

## Promoting Decent Work and Social Justice in Bulgaria

International Labour Office

This feature article is the executive summary of the recently published background paper entitled "[Promoting Decent Work and Social Justice in Bulgaria An ILO Contribution to the Economic and Social Policy Debate](#)" based on contributions from a number of ILO officials including: Alena Nesporova, Sandrine Cazes, Kenichi Hirose, Natalia Popova, Carolin Vollmann and Robert Kyloh. The paper also draws on background material provided by Michael Landesmann and Vladimir Gligorov from the Vienna Institute for International Economic Studies.



In the past Bulgaria has had a relatively sound reputation for social dialogue. However national trade union centres and the majority of employers' organisations complain that the environment for social dialogue deteriorated after the onset of the global economic crisis when several tripartite agreements were not fully implemented. This is unfortunate because Bulgaria will require greater consensus and tripartite commitment to an agreed economic and social agenda if the country is to forge a strong, sustained and balanced economic recovery.

The economic challenges confronting Bulgaria are substantial. Economic recovery slowed significantly in mid to late 2011 and real GDP remains roughly 3 % below the pre-recession peak. Moreover, the deterioration in labour market conditions since the recession is among the worst in the EU-27. Despite having a very flexible labour market, Bulgaria has experienced a very large and disproportionate decline in employment compared to the change in output over the same period. In fact in the third quarter of 2011 total employment was still some 11.5% below the pre-recession peak.

In the period prior to the recession Bulgaria had relatively rapid economic and employment growth thanks largely to capital inflows into the non-traded goods sector, causing "bubbles" in some sectors such as construction. However this growth model could not be sustained after the onset of the global economic crisis and in any case it had not result in a substantial improvement in decent work.

Given the global economic conditions that currently prevail a return to the pre-crisis growth model is unrealistic and would be socially undesirable. Achieving economic growth rates that are compatible with acceptable employment levels and decent work in the circumstances that are likely to prevail in 2012 and beyond will therefore require alternative drivers of growth to those relied upon in the pre-crisis period plus institutions



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and policies that will share the benefits of growth more equitably. Unfortunately the outlook for exports, domestic consumption and investment are all bleak.

In these circumstances it would be appropriate to focus tripartite discussions on the scope for some limited fiscal stimulus and the most appropriate targets for any such increase in public expenditure. Possibilities include: additional physical infrastructure that would facilitate increased private investment in high value added export industries; restoring government expenditure on Active Labour Market Policies to the levels that prevailed in 2004-2005; stimulating income led growth through further adjustments to the minimum wage and social transfers which remain extremely low by the standards of other EU countries; and, providing additional support to private investors, particularly small and medium sized enterprises, who are constrained by high real interest rates and limited access to credit.

## **Further resources**

### ILO Publications

- ILO. 2012. [\*Global employment trends 2012: Preventing a deeper jobs crisis\* \(pdf 1.87 MB\)](#) (Geneva).
  - [Résumé analytique](#) (pdf 109 KB) • [Resumen ejecutivo](#) (pdf 100 KB)
- ILO. 2012. [\*The Impact of the crisis on wages in South-East Europe\* \(pdf 1890 KB\)](#) (Geneva).
- ILO. 2011. [\*The global crisis: causes, responses and challenges\* \(pdf 3.33 MB\)](#) (Geneva).
- ILO. 2011. [\*Global employment trends 2011: the challenge of a jobs recovery\* \(pdf 2.27 MB\)](#) (Geneva).
- ILO. 2011. [\*Building a sustainable job-rich recovery\* \(pdf 2.76 MB\)](#) (Geneva).
- ILO 2011. [\*Global Jobs Pact country scan : Bulgaria\* \(pdf 1012 KB\)](#) (Geneva).
  - [Français](#) (pdf 1.09 MB) • [Español](#) (pdf 1.22 MB)
- ILO 2011. [\*Policy options to support young workers during economic recovery\* \(pdf 656 KB\)](#) (Geneva).
  - [Français](#) (pdf 748 KB) • [Español](#) (pdf 690 KB)
- ILO. 2010. [\*Employment and social protection policies from crisis to recovery and beyond: a review of experience, an ILO report to the G20 Labour and Employment Ministers Meeting, Washington, DC, 20–21 April 2010\* \(pdf 819 KB\)](#) (Geneva)
- ILO. 2010. [\*Global employment trends for youth : August 2010\* \(pdf 3.22 MB\)](#) (Geneva).
- ILO. 2009. [\*Labour market policies in times of crisis\* \(pdf 699 KB\)](#) (Geneva).
- ILO. 2009. [\*A common economic crisis but contradictory responses : the European experience 2008-09\* \(pdf 276.58 KB\)](#) (Geneva).
- ILO. 2009. [\*Recovering from the crisis : a global jobs pact\*](#) (pdf 93.22 KB) (Geneva)
  - [Français](#) (pdf 105.47 KB) • [Español](#) (pdf 107.50 KB)

### ILO Videos

- [Global Employment Trends 2012](#) - 
- [Facts and Figures on Global Employment - An Interview with ILO's Steven Kapsos](#) - 
- [The Employment Challenge in 2012 - An Interview with ILO's Ekkehard Ernst](#) - 

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## ILO Websites

- [Decent work](#)
- [Global Employment Trends](#)
- [Working conditions](#)
- [Employment promotion](#)
- [Economic and social development](#)
- [Global Job Crisis Observatory: Employment Promotion](#)