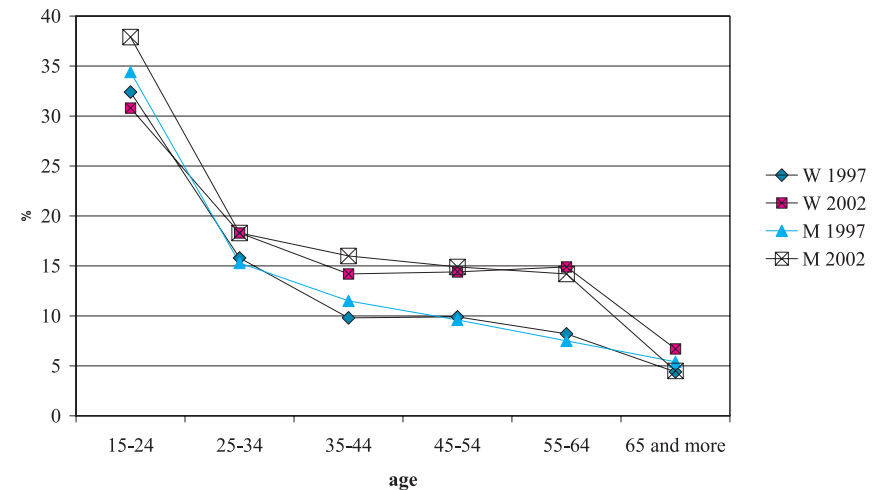


Unemployment peaked in 1993 when, according to the LFS, it was 21,4%. Afterwards, it decreased and went down to 14% between 1996 and 1998. Since then, the decline of the labour force has slowed down and has come to a halt while unemployment has been on the rise again (by 34% between 1998 and 2001). The unemployment rate reached 19,6% in 2001, showing a particularly strong increase over the previous year, and preserved its value until March 2002. Although the LFS shows that male unemployment is higher (20,4%) than female unemployment (18,5%), the actual picture is different. This is due partly to the early retirement of women (at 57 years of age) and partly to the informal labour market, mainly in the fields of construction and agriculture, where men choose to work as a means of survival. As stated above, women constitute a much greater share of discou-

aged workers. These are mainly women with small children, who are out of the labour force either because of the lack of qualification or because of unavailability of affordable child care services.

Unemployed women in 2002 prevail in the group over 45 years and even over 55 due to the extension of the retirement age for women. Under the new Code for Obligatory Social Insurance (COSI) that entered into force in 2000, the retirement age for women is going up every year by 6 months - by January 2009 it will be 60 years. Despite these alerting trends, no policies and programmes for tackling female unemployment have been adopted so far. There is a group of retired women (56-64) who are not considered as unemployed, although, bearing in mind their insignificant revenues, their vulnerability is equal to that of the unemployed. These women are likely to join informal work or practice some kind of homework. Both men and women's unemployment rates were substantially higher than the EU averages (6,6% for men and 8,9% for women).

Unemployment rates by age: women and men 1997-2002



Since 1993, the unemployment rate of the 15-24 age group has always been about twice as high as the unemployment rate for its 25-54 counterpart. In 2001, it stood at 39,5%. The unemployment rate for the older age group (55-64) has been rising since the end of the 1990s and its 2001 value of 17,2% was comparable to its level of 1993. The 35-44 female age group shows the lowest unemployment rate. This group has the highest percentage of women with higher education as well as women, who established themselves in a particular job before the economic transformation or women with grown-up children. The research performed mainly by non-governmental organisations<sup>25</sup> show that women from this age group face discrimination in the hiring process, but at the same time, the group has better chances for re-training and re-adaptation to the labour market. According to the research report *Women, Labour and Globalization*, women in the age groups 25-34 and over 45 are much more vulnerable.

The first group is mainly composed of mothers with small children or unmarried women, who are victims of humiliating hiring practices and sexual harassment. The group over 45 is composed of women who acquired their education and qualification during the years of State guaranteed employment and they totally lack the skills for job searching in a competitive environment. It is much more difficult for them to meet the challenges of free choice. Another reason is the fact that their qualifications, although high, are hardly compatible with the new market requirements. In this age group, a specific phenomenon can be observed called "social dumping". Women over 45 are ready to accept just about any employment with any payment in order to obtain the right to a pension.

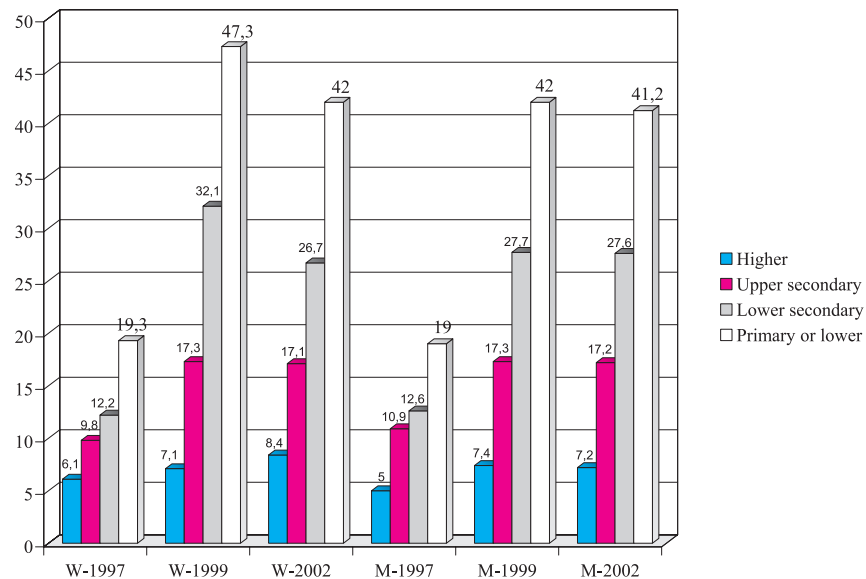
<sup>25</sup> Privatization's impact on Women during the Economic Transition in Bulgaria, BGRF, 1999

*I.S. is 55 years old. She has been unemployed since 1997, a single mother with a 16 year- old child. She has higher education. Her first major is Slavonic Philology, whereby she obtained a degree from the National Arts Academy. She has diverse work experience: inspector in the department of international relations and leader of the collective of young writers during the socialist period; editor in chief of an art magazine, later on, of a journal as well as chief of a cine-club in the 90s. She lost her job at the age of 50. She registered immediately in the unemployment office. After almost two years of unemployment she was offered a job within the programme for temporary employment of the MLSP: for five months she was a cleaning lady in a museum. In her labour record this activity is called "scientific". The wage is the minimum - at that time 34 Euro per month. She kept the job for four more months, as she was really good, but she had to leave it when the woman who took this position before came back from her maternity leave. I.S. was again unemployed for 12 months. The unemployment office has covered only 4 of them. Her next 5-moth-occupation under the same programme was as a guardian in an art gallery. Her wage was again at the minimum (38 Euro - the year is 2001), then, another year of unemployment followed. By the end of 2002, she was hired again as a cleaning lady - in the municipality. Her job is to clean the streets of Sofia. As her wage is already 62 Euro per month, she lost the right of social assistance. With this pace of employment she cannot hope to meet the necessary conditions for retirement soon. She dreams for retirement, as, eventually, this will give her the right to public transport discounts and some social assistance for paying the bills for electricity and central heating. She cannot explain to her son why he should study more... what for? Her education did not bring her any benefit. She speaks one foreign language and can use a computer... but where? She is somehow 'fortunate' because she has only one child and no parents to take care of. This is a real school book case. There are many like her. (Interview of the BGRF- testimony)*

Long-term unemployment has been steadily rising in the recent years. According to the LFS, in 2001, 62,7% of the unemployed people aged 15-64 (or 12,4% of the labour force for this age group) had been unemployed for one year or more. Very long-term unemployment (longer than 2 years) represented more than two thirds of the long-term unemployment. In 2001, the long-term unemployment rate was 11,7% for women and 12,9% for men. Again, this is due mainly to the fact that women tend to accept jobs more easily, thus losing their official "unemployed" status. Long-term unemployment is also high among young unemployed people (as of December 2001, 50% of the young unemployed group were long-term unemployed).

Unemployment disproportionately affects persons with lower levels of education. In 2001, people with upper-secondary education had an unemployment rate of 8,8%, well below the 19,2% overall rate for the 15-64 (18,8% and 32% for secondary education graduates and for people with primary and lower education respectively). Almost 50% of the long-term unemployed and 70% of the young long-term unemployed have received primary or lower education.

Unemployment rate by education



**It must be noted that the geographical mobility of the labour force is low.** Work related migrations decreased during the 1990s (32% of the total migrations in 1994, 29% in 1999).

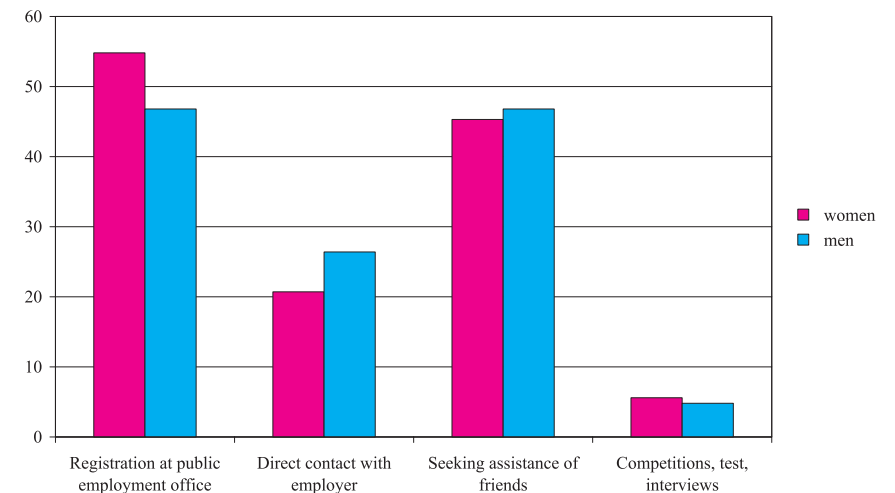
Unemployment and long-term unemployment in particular is very widespread among the Roma population and the Bulgarian Muslims. A large number of the Roma were laid-off in the early 1990s and in the Roma community the unemployed are estimated to represent around 80% of the population of active age. Roma women are particularly vulnerable because of their cultural traditions.

