



# Tackling undeclared work through trade unions and employers' organisations

Bulgaria




## Summary

Bulgarian trade unions and employer organisations tackle undeclared work through information campaigns, legal aid, analyses, surveys, and events. They also present policy makers with recommendations for the improvement of the legal base and for the introduction of countermeasures, including through the National Council for Tripartite Cooperation and the National Council for Promotion of Employment.

## Name(s) of authorities/bodies/ organisations involved

- ▶ Confederation of Labour Podkrepa (*Конфедерация на труда „Подкрепа“*);
- ▶ Bulgarian Industrial Association – BIA (*Българска стопанска камара – БСК*);
- ▶ Confederation of Independent Trade Unions of Bulgaria – CITUB (*Конфедерация на независимите синдикати в България - КНСБ*);
- ▶ Bulgarian Industrial Capital Association - BICA (*Асоциация на индустриалния капитал в България - АИКБ*);
- ▶ Bulgarian Chamber of Commerce and Industry – BCCI (*Българска търговско-промишлена палата - БТПП*);
- ▶ Union for Private Economic Enterprise – SSI (*Съюз за стопанска инициатива - ССИ*);
- ▶ Confederation of Employers and Industrialists of Bulgaria – CEIB (*Конфедерация на работодателите и индустриалците в България - КРИБ*);
- ▶ National Council for Tripartite Cooperation - NCTC at the Council of Ministers (*Национален съвет за тристранно сътрудничество – НСТС към Министерски съвет*);
- ▶ National Council for Promotion of Employment (NCPE) to the Ministry of Labour and Social Policy (*Национален съвет за насърчаване на заетостта (НСНЗ) към Министерство на труда и социалната политика*).


<b>Sectors</b>	All
<b>Target groups</b>	<ul style="list-style-type: none"> <li>▶ Policy makers (National Assembly, Council of Ministers, Ministry of Labour and Social Policy, etc.) (directly targeted);</li> <li>▶ Employed and unemployed persons (directly targeted);</li> <li>▶ Workers involved in undeclared work (directly targeted);</li> <li>▶ Companies/employers (directly targeted);</li> <li>▶ The general public and the media (indirectly targeted).</li> </ul>
<b>Purpose of measure</b>	Prevention

	<p><b>Aims and objectives</b></p> <p>Bulgarian trade unions and employer organisations contribute to the tackling of undeclared work through information campaigns, legal aid, analyses, surveys, and events while making recommendations to policy makers for improvements in legislation and countermeasures.</p>
<b>Background context</b>	<p>Most Bulgarian trade unions and employer organisations were registered after the 1989. The National Council for Tripartite Cooperation was created in 2001, followed by the National Council for Promotion of Employment in 2008. Both councils were set up in response to the need for employer and employee representative organisations to be involved in policy decisions. These decisions encompass a broad range of issues affecting the labour and the directly related relations, the insurance relations and the issues of the living standard.</p>
<b>Key objectives of the measure</b>	<p><b>General objective:</b></p> <ul style="list-style-type: none"> <li>▶ To raise awareness of the harm caused by undeclared work, propose policy solutions, and contribute to key legal changes.</li> </ul> <p><b>Specific objectives:</b></p> <ul style="list-style-type: none"> <li>▶ To negotiate on draft laws and secondary legislation related to labour relations, health and safety conditions, social and health insurance, etc.;</li> <li>▶ To monitor undeclared work manifestations and labour market dynamics;</li> <li>▶ To enable workers to report irregularities;</li> </ul>



