

## Strategic plan Bulgaria 2012

### 1. Introduction

In 2011, 7 FWF affiliates sourced from 15 factories in Bulgaria. The garment industry in Bulgaria mainly produces for export to companies in the EU. However, the export industry has been under a lot of pressure the past years by the financial crisis and competition from cheap labour in Asia. Unemployment is high, which poses a risk for workers, especially women, to agree to almost any kind of paid work, which brings them regular (even low) income.

As of 1<sup>st</sup> of May 2012 the national minimum wage was raised from 240 BGN (appr. 123 Euro) to 290 BGN (appr. 148 Euro). The minimum social security thresholds for workers in the garment industry have also been raised since January 2012 from 308 BGN (appr. 157 Euro) to 335 BGN (appr. 171 Euro). The cost of living per member of a family of four (as estimated by the Institute for Social and Trade Union Research) is 499 BGN as of April 2012.

The predominant parts of the apparel producing companies in Bulgaria are small and medium-sized enterprises with not more than 250 employees. In Sandanski there are over 100 family-owned factories (home-based 'garage firms' or small factories often with Greek owners and up to 20 workers). Most of the workers are not registered or change their registration, names and locality every third month in order not to pay taxes. Health and safety issues can be disturbing in the often old buildings with extremely low temperatures in the winter and high in the summer period.

Freedom of association is guaranteed by law and there are two main trade union confederations organising garment workers. At a national level there are industrial collective agreements for workers and employers from the garment industry. However sector wide collective bargaining is weak because the agreements are not binding and trust among workers in trade unions is in general low.

The verification efforts in 2012 will focus on factory audits with the local FWF audit teams and effective complaints handling. Main priorities for FWF to focus on in 2012 are wages and health and safety issues.

According to stakeholders, there is no discrimination of Roma population based on ethnic origin within the Bulgarian economy, but rather Roma workers suffer first from the downturn of the economy, due to their low educational level and lack of skills. However, there are Roma workers with good sewing and other skills employed in the garment factories in Sandanski.

### 2. Country study

To remain aware of recent trends in the Bulgarian garment industry, to support member companies in the process of code implementation, and to contribute to the dissemination of information that supports local stakeholders in their work, FWF will publish an update with the most recent developments in the Bulgarian garment industry based on stakeholder interviews and desk research.

*Deliverables*

- An updated country paper of Bulgaria based on key indicators on industrial relations and working conditions as well as stakeholder information and relevant regulation is published and shared with stakeholders (December 2012)
- New benchmarks are collected for FWFs wage ladder on Bulgaria (April-Dec 2012)

### **3. Audit training and audits**

FWF verifies the process of code implementation in production countries by among other things factory audits done by local audit teams.

#### **Deliverables**

- Auditors are updated on new FWF developments (Jan - Dec 2012).
- During 2012, 4 audits will be carried out in Bulgaria.

### **4. Complaints procedure**

FWF has a complaints procedure enabling workers or their representatives in garment factories supplying FWF member companies to make complaints about their working conditions and the way the code is implemented. FWF has a local complaints handler in Romania.

#### **Deliverables**

- The complaints handler is functioning well.
- During factory visits and audits, it is checked if the Code of Labour Practices is posted with the correct information (Jan - Dec 2012)

### **5. Stakeholder consultation and engagement**

Cooperation with stakeholders in production countries is aimed at improving labour conditions in the countries where production for affiliates takes place. FWF cooperates with stakeholders in production countries particularly for consultation on FWF policies and on local labour conditions. Thus, the stakeholders FWF works with are organisations that have a role in influencing or shaping the social dialogue in a production country. Stakeholders in production countries can provide policy advice to FWF. Advice can be solicited and unsolicited. FWF will consult the stakeholders in production countries on important issues within their field of competence.

FWF tries to find a workable and effective way to involve local partners in the work of FWF in Bulgaria.

#### **Deliverables**

- Stakeholder dialogue included in the updated country study.
- Input from local stakeholders is integrated into support/advice given to companies in the process of improving working conditions (Jan-December 2012)