Another vulnerable group, which is usually excluded from statistical coverage, is the group of single women. According to research, every 5th

woman is single and the group consists mainly of widows. The number of single men is twice as small. This is a result of the ageing of the population as well as of the longer life expectancy of women. Single mothers are also particularly vulnerable, as they also bear the burden of childcare.

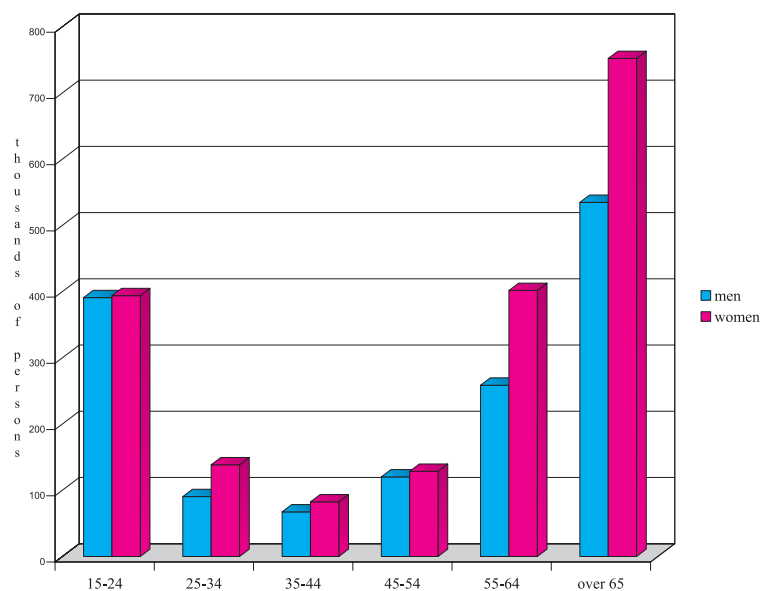
When interpreting the unemployment rates of women and men, it is important to note another specific feature: women are more active in searching jobs officially through employment offices and in participating in job competitions and tests. Men prefer direct contact with the employer and the assistance of friends. Available research show that women face discrimination in job interviews when they are asked about their family and reproductive plans. Although pregnancy is not a reason for rejecting the application of a woman, it is a common practice for employers to refuse to hire pregnant women in order to evade the inherent payment of social insurance. At the same time, there is no specific legal protection for employees who are dismissed for filing an application for, or taking parental leave. There is no relevant legal practice because a prior consent for the dismissal is required from the Labour Inspectorate in cases involving a pregnant woman or women with infants under three. Full protection is provided only for women on maternity leave unless the employer's business closes down.

Methods of Job Search



Women are the prevailing part of discouraged workers. They represent 56% of persons out of the labour force. In the 15-25 age group, men and women rank almost equal; this could be explained by the ongoing education of women and military service of men. However among the 25-34 year olds, the number of women out of the labour force is 1,5 times more, which is mainly due to maternity. Women prevail in all other groups, but biggest difference can be observed in the age groups over 55.

Persons not in labor force by sex and age



## 2.4. Wages

Despite the egalitarian rhetoric and the levelling hand of central planning, women in Bulgaria, as in the other former communist countries, face a gender gap in pay, even though their enrollment in higher education surpasses that of men.

The position of women in the labour market depends significantly on their household environment. The amount and the type of paid work that women seek is influenced by the nature of women's household responsibilities and

circumstances. At the same time, their employment status and income affect their relative status and power within the household, as well as the welfare of other household members. The shrinkage of wages and employment during the transition generated a decline in household earnings. However, women's earnings have been, and still are, an important part of the household income.

While household incomes are important for the living standards of women and children, the members of a household do not automatically share the same living standard.

According to Eurostat<sup>26</sup>, Bulgaria has the lowest minimum wage among all the candidate countries - 56 Euro per month, which is 10 times less than that in Malta, and almost 4 times less than the lowest income in Hungary, Poland and the Czech Republic. Even when applying the Purchase Power Parities, which considerably reduces differences in the levels of minimum wages, Bulgaria preserves its bottom position in the table and the minimum wage purchasing power is 3 times lower than that of the Czech Republic and Hungary, and 2,5 times less than in Poland. It is not surprising, that Bulgaria could not join the first EU accession wave.

In regards to the male-female ratio of minimum wage receivers, it does not differ from trends in other accession countries: there are twice as many women living with minimum wages than men.

Determinants of gender-based inequalities in remuneration also include restrictions or prohibitions by law for women to work overtime or at night. Another factor relates to the perceived higher costs of employing a woman. These costs include maternity protection benefits and the alleged higher incidence of sick leave<sup>27</sup>.

Minimum wage is being adjusted through government decisions, following consultations with the social partners at the National Tripartite Commission. According to the agreement with the IMF of 2002, the minimum wage is to be adjusted by the growth rate of the average salary in the public sector for the last reported six months over the previous six months. Private employers tend

<sup>26</sup> Employment and Labour Market in Central European Countries, EC 2001

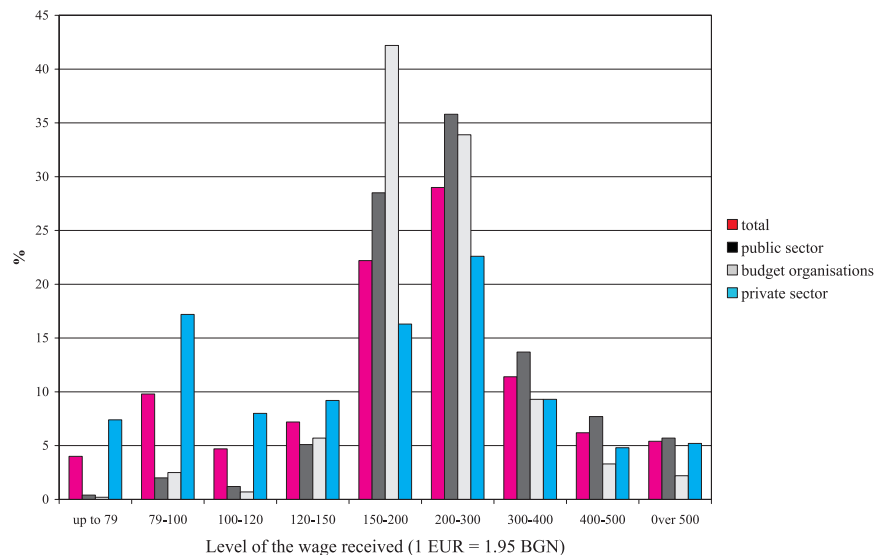
<sup>27</sup> Time for equality at work, Global Report under the follow-up to the ILO Declaration on Fundamental Principles and Rights at Work.



to follow the wage behaviour of big state-owned enterprises, which are themselves constrained by centralised rules for wage adjustment. Therefore, the fluctuation of wages in the private sector can hardly be related to productivity and performance. The government's perception of the minimum wage is mainly within the perspective of income policy. For employers, it has become a tool to evade tax and social contribution payments. Official statistics on the average level of wages in the private sector does not reflect the actual situation and the tendencies of wage variation remain unclear.

The decline in real wages was very sharp in the first years of the transition. They started to rise again in 1992, but their negative growth was resumed thereafter. During the crisis and hyperinflation period of 1996-1997, real wages lost about a third of their value. In 1997, real wages reached about 40% of their 1989 level. The decline in real wages affected all sectors. It was particularly strong in construction and in services, except the communications and transport sectors. In these two sectors, as in industry, real wages in 1997 dropped to 60% of their level in 1991. Since then, a tendency of recovery can be observed, although in 2001 real wages level was still some 10% lower than their pre-crisis level.

Distribution of employees according to wages and sector



The low living standard of the population during the last decade is due mainly to the low level of wages. For the whole decade, the average salary was below 130 Euro per month and the average pension was below 50 Euro. For the period of 1990-2000, the real average wage and the average pension decreased by more than 70%, whereas minimum wage and pension marked an even greater drop. In the year 2000, the minimum wage was 40 Euro and the average salary was 125 Euro.

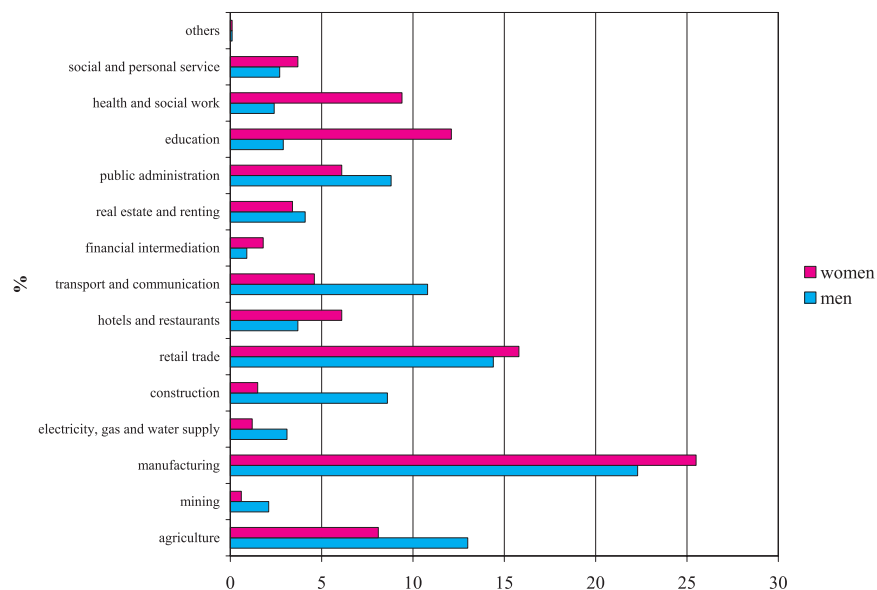
According to the data of the NSI, the typical wage in a state budget funded organisation is between 150 and 300 BGN (75-155 EURO). As for the private sector, reported data on wages reveals a substantial number of people (17,2%) receiving wages slightly higher than the minimum and another substantial part (39%), who work for 150-300 BGN. So far, no gender breakdown has been performed for this data.

The fall in real wages in the 1990s was paralleled by an increasing gap in average wages across sectors. Also, during that decade, a substantial differentiation of wages could be observed by regions and occupations. Available research suggests that, at least in the public sector, there has been an increase in people returning to school.