	<ul style="list-style-type: none"> <li>▶ To facilitate the exchange of good practices with other countries.</li> </ul>
<p><b>Main activities</b></p>	<p>The Bulgarian trade unions and employer organisations carry out the following activities:</p> <ul style="list-style-type: none"> <li>▶ Support the tackling of undeclared work through information campaigns, legal aid, analyses, surveys, and events. For example: <ul style="list-style-type: none"> <li>- The Bulgarian Industrial Capital Association (BICA) coordinates the Economy of Light initiative (<a href="https://www.ikonomikanasvetlo.bg/">https://www.ikonomikanasvetlo.bg/</a>), including an index on the share of declared and undeclared work, the annual Economy of Light awards to persons and organisations, training, and legal consultations;</li> <li>- The Confederation of Independent Trade Unions of Bulgaria (CITUB) carried out the campaign “Grey Kills - Your Voice Against the Grey Economy” (<a href="http://www.sivotoubiva.bg/ in Bulgarian">http://www.sivotoubiva.bg/ in Bulgarian</a>) from February to November 2019 which informed workers about their rights, provided the possibility of reporting violations of worker and consumer rights, including undeclared work, and resulted in a set of policy recommendations;<sup>i</sup></li> <li>- In 2021 the Confederation of Labour Podkrepa informed workers of their labour rights, disseminating a leaflet by the General Labour Inspectorate aimed at tackling undeclared work;<sup>ii,iii</sup></li> <li>- The Bulgarian Chamber of Commerce and Industry (BCCI) coordinated the initiative, “Increasing public intolerance of the informal economy in labour and social security relations and preventive actions to curb it” (2009-2015), supported by the Confederation of Labour Podkrepa as its partner, which included surveys, training, information days, roundtables, consultations, gathering of good practices, and a helpdesk to report irregularities;</li> <li>- In 2015 the Confederation of Employers and Industrialists of Bulgaria (CEIB), jointly with CITUB, implemented the campaign “Business in the light for a better future!”;</li> <li>- The Bulgarian Industrial Association (BIA) advocates for maximum insurable income levels that motivate the declaration of the full wage as well as advocating for increasing pensions and social security benefits instead of sanctions against undeclared work;</li> </ul> </li> <li>▶ Present policymakers with recommendations for improvement in the legal base and the introduction of counter-measures;</li> </ul>

	<ul style="list-style-type: none"> <li>▶ Supports the EU and international initiatives.</li> </ul>
<p><b>Funding/organisational resources</b></p>	<p>The activities are not centrally coordinated and funded. Individual activities are funded by different sources on a project basis. For example:</p> <ul style="list-style-type: none"> <li>▶ The Economy of Light initiative was funded by the European Social Fund (ESF), Operational Programme “Human Resources Development”, at a cost of EUR 1 039 574. The ESF funded EUR 883 637.9 of this total while the National budget of the Republic of Bulgaria funded EUR 155 936.1;</li> <li>▶ The campaign “Grey Kills - Your Voice Against the Grey Economy” was part of the project "Active civic participation for prevention and reduction of undeclared work in Bulgaria" (2018-2019), Operational Programme “Good Governance”, EUR 41 349;</li> <li>▶ The initiative “Increasing public intolerance of the informal economy in labour and social security relations and preventive actions to curb it” (2009 - 2015) was funded by the ESF, Operational Programme “Human Resources”, at a cost of EUR 4 933 281.</li> </ul>

	<p><b>Outcomes</b></p> <p>Initiatives to tackle undeclared work carried out by employer and employee organisations in Bulgaria while limited in duration nevertheless reach significant numbers of experts, policy makers, and members of the general public. These organisations contribute to EU and international initiatives to help combat undeclared work. European funding is important to the success of these initiatives as well as the involvement of these organisations in the policy making process.</p>
<p><b>Achievement of objectives</b></p>	<ul style="list-style-type: none"> <li>▶ The information campaigns, legal aid, analyses, and events reach substantial numbers of experts, policy makers, and the general public. They generate ideas for new counter-measures and inform workers of their rights. However, project-based initiatives are usually limited in duration;</li> <li>▶ Bulgarian trade unions and employer organisations regularly provide valuable advice and opinions directly to the relevant public bodies through official letters or during the meetings of the National Council for Tripartite Cooperation, the National Council for Promotion of Employment, and working groups at the Ministry of Labour and Social Policy. The advice covers, for example:</li> </ul>

