

THE DECLINING POWER OF BULGARIAN TRADE UNIONS IN THE PROCESS OF GLOBALIZATION AND DEVELOPMENT OF INFORMATION SOCIETY*

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Abstract: *The goal of this report is to examine how the power of trade unions in Bulgaria has been declining over the past decades paralleled by similar European processes. Proof of this thesis includes indicators such as trade union density, coverage of collective bargaining, degree of centralization and decentralization of negotiation, etc.*

Data from the European Social Survey – fifth wave (2010) is analyzed to give an indication who and what the trade union members are and what are the factors that define the status of the workers as union members.

The biggest challenges for trade unions are to cope with various changes that occur in the nature, content, and organization of work, employment and division of labour, as well as changing working, economic, cultural and social relationships.

Keywords: *Bulgarian trade unions, union density, union member, declining power, ESS.*

1. INTRODUCTION

Industrial relations and social dialogue at the national level in Bulgaria have intensified after the political changes of 1989. An enhanced institutionalization of the labour market is observed in this period as well.

The major labour unions in Bulgaria are two:

- The Confederation of Independent Trade Unions in Bulgaria (CITUB), which since its establishment in 1990 has retained its position as the largest trade union organization in Bulgaria. CITUB was recognized as a representative trade union at a national level for the first time during the establishment of the Tripartite Cooperation Process, on 22 February 1993 by Decision of the Council of Ministers № 59. CITUB was recognized as a labour union uniting 1 663 821 workers from almost all the sectors and areas of employment in Bulgaria.
- Confederation of Labour “Podkrepa” (CL “Podkrepa”) was formed in February 1989. In its application for obtaining the status of a representative organization of employees at the beginning of 1993, CL “Podkrepa” declares over 500 000 members and was recognized as a representative organization by Decision of the Council of Ministers № 60 of 22 February 1993.

On one hand, most of the problems that trade unions in the country have are in result of their antagonism and competition with one another since the beginning of changes in Bulgaria in

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1989. On the other hand, they both are facing similar challenge of declining trade union density and difficulties to maintain their national representativeness.

Since the beginning of the century both trade unions have experienced fierce internal opposition to any change in the status quo. The reasons for this resistance can be traced back to their reluctance to share influence.

Both trade unions have well-established structures at all levels, enabling them to participate adequately in the social dialogue. However, they continue failing to attract enough new members, especially in new enterprises and industries which could give them a basis for broadening their impact. This happens despite the evident processes of reduction of traditional economic sectors and industries, decrease of number of employees and disappearance in practice of key enterprises and whole professions all together.

With the transformation of society in the direction of deindustrialization the role of the trade unions, as representatives of industrial labour, decreases. Therefore, they make great efforts to prevent the emergence of other trade unions in the socio-economic space, so no one could take away some of their members and influence. The tendency of decreasing number of trade union members is a problem not only in Bulgaria. To cope with this trend the Trade Unions have focused on unionization campaigns directed at the small and medium enterprises, workers in new forms of employment, have targeted young people and so on.

2. THE DECLINING POWER OF TRADE UNIONS

The power and influence of trade unions in Bulgaria has been declining in recent decades. As a proof of this thesis indicators such as coverage of collective bargaining, degree of centralization and decentralization of bargaining and trade union density can be considered.

Establishing and regulation of the relationship between employers and employees

The mechanism for regulation of relationships between employers and employees is implemented through a system of collective bargaining and contracts. The collective agreements are an integral part of the cooperation and interaction that is carried out in regulating the issues related to labour and employment, pay and working conditions, social security, living standards and other issue established with the Labour Code.

Some declare collective bargaining as a democratic method and procedure for settling the relationship between the representatives of labour and capital, as an essential prerequisite for maintaining social peace, to achieve the necessary national consensus on the priorities of economic and social development of the country. However, this is debatable, since the conditions agreed via collective bargaining are automatically extended to all union members, even if they don't meet the preconditions for complying with them. From there steam some problems and conflicts between employers themselves.

The total number of existing collective labour agreements (CLAs) in the country at the end of each year has been declining gradually since 2012. At the end of 2017 CLAs were 1 981, and they decreased with 11.6% compared to 2011. This overall decrease occurred mainly due to the decrease in the active CLAs at company level, which fell by 12.9% for the period. The actual

level of CLAs per sector also decreased in this period with 9.5%, while those at a municipal level increased with 7.1%. CLAs at company level are mainly signed in public sector enterprises (87.5%), while in the private sector they are 12.4% of all agreements in 2017. During the same year, about 70% of CLAs in the private sector were signed with local enterprises and 30% with foreign companies.