There are indications of discriminatory attitudes in the wage formation system. According to available research in 1997, women's average earnings were 28% less than men's and the earnings of the Roma were 20% less than those of ethnic Bulgarians.

Women are the predominant work force in underpaid sectors such as education (79% women vs. 21% men), healthcare and social services (78% women vs. 22% men). Conversely, men are more often employed in the highly-paid sectors such as the power generation industry (74% men vs. 26% women), construction (87% men vs. 13% women), and transport and communications (72% men vs. 28% women).

Employed persons by economic activity and sex



Women in both the public and the private sector often face "the glass ceiling" in their career advancement; very few obtain senior positions. Assessments by the International Association of Professional and Business Women in Bulgaria indicate that women are most often represented in mid-level management positions, and can only rarely reach the senior level.

Average wages in the different sectors of economic activity (in Bulgarian Leva)

1 BGN = 0,51 EUR (Statistical Year Book, 2001)

	Public	Private
Agriculture	189	180
Forestry	197	120
Mining	386	85
Food, beverages, tobacco	375	190
Textiles	150	178
Garment industry	140	137

	Public	Private
Shoes, Leather	209	137
Wood and wooden products	156	153
Publishing, printing	386	208
Petroleum products and nuclear fuel	N/A	540
Chemicals and artificial fibres	350	310
Rubber and plastics	185	197
Metal working	502	382
Machinery and equipment	236	215
Electric and Optical equipment	208	224
Transport equipment	243	261
Electricity, gas & water supply	414	293
Trade and repairs	330	150
Hotels and restaurants	185	132
Transport	294	191
Communications	316	252
Financial intermediation	462	419
Real estate and renting	261	160
Research and development	240	209
Public administration	305	0
Education	212	265
Health and social work	191	104
Veterinary services	385	100
NGOs	173	204
Sanitation and services	128	155
Cultural activities	250	178
Recreation and sports	216	182



However, research data shows that the gender pay gap is comparable to those in Western countries. This gap has remained stable despite significant increases in overall wage inequality during the 90s<sup>28</sup>. Even though the reforms were very slow in Bulgaria, this gap has widened only by 5 %. Gender disaggregated data has not been gathered in the field of wages but the fact that there are feminised professions is indicative. Almost ¾ of those employed in education and healthcare are women. These sectors lost their attractiveness for men because of low wages. At the same time, there is a risk that gender segregation in employment is linked to the type of ownership; while women continue to fill public-sector jobs, men make larger incomes in the private sector<sup>29</sup>. Although official data show that often salaries in the private sector are lower than those in the public sector, the real income in the private sector is higher. Women are less likely than men to be employers themselves. Statistical data show that men-employers are twice as much as women-employers.

It is important to note as well, that it is usual practice in the private sector to make many minimum wage contracts, which spares money from social security payments for employers, but deprives employees of due social payments such as sick leave allowance, unemployment payments and pensions, respectively. Again, according to NGO research, women are more prone than men to take jobs with such contracts. Self-employment is frequently perceived as part of the "informal economy" and reflects the inability to find a satisfactory "regular" job as an employee.

According to the Joint Assessment of Employment Priorities, Bulgarian women received 72% of the pay of men in 1997. So far, this is the official data. However, according to the regional monitoring report under the MONEE Project, *Women in Transition*, the gender pay gap for the same year (1997) was 69,1%. According to a recent research report *Women, Labour and Globalisation*, based on sociological surveys and opinion polls, women earned 67% of men's wages in 2001<sup>30</sup>.

However, the paper *Feminisation of poverty in six post-state socialist societies*<sup>31</sup>

<sup>28</sup> Equality between women and men in the EU, Annual Report 2001, DG Employment & Social Affairs

<sup>29</sup> Women, Labour and Globalisation, WAD, UNIFEM, ASA, Sofia 2003.

<sup>30</sup> Ibid.

<sup>31</sup> The feminisation of poverty in six post-state socialist societies, Eva Fodor Dartmouth College, Central European University

points out that the gender pay gap for full-time workers is 75%. In this respect, it is worth noting the estimations of the Human Development Reports of the years 2001 and 2002. Although they do not consider the gender pay gap per se, they are quite indicative: according to the global HDR of 2001, the income earned by women in 1999 (per capita) was 63% of that of man. According to the last HDR of 2002, female-earned income in 2000 (per capita) was 66% of male-generated income.

Political pressure has made it more challenging to maintain a prudent and flexible fiscal policy and has weakened the momentum of structural reforms, which affects the growth and readiness needed to join the EU. High levels of taxation on labour (including the impact of social contributions) has a negative impact on job creation and depress the demand for labour in the formal economy, at the same time encouraging the growth of the black economy. The social insurance system provides benefits, subsidies and pensions, which cover permanent or temporary disability, maternity, unemployment, old age and death. The total contribution rate is 42,7%, 32,2% of which is covered by the employer and 10,5% by the employee. This basic rate applies up to a ceiling of 1000 BGN (as of January 2003). The tax-wedge can be estimated at 47% for the high wage and at 43% for the average. It remains high for the low wage (41% for a worker paid the minimum wage)<sup>32</sup>.

### 3. WHY IS THE EQUAL OPPORTUNITIES LEGISLATION IMPORTANT (EQUAL PAY FOR EQUAL WORK)?

The year 2001 was the first year of implementation of the new gender equality action programme for the countries of the EU. The priority of the programme was the gender pay gap - the most visible inequality in the European workplace. Equal pay for women and men in the European Union is now part of the process launched at the Lisbon Summit - to make the European Union the most knowledge-based economy in the world by 2010 with more and better jobs and social cohesion.

On April 2002, the Council and the Parliament reached a political agreement on the amendment of Directive 76/207/EEC on equal treatment in employment.

<sup>32</sup> ILO comments on the Draft anti discrimination law

Bulgaria has committed itself to harmonizing its own legislation with European standards, and that commitment is reinforced by the country's urgent need for legislative guarantees against discrimination, including gender discrimination. In January 2002, through the Employment Promotion Act, the former National Employment Service was transformed into an Employment Agency solely responsible for active labour market measures.

As stated above, the Draft Act on Equal Opportunities of Women and Men has been rejected by the Parliament and a process of drafting a new Bill on Prevention against Discrimination was launched. The equal opportunities legislation is a requirement for Bulgaria's accession to the EU (4th pillar, chapter 13). The law and the mechanisms of its enforcement would provide guarantees for non-discrimination *de jure* and sanction discrimination *de facto*.

In November 2002, the Government of Bulgaria requested that the International Labour Organization examine the new Draft Bill on Antidiscrimination.

According to the comments, the Bill covers many aspects of discrimination in employment, occupation and vocational training, and may provide some guidance regarding the kind of protection necessary against discrimination in employment and occupation, which could be included in the Labour Code (LC). Although generally written in gender-neutral language, the Bill should be reviewed with regards to gender inclusive language.

The amendment inserts a definition of direct discrimination that seems to be adequate and in line with the provisions of Convention No 111 and EC law. The amendments also modify the definition of indirect discrimination in order to bring it more in line with the wording of the EU Council Directive 2002/73/EC and EU Council Directive 2000/43/EC. The conclusion is that the current revision of the LC is a good opportunity to include explicit definitions of direct and indirect discrimination in employment and occupation in the substantive provisions of the Code.

The present Code does not include any provision defining and prohibiting sexual harassment in the workplace. Considering this obligation under current EC law and the insertion of these provisions in the Draft Bill on the Prevention of Discrimination, and also considering the increasing trend to adopt specific anti-sexual harassment provisions, it is recommended to include a new section explicitly defining and prohibiting sexual harassment.

Consideration could be given to the inclusion of a provision in the LC allow-

ing for affirmative action or special temporary measures to promote equality of opportunity and treatment in employment for specific groups who have been disadvantaged or previously discriminated against in the labour market, such as women and minorities. In any case, it is recommended that the LC would include a provision stating that special temporary measures to promote equality on any of the prohibited grounds shall not be deemed discrimination.

The draft amendments do not include any proposal to amend section 243 (1) and (2) of the LC concerning equal remuneration. The Committee of Experts has raised concerns with respect to wording used in subsection (1) of section 243 which refers to equal remuneration for the same or equivalent labour. In its latest observation of 2003 on Bulgaria, the Committee of Experts again expresses its concern of the adoption of this restricted approach as the obligations arising from Article 1(b) of Convention No 100 go beyond the reference to the "same" or "similar" work and extend to work of "equal value". In order to avoid confusion on this matter, it is recommended that the revision of the LC be used as an opportunity to amend the section in question in the following manner: "Women and men shall be entitled to equal remuneration for the same work as well as equivalent work that is of a different nature".

Section 11 (6) provides that requirements of professional experience and length of service for recruitment and certain job-related benefits are not to be deemed discrimination. Although such requirements are not contrary to the provision of Convention No 111, it may have to be assessed whether the practical application of this provision is in accordance with the inherent requirements of the job and has a differentiated impact on men and women workers (for example, because women have been disadvantaged with respect to their access to training and education, and to the labour market due to family responsibilities) and results in indirect discrimination against women.

Section 13 (1) states that special measures within the meaning of the Employment Promotion Act for the encouragement of the professional integration or of protection of persons with reference to their age or marital status, shall not be deemed discrimination, and Section 13 (3) includes special measures for the purpose of providing equal opportunities for certain groups. These special measures are welcomed, however it is recommended to add after "equal opportunities" the words "in employment and occupation".

#### 4. RECOMMENDATIONS

- The Labour Code should include a provision allowing for affirmative action or special temporary measures to promote equality of opportunities and treatment in employment for specific groups who have been disadvantaged or previously discriminated against in the labour market, such as women and minorities.
- The manifestations and social and economic consequences of discrimination at work should be monitored.
- Women and men should be entitled to equal remuneration for the same work as well as equivalent work that is of a different nature.
- Adequate measures to guarantee the principle of equal pay should be implemented and appropriate gender pay indicators should be developed and established; because women and men's participation in different economic sectors is very different, they are very complex to determine and they have been left aside.
- Promote the employability and the access of women to ICT jobs, particularly by increased participation of women in relevant education and training.
- Develop forward-looking employment policies and integrate the challenges resulting from economic restructuring. Reshape wage setting while speeding up reforms of taxation, education and training.
- Adapt working hours to allow both to women and men to combine paid jobs and family duties.
- Encourage lifelong learning and access to active labour market measures for women.
- Support further development and coordination of national statistical systems where required, in order to allow for better monitoring of gender-related issues in the European Employment Strategy.