	<ul style="list-style-type: none"> <li>- Changes in the Labour Code, the Tax and Social Insurance Procedure Code (including the mechanisms for reporting and detecting undeclared incomes), minimum wage, social security payments, introduction of e-services for employers and employees to increase compliance with the law, collective bargaining, etc;</li> <li>- Harmonisation of Bulgarian legislation in line with the EU Posted Worker Directive (Directive 96/71/EC), Directive (EU) 2019/1152 on transparent and predictable working conditions; Directive (EU) 2022/2041 on adequate minimum wages in the European Union, and Directive 2023/970 on pay transparency, etc.;</li> <li>- Enhancement of the draft National Employment Action Plan 2024 before its adoption on 9 May 2024. The Plan highlights the role of social partners in tackling undeclared work.</li> </ul> <p>▶ They also support and take part in the activities of EU and international initiatives, for example:</p> <ul style="list-style-type: none"> <li>- The European Economic and Social Committee whose members include BICA, CITUB, CEIB, the Confederation of Labour Podkrepa, BIA, BCCI, as well as SSI as part of SME United;<sup>iv</sup></li> <li>- The European Trade Union Confederation whose members include the Confederation of Labour Podkrepa and CITUB which support the 2014 ETUC Resolution on Undeclared work;<sup>v</sup></li> <li>- Bulgarian trade unions and employer organisations also share information about #EU4FairWork on their websites.</li> </ul> <p>These activities are not formally evaluated.</p>
<p><b>Lessons learnt and success factors</b></p>	<ul style="list-style-type: none"> <li>▶ Crucial to the success of the practice is the political will for cooperation between government bodies and the social partners;</li> <li>▶ Another important success factor is taking into account the advice provided by employer and employee representative organisations during the drafting of laws, strategies, plans, and counter-measures;</li> <li>▶ Also key to the success of the practice is EU funding for the activities.</li> </ul>
<p><b>Transferability</b></p>	<p>All aspects of the practices are transferrable. The key steps include: establishing the legal base for social/tripartite dialogue;</p>



securing funding; regular meetings between government bodies and social partners; establishing good working relations with experts from other Member States for the exchange of good practice.

## Further information

### Useful sources and resources

Lex.bg (30 May 2001). Regulations on the Organisation and Activities of Tripartite Cooperation Councils. Available at: <https://lex.bg/bg/laws/ldoc/-12291072>

Ministry of Labour and Social Policy (2013-2024), National Employment Action Plans. Available at: <https://www.mlsp.government.bg/natsionalni-planove-za-deystvie-po-zaetostta>

Integrated State Administration Information System (2024), National Tripartite Social Council. Available at: [https://iisda.government.bg/ras/executive\\_power/council/220](https://iisda.government.bg/ras/executive_power/council/220)

Ministry of Labour and Social Policy (2009-2024), National Council for Promotion of Employment (NCPE). Available at: <https://www.mlsp.government.bg/natsionalen-svet-za-nasrchavane-na-zaetostta>

Ministry of Labour and Social Policy (2024), Social partnership (list of Bulgarian employers' organisations and trade unions).

Available at: <https://www.mlsp.government.bg/eng/sotsialno-partnorsvo>

<sup>i</sup> See <https://btvnovinite.bg/bulgaria/knsb-zapochva-nova-kampanija-sreshtu-sivata-ikonomika.html>

<sup>ii</sup> See <https://podkrepa.org/information-and-consultation/labour-code/employment-contracts/>

<sup>iii</sup> For the 2021 leaflet, see <rkovodstvo-rabota-na-trudov-dogovor-bg.pdf> (government.bg) (in Bulgarian)

<sup>iv</sup> See <https://memberspage.eesc.europa.eu/members?country=bg>

<sup>v</sup> See <https://etuc.org/en/national-trade-union-confederations-list-member-organisations>