## CHAPTER III. SOCIAL SERVICES AND WOMEN'S EMPLOYMENT

Social protection encompasses all interventions from public or private bodies intended to relieve households and individuals of the burden of a defined set of risks or needs, provided that there is neither a simultaneous reciprocal nor an individual arrangement involved. The list of risks or needs that may give rise to social protection is fixed by convention as sickness/health care, disability, old age, survivors, family/children, unemployment, housing and social exclusion not elsewhere classified.

In the present context of a dropping fertility rate and a rise in life expectancy, it is crucial to keep working mothers in the workforce to compensate for shortfalls in the labour supply and for the payment of taxes needed to finance welfare provision for the aged. Work and family policies help maintain women's labour market skills by avoiding a forced work break during child-rearing years.

For mothers with young children, participation in the labour market is strongly linked to the need for childcare. It is often regarded as essential for full-time work and career development of women, but sometimes the cost of childcare can be a barrier for entering the labour market. This implies that some working mothers end up below the social assistance norm after paying for childcare fees. This is especially true for single mothers located at the lower end of the wage distribution. Therefore, there is a strong relationship between the choice of using paid childcare, welfare participation, and labour supply.

According to ESSPROS<sup>33</sup> the term "social services" includes a range of services such as childcare, sick and disabled care, as also for the elderly, public employment services, social assistance and social support.

<sup>33</sup> The European System of Integrated Social Protection Statistics.

In the case of Bulgaria, social assistance also includes financial support for the elderly and the poor for central heating and electricity bills.

The financing of social assistance is carried out with funds coming from the following sources:

- The state budget;
- Municipal budgets;
- National and international programmes;
- Donations from local and international physical and legal entities;
- Funds from the Social Assistance Fund;
- Other sources.

Individuals become eligible for social benefits only when they have exhausted all opportunities for self-support and assistance from the persons legally obliged to support them. The social integration of the supported persons can be carried out on the basis of an individual project drawn by the Social Assistance Directorate.

Unemployed individuals matching the criteria for monthly benefits are included in employment programmes, approved by the Minister of Labour and Social Policy. Persons refusing to participate in employment programmes are disentitled from their monthly benefits for one year. The programmes are jointly implemented by: the municipal administration; state-owned, municipal and private enterprises and other legal entities; the territorial sections of the Employment Agency and the Social Assistance Agency. Employment programme participation is not obligatory for individuals taking care of children under three, mothers (adopters), single parents, pregnant women after the third month of their pregnancy, people with permanent disabilities or temporary labour incapacity, or persons taking care of a sick family member.

## 1. BRIEF OVERVIEW OF TRENDS AND EVOLUTION 1989-2002

In the last decade, human welfare in Bulgaria has undergone immense and far-reaching changes. While the political and economic transition has opened the way for long-term sustainable economic development and for the achievement of greater respect for human freedoms, its immediate effect on economic output and on a wide range of child and family welfare indicators was rather negative. Women were greatly affected by these changes and they very quickly became the prevailing part of the impoverished fractions of soci-

ety. According to the MONEE report, "Central and Eastern Europe in Transition", in the period 1989-1995 from the total of 29 observed welfare indicators, 24 were deteriorated and the whole percentage of deterioration for Bulgaria reached 82,8. Only Russia, Lithuania and Ukraine from the observed 18 countries in transition had higher percentage of deterioration.

The emergence of a large pool of families with persistently unemployed breadwinners, or penalized by extreme wage disparities, as well as the large erosion of family and child benefits, raises doubts concerning the extent to which economic recovery will help all segments of society. So far, families with children have been disproportionately affected by poverty and increases in income inequalities. The creche and parental leave coverage fell by 18,8 % for the period 89-95, as well as the pre-primary (-7,6%) and the primary (-4,7%) enrolment rate of children. Despite many good initiatives, the social policy programmes, education systems, health care and child-protection institutions failed to adequately address the new challenges. Bulgaria, like most central and southeastern European countries, has attempted to adopt a "social-security" approach in response to the labour market crisis. The mounting cash transfers through severance pay and various schemes for unemployment compensation have mitigated poverty shocks, but could help relatively few people to find new employment in conditions of continuous macro-economic crisis. These schemes, together with early pension and pre-pension schemes, have paved the way to an inactive economic behaviour.

The human development indices in the pre-transition period show that the former governments had substantial achievements in securing universal access to basic health care and education services and in offering paid employment to most women. Women in the workplace had access to an extensive state-run system of family and childcare supports, including lengthy paid maternity leave, family allowances attached to wages and nursery, as well as kindergarten and after-school services for children.

Adequate, accessible and affordable childcare is crucial in the effort of families with young children to balance employment and household responsibilities. The policy measures such as extended maternity and parental leaves encourage parents to stay at home to raise their children, but produce mixed results in terms of gender equality. Because of the reduction in childcare services and income support, the gender gap in wages is becoming tangible and substantial. Many childcare facilities closed down, and those that remained became more expensive. Recently, the price of the kindergartens was doubled, becoming 40 BGN (20 Euro) per month, which equals to more than one



third of the minimum salary for 2003. This is a heavy burden for mothers with more than one child, receiving the minimum wage. In these cases, which are common, their income covers only the cost of kindergarten, let alone the other costs of living. This leads to an additional drop in women's employment and to an increase in the number of discouraged workers among women. At the same time, many women have to withdraw from full-time employment and accept underpaid jobs or to work without any contract.

In practice, to date, certain disconnection, incoherence and lack of coordination exists among the various policies. The interrelation between economic and social development, and between economic and social policy, is weakened, and often "the economic" dominates over the "social". Overcoming this problem requires the adoption of a new concept for the relationships between various policies. In the case of major changes, there should be a preliminary assessment made of the extent to which the envisaged policies and measures are mutually harmonized and consistent, and whether they actually contribute to the achievement of the outlined goals.

The main disadvantage of the past practices was that social policy addressed the consequences of economic policy, which determined its passive nature. The emphasis of the new social policy is placed on the implementation of a more active policy, which addresses the causes, not the effects of social problems. Therefore it is important in cases of major legislative change, that the social policy include a plan for preliminary assessment of social impacts.

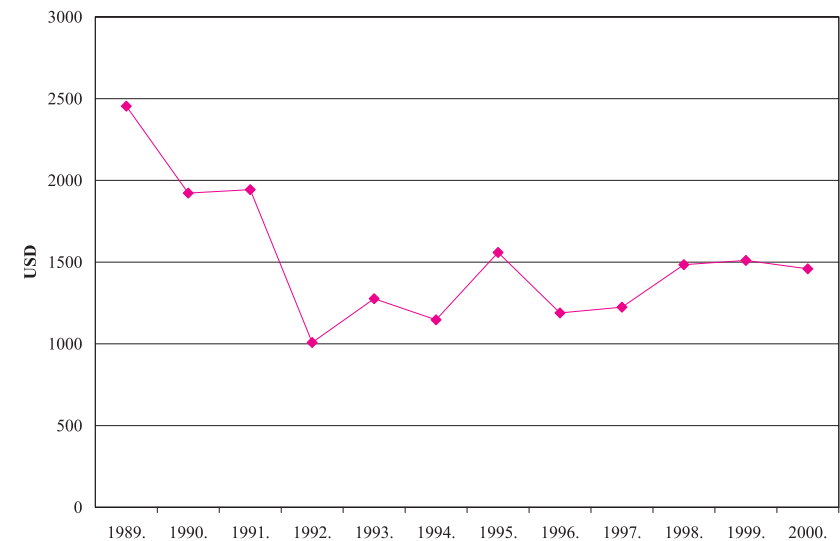
The fact that a large number of workers do not have employment contracts violates their labour rights. In this case, they are not protected at all in regards to short-term social insurance, or pension insurance. Likewise, the widespread concealment of real wages leads to a number of negative consequences:

- Problems with the collection of social insurance contributions and, hence, the payment of higher pensions;
- Distorted national statistics are formed because of inaccurate data on the average wage and minimum income per capita. This gives a strong negative international image of incomes in Bulgaria, and the country is cited as one of the poorest in Europe, occupying the last place as far as incomes are concerned;
- Approximately 2/3 of the working population is insured on the basis of the minimum or lower wage/salary.

## 2. STATISTICS

According to the research paper *"The feminization of poverty in six post-state socialist societies"* (Eva Fodor) Bulgaria has one of the lowest percentages of social expenditures from the GDP in the region. For the year 2000, the expenditures on health were only 4%, compared to 5,9% for Poland and 6,4% for Hungary; the expenditures on education were 3,2%, compared to 4,6% for Hungary and 7,5% for Poland; the share of unemployed persons receiving unemployment benefits were only 16,2%, compared to 23,9% for Poland and 55,6% for Hungary. The ratio average pension/average wage income was 0,33, compared to 0,58 for Hungary and 0,65 for Poland.

GNP in USD in the period 1989-2000



These numbers along with the lowest GNP per capita, make Bulgaria one of the poorest candidate countries. As per the data from the same research, the overall poverty in the country is 43,5%, compared to 17,6% for Hungary and 15% for Poland. This explains the fact that 23,7% of the poor families receive social support in cash or in kind, compared to 13,4% for Poland and 10,4% for Hungary. However, the gender poverty gap in the

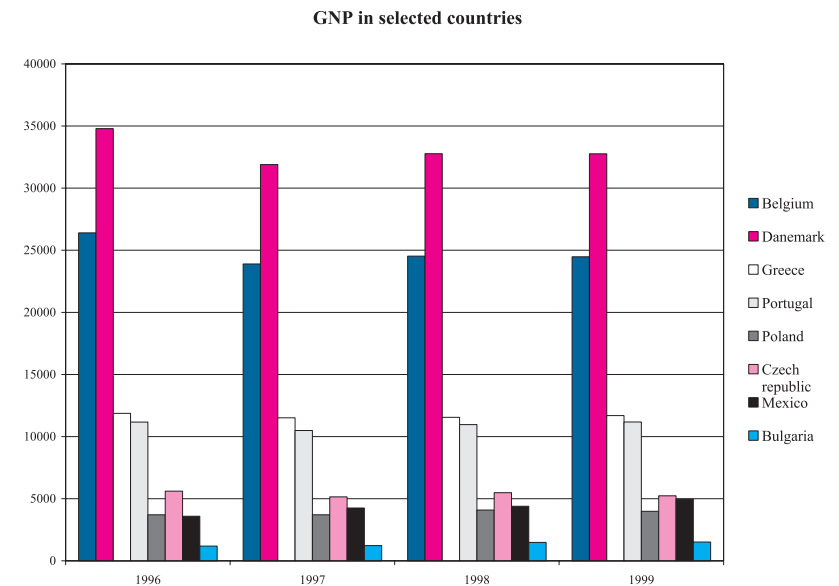
year 2000 in Bulgaria is estimated to be only 1,12, which is quite a low proportion.

Social protection in the context of the overall state policy has shifted from subsidizing enterprises that produce goods and provide services at fixed prices, to state subsidies given directly to the needy. The various targeted social assistance programs are designed to meet this very requirement - social assistance payments for people with really low incomes and in need of state assistance.

The social safety net to date has led to an increase in the number of unemployed persons of working age receiving social assistance benefits, and an increase in the share of the long-term unemployed, who have lost working habits, training and motivation for work. The social insurance system provides benefits, subsidies and pensions that cover permanent or temporary disability, maternity, unemployment and old age.

The unemployed who are registered at local labour offices are entitled to unemployment benefits if they have worked for at least nine months during the last 15 months and are willing to accept a job or training offered by the Public Employment System (PES). Unemployment benefits are paid without a waiting period, on a monthly basis, for a period varying from 4 to 12 months depending on the person's previous employment record. The basic benefit is fixed at 60% of the average gross earning for the preceding nine months of employment on which social insurance has been paid and is adjusted according to annual minimum and maximum values. The amount of the benefit is defined proportionately for shorter working hours and can be less than the defined minimum. The unemployment benefit is not subject to personal income tax.

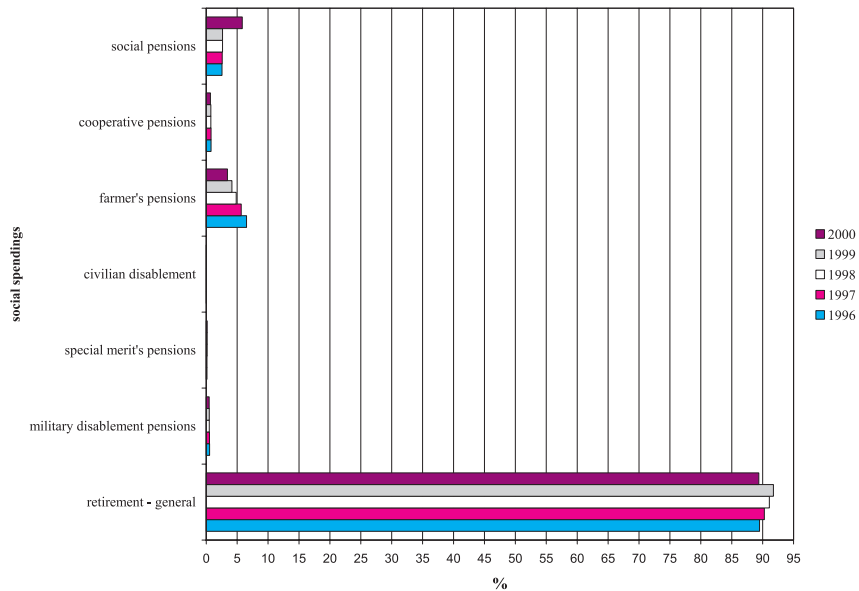
Social assistance is means-tested and comprises a monthly cash benefit as well as a range of in-kind benefits (free goods or services, access to the care system, etc.), occasional or emergency cash assistance. Eligibility is determined on the basis of the Guaranteed Minimum Income (GMI), adjusted to the household size and the situation of household members. Currently, the GMI is set at 40 BGN (21 EUR). Only the unemployed who have been registered for six months at the labour office can apply for general social assistance. In addition, they are obliged to participate for at least five days a month in municipal temporary work programmes for activities of general public interest. Social assistance (in cash and in kind) is funded by the state and the municipal budget.



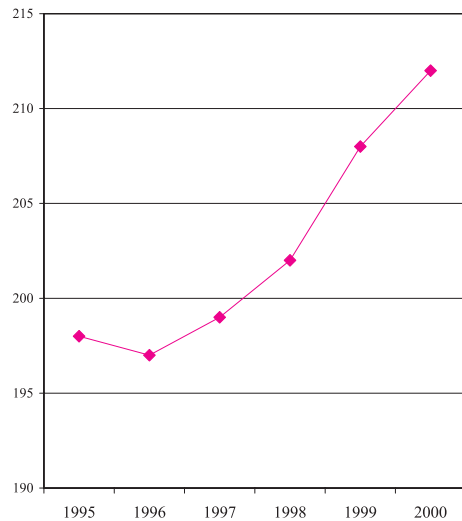
Social Assistance (SA) is provided to persons and families after performing a "social inquiry". People and families whose revenue for the previous month is lower than the specified differentiated minimum qualify for SA. The guaranteed minimum revenue is used as the basis for defining the differentiated minimum, which for different categories of vulnerable groups is multiplied by a different coefficient. For example, for a person living alone, the coefficient is 1.0; for a disabled person as well as for a child-orphan it is 1.2; for a single parent with one or more children below 16 - 1.2; for pregnant women (45 days before giving birth) - 1,2; for an old person over 65 living alone - 1.7; for an old person over 75 living alone - 2.0; for a single parent taking care of a child under 3 years old - 1,5 etc.

The unemployed who are not enrolled in special employment programmes are eligible for SA only if they do not withdraw from participation in programmes offered by municipal governments. This requirement does not apply for single parents, pregnant women, and parents with children under 3 years old.

Paid out grants and benefits

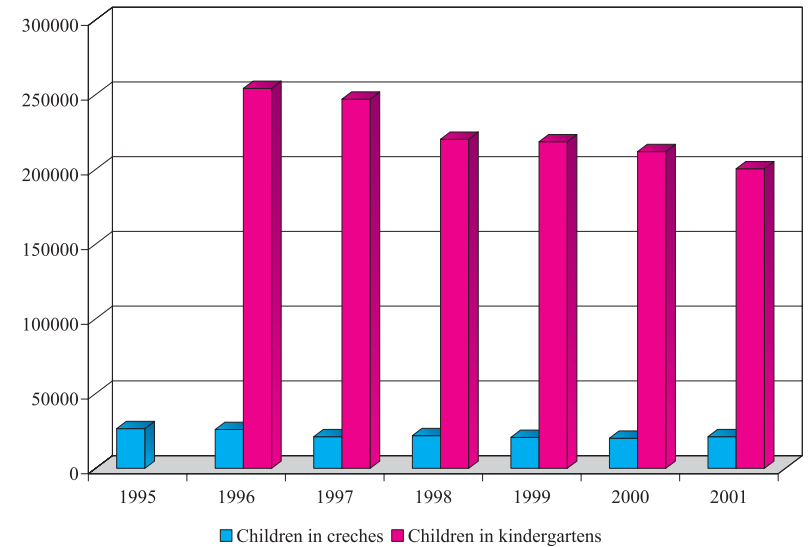


Social care and community care patronage establishments



Women are the major caretakers and as such, their access to employment is conditioned by the availability of childcare facilities and services for care of elderly and disabled people. The decrease in the number of places in kindergartens was first generated by the progressive decline of the birth rate on the one hand and by the drop of women's employment rate on the other.

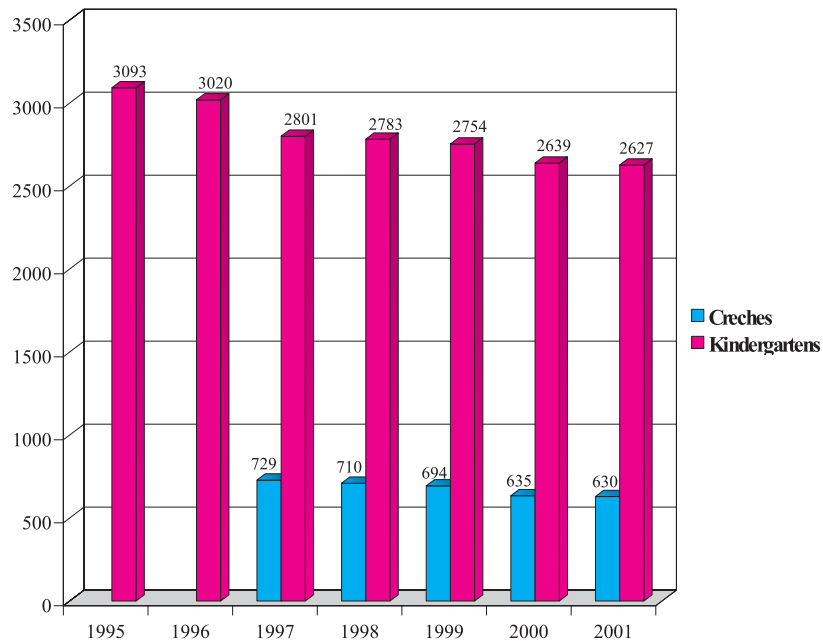
Children in creches and kindergartens



The lack of affordable services, lead to a lower activity rate among women. Typically, the grandmother takes care of her grandchildren, but, gradually, child care and baby-sitting evolve into paid work for both early-retired females (55-64 years) and for students seeking part-time jobs. Private child care services are gradually emerging, but they are expensive and unaffordable for those who are really in need of childcare. Official statistics shows a relatively small decrease in the number of kindergartens, which is in line with the decrease in the number of children enrolled, but there is no data on the number of children out of creches and kindergartens, who are reared at home by the family or through private services.

black ECRUE KEREMIDA

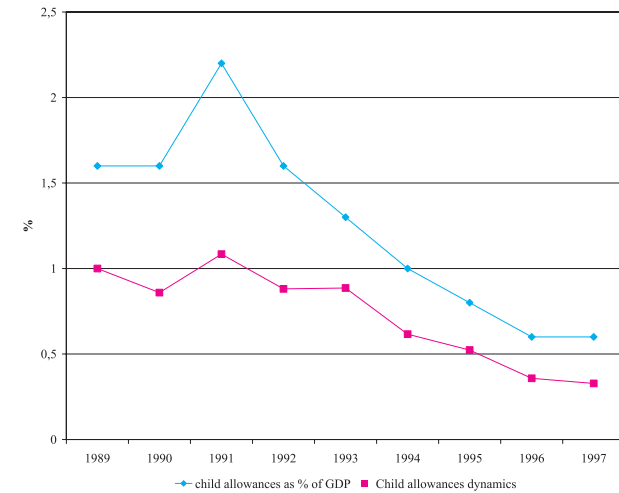
Creches and Kindergartens



### 3. SOCIAL SERVICES AND ACCESS TO THE LABOUR MARKET

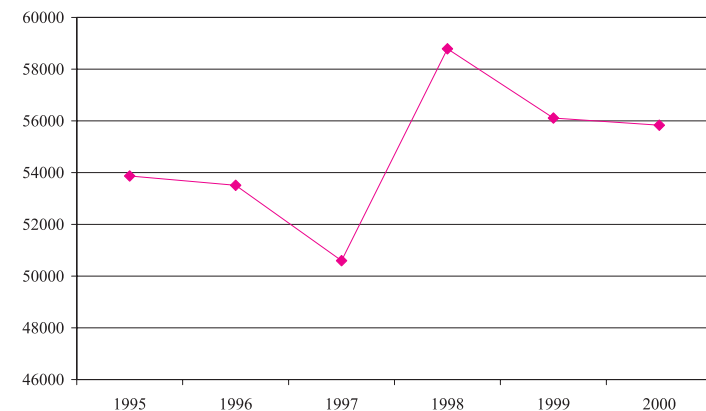
Working women typify a social standard for Bulgarian families. Having a paid job after more than 40 years of full employment is a part of the stereotype and life style of women. Even where their job is irrelevant to family income, most women continue to practice it as a means of social independence and as a source of social contacts, personal realisation and self-esteem. Further the receipt of child allowances depends on employment status - the relevant rights pertain only to working women or women registered as unemployed. The employment record also predetermines the right to unemployment benefits. The right to pension depends on the length of service.

Dynamics of child allowances (1989=100)



The Act on Family Allowances adopted in March 2002 repealed the former Birth Promotion Decree of 1968 and was aimed to target assistance more appropriately. However, the results so far have been the decreased number of families receiving family allowances, due to the extremely heavy and discouraging procedure of application, while the amount of money received per child did not increase substantially. Family allowance became more a kind of social assistance than a part of the social security scheme.

Places in social care





*M.I. is 36 years old. She has 3 children: 16-year old boy and 4 year old girls-twins. With her twin daughters she benefited from the long paid maternity leave (3 years for twins) but she started to look for a job much before the end of the three years as the payment for maternity was only 50 Euro per month. Although she applied well in advance for places in the nearby kindergarten, she had to wait almost 6 months to obtain the places in the state-run establishment. In the mean time, she found a baby-sitter at a very reasonable price: 50 Euro per month for 4 hours per day, three days per week, plus the fee of a monthly transport pass.*

*Once she got the places in the kindergarten, she thought that her salary could finally be allocated on something different than baby-sitting. She was wrong, however.*

*Based on her experience with her son, she expected that the fee for the kindergarten would cover not only the food, but also the small literacy lessons and some additional activities such as swimming, music lessons, etc. The fee for one child in the kindergarten is 40 levs (20 Euro) per month. There is a substantial reduction for twins. However, if you want your child go to the swimming pool, the fee per month increases by an additional 22 levs; if you want the child to attend language lessons, you pay another 20-30 levs; music adds an additional fee... For 2 children all fees are doubled, and no discounts apply for additional services. Former kindergarten teachers transformed into mere baby-sitters and all additional 'learning activities' are being covered by external services paid separately.*

*Moreover, since 2002 onwards, child allowances have become means-tested (a formal requirement by the WB and the IMF) and M.I. no longer qualifies for child benefits as the total family income slightly exceeds the fixed minimum, which is calculated on the basis of gross income. However, both spouses pay taxes on their individual income as the taxation system has no provisions for family taxation and child raising relieves. The final calculation is rather discouraging.*

*Nevertheless, she insists on working. Otherwise she will loose all her contacts and opportunities to get a job.*

*(Interview of BGRF - Testimony)*

#### 4. TAX-BENEFIT SYSTEM

Since the end of the 1990s, social contributions have been gradually cut, which should help address the important problem of people not paying taxes. Given the level of economic development, the tax wedge and the tax-burden on labour are high. This represents a major barrier for the creation of jobs, in particular for relatively low wages and a disincentive for the unemployed or inactive to take up such jobs. High social contributions and the tax-wedge encourage the development of employment in the informal sector. In regards to the area of social protection, some measures have been taken to further implement a three-pillar pension system - a combination of PAYG (Pay-as-You-Go) and two-funded pillars - universal/professional - mandatory and voluntary - funded.

In January 2002, amendments to the compulsory social security law increased the share of social security contributions to be paid by employees from 20% to 25%. The government's objective is to reduce the social contributions and progressively achieve a 50/50 split between the employers' and employees' share by 2007. Enforcing compliance with tax payment is clearly a pre-condition for reducing the tax burden in the medium-term.

The income tax system does not take into account the number of family members and their incomes, which means that a working parent would pay the same amount of taxes regardless of the employment status of the other parent and the number of children or elderly people leaving in the same household. This puts a heavy burden on families with only one working parent.

The benefit systems fail to cover major portions of the unemployed and the most disadvantaged in particular. In December 2001, only 15% of the unemployed received the maximum benefit, 20% had a benefit under the maximum but above the minimum wage, 17% had a benefit over the minimum but below the minimum wage and 47,2% had the minimum benefit (the minimum and maximum were set as a % of the minimum wage (85% and 140%)). The maximum duration of unemployment benefit is 12 months and corresponds to 25 years of service.

Since the last reform in the spring of 2002, the minimum and maximum amounts are no longer linked to the minimum wage but set annually on the basis of the Social Security Budget Act. The amounts fixed for 2002 represent

a decrease of 17,6% for the minimum benefit and of 7% for the maximum from their level at the end of 2001. The reform also abolished the additional non-means tested allowance for the long-term unemployed which was equivalent to 60% of the minimum wage and was granted for three months to those still unemployed 6 months after the expiration of their unemployment benefit. The most disadvantaged unemployed do not qualify for unemployment benefits.

So far no statistical gender-disaggregated data exists, which could be used for the assessment of the gender gap in social assistance and the social benefit system.

## 5. CONCLUSIONS AND RECOMMENDATIONS

Bulgaria should give priority to a review of its payroll taxes, including the tax-system for the self-employed. In order to further the Luxembourg employment process, the framework strategy should:

- Encourage a review of the tax benefit system, taking into consideration the need to reduce disincentives for women entering the labour market.
- Review the benefit systems and their interactions to increase the incentives for unemployed and inactive to search and take-up work.
- Increase awareness of EU legislation in the area of social issues and the case law amongst NGOs, social partners, labour inspectorates, and the legal professions.
- Support national awareness-raising campaigns that promote care as a task for both men and women.
- Conduct research and collect data on the gender dimension of health and safety at the workplace.
- Develop a national integrated strategy to promote social inclusion, taking into account the EU objectives.
- Improve and develop social statistics systems, disaggregated by gender, which will account for poverty and social exclusion in line with the EU commonly agreed indicators for social inclusion.

## CHAPTER IV.

# COUNTRY SPECIFIC ISSUE: THE CONTRADICTION BETWEEN THE RELATIVELY HIGH NUMBER OF WOMEN IN BULGARIAN PARLIAMENT AND THE LACK OF CONSOLIDATED INTEREST FOR THE PROTECTION OF WOMEN'S SOCIAL AND ECONOMIC RIGHTS

*"Equal treatment of men and women is not yet considered as a serious social problem in Bulgaria. Indicative is the fact that the attitudes of women on the issue are similar to those of men."*

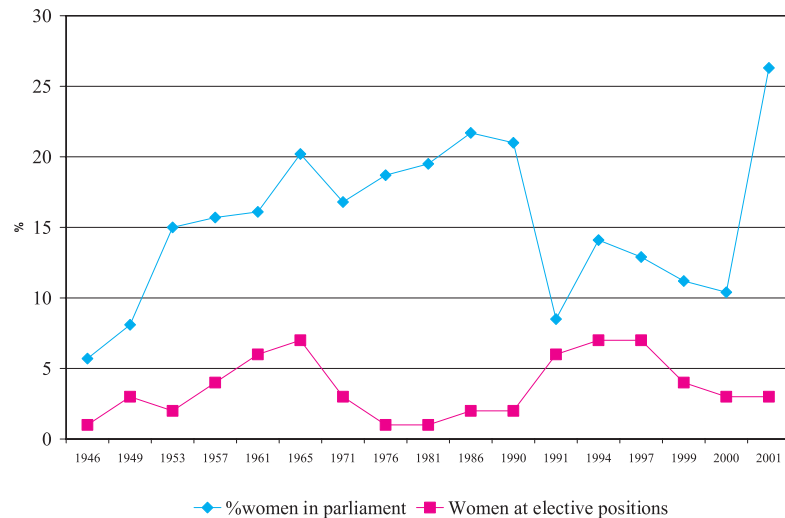
*Alpha Research Agency, "The public opinion 2002"*

## 1. INTRODUCTION □ THE HISTORICAL PRECEDENT

This topic is undoubtedly one of the hottest gender related issue, which is at the intersection of serious political, economic, and cultural challenges facing Bulgaria today.

The unprecedented high percentage of women MPs in the 39th National Assembly (NA) is the result of the pre-election strategy applied by a new political movement for the national elections in 2001. The Movement grouped around the former King Simeon the Second, was created just before the elections. It put women candidates at eligible positions and applied a 40% internal quota. As a consequence, 63 women were elected, constituting 26% of the MPs. Thus, Bulgaria ranks first among the other countries in accession in relation to the number of women in Parliament.

Dinamics of women's participation in Bulgarian Parliament



This extraordinary achievement was not due to a consistent state policy or party strategy, but to an *ad hoc* tool, which brought something new and "exotic" into politics to serve immediate political goals. This was also due to the overall disillusionment and disappointment of the people from the restrictive economic policy of the former government, which led to the impoverishment of a considerable part of society. As a matter of fact, along with other strategies, the *ad hoc* tool helped the Movement to accede to power. After becoming the leading political force, it developed further and became a party. Furthermore, different fractions were created. Unfortunately, this inspiring success failed to meet the expectations of the public, and especially those of women. Gender equality remained a dream with a European flavour during the first two years of the mandate of the 39th National Assembly.

What are the reasons for this? Two of the main obstacles for gender equality in Bulgaria are: first, the concept that gender equality is something already achieved in Bulgaria and second, the importance given to *de jure* equality versus *de facto* equality. In addition to that, the negative stereotypes concerning the roles of women and men in society subsist in this ideological frame, and women in power reinforce these stereotypes as well themselves reinforce them.

The specific political decision for the application of the internal quota was influenced and conditioned by the activities and the pressure of women's

NGOs at that time, in terms of research, education, campaigning and lobbying for changes, including the electoral legislation. The influence of the EU accession process and the related concept for equal treatment of men and women was also one of the factors which played a part for the adoption of the informal quota by the "National Movement Simeon the Second" (NMSS).

**Therefore, the concern for gender equality in Bulgaria has never been the driving force for the increased participation of women in Parliament.** The present situation proved to be accidental and there is a risk that it will remain an isolated precedent, if not complemented by strengthening the role of women MPs and by taking measures for keeping and enhancing their participation through affirmative action, openly practiced by the parties and/or provided for in the legislation.

The existing gap between the high number of women in Parliament and the quality of the decisions taken in the field of gender equality in the period June, 2001- March 2003 is obvious, especially with regard to women in the labour market. Without the strengthening of the role of women in Parliament, their high number will be compromised and the society will not witness this phenomenon of "breaking the glass ceiling" for a long time.

The role of NGOs has to be outlined as well, as they are the major actors in the attempts to maintain high profiles of women in the parliament.

## 2. GENDER INSENSITIVE WOMEN IN POWER □ A TREND ANTICIPATED BY THE RESEARCHERS

Despite the fact that the unprecedented ratio of women is a challenge for women themselves and needs some time to be transformed into action, women MPs in the 39th NA failed to consolidate their power and to use it to the advantage of people, specifically Bulgarian women. Women in Parliament did not manage so far to capture the concerns and tensions in society, especially related to women's social and economic rights.

Unfortunately, although not identified by women's NGOs in the very beginning, this gap was anticipated by research agencies in Bulgaria in 2002. The findings of the National Centre for Study of the Public Opinion (NCSPPO), the Institute for Regional and International Studies (IRIS) and the Alpha Research Agency (ARA), in relation to a project of the Bulgarian Gender Research

Foundation, were in this direction. Generally speaking, the legislative activity of the Parliament pays insignificant attention to issues related to gender equality.

Indicative is the political science survey of IRIS (March 2002), which focused on identifying problems, perspectives and strategies for lobbying for gender issues in the Bulgarian Parliament. The research focused on:

- The estimated impact on gender equality of the higher percentage of women parliamentarians;
- Women parliamentarians and their performance in the Committees of the National Assembly.

Some of the conclusions were:

1. Women in Parliament are not conscious of the power they represent; they have not consolidated around common ideas and interests; women in parliament represent different political and economic interests.

2. Most women are members of committees focusing on social, educational or cultural issues. They are underrepresented in the committees for budgetary, financial, environmental or economic policy. The reasons for this are traditional stereotypes.

3. Women are not active in presenting draft laws and in supporting laws and amendments related to gender issues.

It is very important to break these stereotypes for the successful political role of women in Parliament. It will be one of the conditions not only for the adoption of the European and international standards for women's rights, but also for these standards to become part of Bulgarian political life. Unfortunately, in this unfavourable context, the prognosis of the research agency for the adoption of specific gender legislation was not optimistic. And this proved to be true.

The survey of the NCSPO of October 2001 also shows that the parity in politics and gender equality legislation is not popular among the MPs (both women and men) and that the issues are rather seen as "imported" from abroad.

The results of the survey of ARA are also along these lines, but they are based on the attitudes of the representatives of local authorities and the administra-

tion of the Presidency. The main conclusion was that the adoption of special gender equality legislation would encounter serious obstacles within the current composition of the 39th National Assembly, irrespective of the increased participation of women.

### **3. ADDITIONAL CONSIDERATIONS FOR THE LACK OF GENDER AWARENESS**

In addition to all the identified reasons for the gap, there are some considerations related more specifically to the situation of women in the labour market.

Obviously, most of the women in Parliament represent the economic and political interests of circles dominated by men. Due to this fact, those women are often estranged from the socially defined picture of women-related issues; they cannot understand discrimination and exploitation in the labour market. Unfortunately, the links with women from their constituencies are still weak and it is hard for them to understand their problems. Furthermore, since they are already elected and in some way "selected", they are not necessarily sensitive to women's causes; they identify themselves with the "more successful" part of society and thus, they fall into the trap of the "equality achieved" belief.

About 1/3 of the women MPs from the NMSS are very young with no political experience, but also with no experience and knowledge of the social and economic situation in the country. Furthermore, part of the people that Simeon the Second brought to power are young professionals who came from abroad with no experience at the national level. It cannot be expected that such people would know and be interested in the burning social problems of Bulgarian women.

The attitude of the opposition is also interesting. It consists of the former ruling Union of Democratic Forces (UDF) and the Coalition "For Bulgaria", made up of mostly the Bulgarian Socialist party (BSP). Although the UDF promoted the Draft Law on Equal Opportunities of Women and Men in the 39th National Assembly, until very recently, women from this group also demonstrated a lack of interest in women's issues. They failed to recognise women's concerns and two years back they were still unable to initiate and promote any piece of gender legislation. Now they claim to be more open to women's voices, but they are unable to consolidate women parliamentarians from the

other party groups around these interests.

Furthermore, as women themselves in parliament are not convinced of the need for a gender approach and for gender legislation, they cannot lobby successfully their male colleagues for women's causes.

#### 4. THE RESULTS □ OPPORTUNITIES MISSED BY WOMEN IN THE BULGARIAN PARLIAMENT

##### 4.1. *The main opportunity missed by women in parliament was the voting down of the Draft law on Equal Opportunities of Women and Men.*

The draft was introduced in the Parliament by the former ruling political force - the UDF - and it was mainly for this reason that the majority rejected it. The high number of women in the NMSS could not prevent the failure.

The law was rejected after having been approved by four parliamentary committees. Only the representatives of the UDF and part of the Coalition dominated by the Socialist Party voted **in favour** of the act on April 3, 2002. Thus, women from the ruling political force missed the chance to promote the protection of Bulgarian women and men from gender discrimination.

In order to understand the lost momentum, it is worth mentioning that one of the main themes of the draft was gender equality in the labour market and employment relations. The draft was strongly based on gender research data and statistics and on the EU *acquis* on equal treatment of men and women. A detailed chapter was dedicated to the elimination of sex discrimination in access to work and working conditions, thus creating guarantees and specific mechanisms for protection of women's rights in the labour market.

The main strong points of the law were:

- the establishment of a national institutional mechanism on gender equality (based in the Ministry of Labour and Social Policy), as well as a consultative body to this mechanism;
- the prohibition of both direct and indirect discrimination based on sex;
- the possibility to introduce affirmative action;
- the guarantee for protection of the right of access to work and to just working conditions for women and men, and more specifically, the right to equal pay;

- the guarantee for equal treatment in the field of education, professional training and retraining;
- the explicit protection against sexual harassment;
- the explicit protection against victimisation;
- the shift of the burden of proof in cases of discrimination based on sex in the field of employment relations.

In addition to that, the institution of an ombudsperson for equal opportunities was established, as well as an effective system of both administrative and judicial protection in cases of discrimination based on sex.

**By rejecting the draft, the women MPs from the majority also missed the chance to ensure a 40% gender quota for decision-making administration. They missed the opportunity to introduce a new approach in education: fight against gender stereotypes in society and promoting the protection against discrimination in the media and in commercials. All these new provisions would benefit all women, women in power included.**

The justification for rejecting this unique draft was that a general anti-discrimination act would be elaborated and would include the best provisions of the gender equality act. In fact, such an act was prepared in a hurry, as an attempt to satisfy all the requirements of the *acquis communautaire* in the field of anti-discrimination. The result was a lengthy draft, with a complex structure and a very powerful Commission against discrimination. It provoked a lot of discussion and was blocked on its way to the first reading. This situation of uncertainty and lack of general and special anti-discrimination legislation has been pending for more than 1 year since 2002.

Women in Parliament showed lack of collective consciousness and women's solidarity, combined with no clear view and vision about the future of gender relations and their regulation in Bulgaria.

The failure of women MPs to respond to the need for legislation and policy on gender issues reflects their inability to fully understand socio-economic issues in Bulgaria during the transition, as gender problems need to be situated and properly tackled in the current socio-economic context.

Meanwhile, with less women in their parliaments, Romania and Bosnia and Herzegovina managed to pass their laws on equal opportunities for women and men, respectively in May 2002 and March 2003.

Women in National Parliaments  
(Source: IPU □ as of 1 March 2003)

Rank	Country	Elections	Seats	Women	% of Women
1	Sweden	09.2002	349	158	45.3
2	Denmark	11.2001	179	68	38
3	Netherlands	01.2003	150	55	36.7
4	Finland	03.1999	200	73	36.5
5	Norway	09.2001	165	60	36.4
6	Costa Rica	02.2002	57	20	35.1
7	Iceland	05.1999	63	22	34.5
8	Austria	11.2002	183	62	33.9
9	Germany	09.2002	603	194	32.2
<b>19</b>	<b>Bulgaria</b>	<b>06.2001</b>	<b>240</b>	<b>63</b>	<b>26.2</b>
25	Belgium	06.1999	150	35	23.3
33	Latvia	10.2002	100	21	21
<b>38</b>	<b>Poland</b>	<b>09.2001</b>	<b>460</b>	<b>93</b>	<b>20.2</b>
<b>53</b>	<b>Czech Republic</b>	<b>05.2002</b>	<b>200</b>	<b>34</b>	<b>17</b>
54	Bosnia and Herzegovina	10.2002	42	7	16.7
65	France	06.2002	574	70	12.2
73	Romania	11.2000	345	37	10.7
<b>81</b>	<b>Hungary</b>	<b>04.2002</b>	<b>386</b>	<b>38</b>	<b>9.8</b>
90	Greece	04.2000	300	26	8.7

The attitudes towards the law on equal opportunities are reflected in the above-mentioned study of the Alpha Research Agency (ARA- May 2002). A clear distinction between the attitude at local and at national level is made, as well as distinction between the views of civil society and the political parties.

- Despite the fact that no law has been passed in Parliament, the idea of passing a law to regulate all these relations has the greatest potential for local support;
- NGOs and the civil society outline the necessity for legal regulation, whereas the support of political parties is defined in overly vague terms;
- As far as women are concerned, those who participate in the government and in the leadership of political parties at different levels barely show familiarity and commitment to the topics connected with gender equality;
- Some risk exists in isolating these problems and handing them over to NGOs, as a way of avoiding the most "painful" problems of society. The majority of participants in the survey were against the debate on gender equality "in bulk". They would not regard it as *"a social problem"*.

#### 4.2. *Overlooking the issue of the institutional mechanism for gender equality*

This is another omission of women in the Bulgarian parliament. When the draft law was rejected, the solution of the general anti-discrimination law was brandished, without taking into account one important fact that this new draft did not envision the special institution for gender equality. In the draft law on equal opportunities, the Ministry of Labour and Social policy had a central role in this mechanism. Such an institution would have been closely related with the policies and programmes for gender equality in the labour market. Since 2002, and namely under Directive 2002/73/, the establishment of such a structure is a clear requirement of the EU. It is also the only way for each state to design and conduct a consistent gender policy.

The reluctance to establish any gender equality institution in Bulgaria is an alerting trend. It clearly isolates Bulgaria from the other countries in accession and in South Eastern Europe.



#### 4.3. *The non-existence of a parliamentary committee or a sub-committee on gender issues*

Under these conditions, ***the non-existence of a parliamentary committee or a sub-committee on gender issues*** is a weakness of the current parliament and women parliamentarians.

In 2001, the Bulgarian Gender Research Foundation, following the example and existing practice of many European states, set itself the ambitious task to work towards the formation of a National Assembly committee or sub-committee for equal opportunities. It was aimed at changing existing stereotypes and models of behaviour in accordance with equal rights and opportunities for women and men, developing the legal guarantee of equal opportunities. Favourable conditions for success at that time included:

- The EU negotiation process on Chapter 13, concerning social policy and employment with reference to European legislation on equal treatment of women and men;
- The election of an unprecedented number of women in Parliament;
- The Draft law on equal opportunities for women and men was in the Parliament;
- Sociological surveys conducted in 2000 and 2001 showing a number of examples of direct and indirect discrimination mainly against women;
- The provisions of major international documents signed and ratified by Bulgaria and adopted as part of its national legislation with reference to the elimination of discrimination against women, such as CEDAW;
- The meaningful presence in the public domain of active NGOs working on gender equality.

The BGRF launched the idea in 2001, relying on women in Parliament. Four major events in the format of parliamentarian conferences were organised with the participation of foreign lecturers from EU countries, accession countries, from the EU Parliament, as well as from the European Women's Lobby. They all spoke about the necessity for gender equality mechanisms and institutions. The need for a special committee in the parliament was discussed as well.

The information and materials disseminated, as well as the large number of women MPs attending the different meetings, made a good basis for further considerations and decisions about the creation of such a structure. No decision has been taken so far, but there are on-going discussions.

The creation of a committee on gender equality is now crucial for the situation in Bulgaria - where formally there is potential in terms of numbers, but the quality of the decisions is still lacking. The committee should develop special knowledge and awareness, and create opportunities for passing gender-sensitive legislation, especially in the field of labour and social issues. Women parliamentarians should take advantage of the support offered by the NGOs and should not miss this unique chance a second time.

Women's NGOs made a lot of efforts to implement worthwhile projects for the benefit of women and tried to bring these issues high on the political agenda. They also proposed enough support to women parliamentarians. However, NGOs can just propose models for solutions, but cannot implement the solutions themselves.

The latest developments give more hope for better results of this cooperation in the near future.

## 5. LATEST DEVELOPMENTS □ A LIGHT IN THE TUNNEL?

5.1. Since spring 2003, the society has been witnessing renewed interest in the issue of a special committee and an independent woman MP from the 39th National Assembly decided to officially propose the creation of a committee on gender issues. This is progressively gaining support, especially among men MPs and among the different political groups. The idea received support from women's NGOs. Its realisation would bring Bulgaria closer to EU standards - the practice of such committees has played an important role in many European countries.

5.2. The amended draft act on anti-discrimination contains a provision for the establishment of an anti-discrimination commission as a separate independent body, with competence also in the field of gender discrimination. The main competence of the commission will consist of investigating and punishing discrimination cases, including labour and social rights. If such a body is finally set up under this new law, one of the requirements of the new Directive 2002/73 will be fulfilled.

5.3. Renewed interest is shown for an amended version of the Draft Act on Equal Opportunities, initially rejected in 2002 as mentioned above. The Union of Democratic Forces (UDF) is looking for the support of other poli-

tical forces in the Parliament to introduce this draft again and pass it in the near future. A simplified version of a mechanism for equal opportunities is being sought at the highest possible level - the draft provides for a Council on Equal opportunities at the Council of Ministers. This consultative body will help the latter in the co-ordination of the policy on gender equality in Bulgaria. This new legal initiative has the support of women's NGOs.

5.4. In February 2003, a new consultative body was established at the level of the Ministry of Labour and Social Policy. It is a gathering point of non-governmental and governmental gender equality actors, created to consult the Ministry on policies and strategies of employment, aiming towards the elaboration of a National Action Plan on Gender Equality, based on the commitments made to the Beijing Platform for Action. The new consultative body is a part of the National Council for employment promotion (NCEP) in the Ministry of Labour and Social Policy. The vice-minister of labour and social policy is the Chair of the NCEP, and respectively, of the Consultative Committee on Equal Opportunities. Women's NGOs and women experts are the most active participants in this new and promising instrument.

The suggestions made in the framework of this body can positively influence the work of women in Parliament.

## 6. MAIN POINTS FOR INTERVENTION

- The lack of political will of women parliamentarians to make out of gender equality one of the priorities of the democratic transition was obvious during the first two years of their mandate. Despite that, the latest developments are encouraging and should be further supported.
- Increased pressure is needed from the EU institutions during the negotiation process for gender equality legislation along with a mechanism for gender equality as an integral part of this process. With regard to the new developments described above, the support of the EU and the international institutions is essential. The establishment of a gender equality committee in parliament, the establishment of anti-discrimination bodies on equal opportunities of men and women, and the adoption of the new equal opportunities act should be encouraged.

- Women in parliament need increased support from women's NGOs for carrying out initiatives and tasks related to gender equality. More visibility and recognition will benefit their work.
- Coordinated efforts are needed among research bodies and women's NGOs to raise the gender awareness of women in decision-making positions.
- Last, but not least, the support of the activities of NGOs which make gender issues visible and manage to bring them to the attention and on the agenda of the Parliament, is highly recommended. Women's NGOs stay behind all the initiatives mentioned above and make continuous efforts to transform them into reality. Research, education, information and awareness raising, counselling services and legal assistance, should be encouraged, especially in cases of gender discrimination. This activity will bring new issues to the forefront and elaborate on the existing gender issues, inspiring women in Parliament in new initiatives.

## FINAL CONCLUSIONS AND RECOMMENDATIONS

The *Gender Assessment of the Impact of EU Accession on the Status of Women in the Labour Market in Bulgaria* presented an unique opportunity to observe through a gender lens the trends and processes associated with the EU accession, and how women and men were affected differently. As a result of the detailed analysis of the existing statistical data both from national and international sources, from previous researches and from the findings of the reports both of the Bulgarian government and the European Commission, some major conclusions and recommendations have been formulated.

Although the Bulgarian Constitution and the Labour Code provide for non-discrimination in employment on the ground of sex, existing statistics show substantial differences in the participation of women and men in different economic sectors, where women are clearly disadvantaged, hired mainly in low paid sectors or positions. The accession to the EU and the obligation of the country to adopt the *acquis communautaire* in the field of equal opportunities are perceived as good chances for substantial change.

Therefore, the Equal Opportunity legislation should be adopted immediately. The Labor Code should be further developed to include a provision allowing for affirmative action or special temporary measures to promote equal treatment in employment, especially for disadvantaged groups as single mothers, women after maternity leave, and women over 40. The option of part-time work should be encouraged in order to increase the participation of women in the labour force. The access of women to high technologies and specifically to ICTs should be facilitated by increasing and encouraging the participation of women in relevant education and training.

Although the latest amendments of the Labour Code include equal remuneration of women and men for work of equal value, the explicit criteria for the assessment of the equality of work are still missing and the comparison could not have a solid basis. Therefore, a system of reliable criteria needs to be

developed, and which reflects the difference in women and men's employment, their participation in different economic sectors, which contains appropriate gender pay indicators. These indicators should be thoroughly monitored and supported by detailed statistical data. Hence, the National Statistical Office should start compiling gender disaggregated data in all fields of human development and specifically in the field of wage formation and wage levels.

Girls and boys in Bulgaria enjoy equal rights and access to higher education. The equality in the access is kept by a 50% gender quota in State education institutions. The practice shows that the gender quota in education is rather an affirmative action for boys in order to keep the gender balance in education institutions. However, the opportunities of girls and boys completing their higher education are not equal, but there is no gender quota in the process of hiring. Therefore the gender balance should be further maintained by encouraging girls to enroll in education traditionally reserved for boys. Such affirmative action would counter the enlargement of the digital divide. Gender balance in the process of hiring should be encouraged in order to ultimately stop the feminization of poverty.

The social services deteriorated substantially in the last decade and this fact decreased the opportunities of women to take regular full-time employment positions. The lack of adequate child care and elderly care facilities led on the one hand to withdrawal of women from the labour force and on the other to the alarmingly low birth rate and natural growth of the population. Following the decrease of paid maternity leave, and of child allowances and family benefits both as a percentage and as an absolute value, the country shows a clear backlash. The low family benefits for raising a small child are completely demotivating for men willing to take parental leave and hence, the equality in using the parental leave is far from being achieved.

Therefore, the State should revise the decision concerning the means-tested family and child allowances, taking into account the experiences of other accession countries from the first accession wave. The State should also introduce some changes in income tax to take into account the number of family members depending on one working person. In view of the later age of retirement for women and their longer life expectancy, there is a need for programs for support and job-creation for women over 55 in order for them to maintain a decent level of life and avoid extreme poverty or joining the informal market.

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