The duration of collective agreements is usually two years and the main topics covered are pay, working conditions, compensation for night work and work in dangerous conditions, organization of working time and annual leave, pension and health insurance, and others.

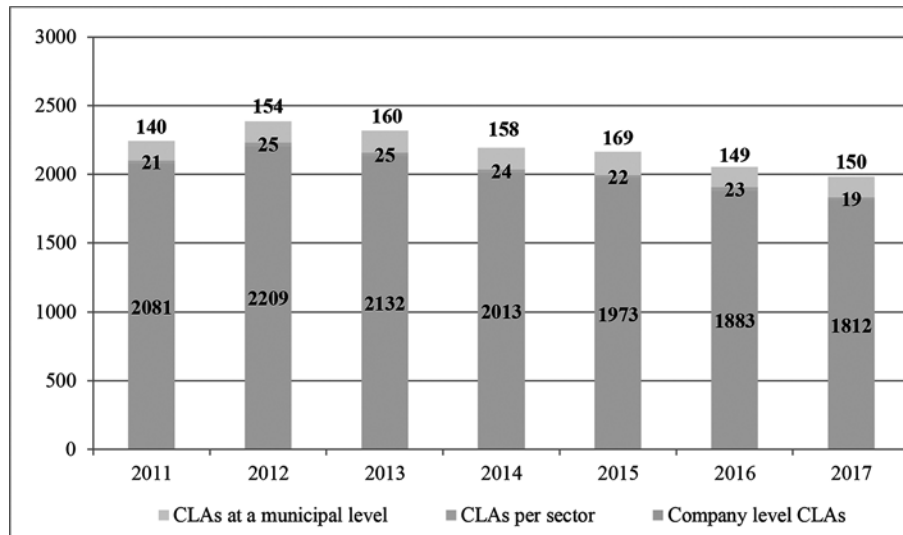


Figure 1. Active collective labour agreements (CLAs) by levels of negotiation as at 31 December of each year for the period 2011-2017.

Source: Database of CLAs and CLDs of National Institute for Conciliation and Arbitration (NICA).[1]

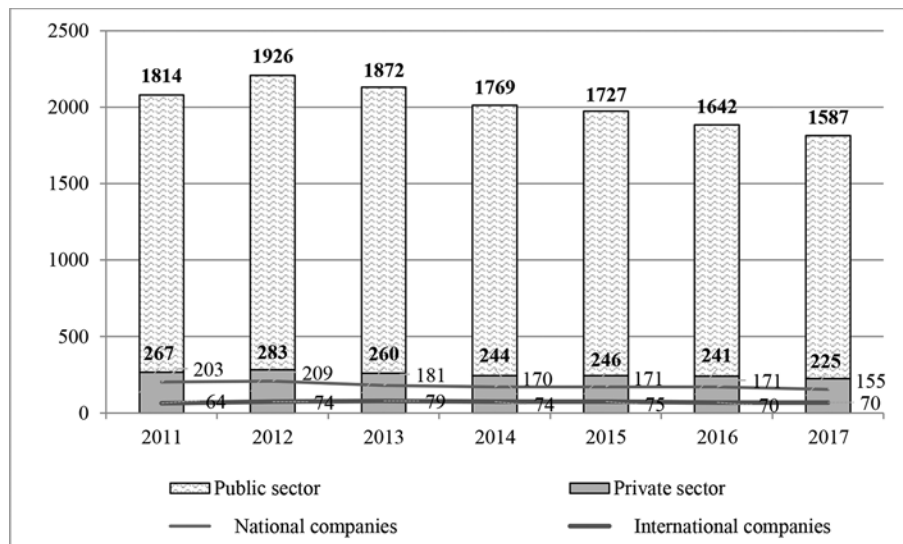


Figure 2. CLAs by type of company (numbers) as at 31 December of each year for the period 2011-2017.

Source: Database of CLAs and CLDs of National Institute for Conciliation and Arbitration (NICA).[1]

Coverage of CLAs

The data in table 1 shows that for the last five years, despite the declining number of active CLAs at a company level, the dynamics of the coverage of employees, for which the active CLAs are in force has fewer fluctuations. For the studied period, the highest figures were in 2012 when was the most significant number of active CLAs at the company level. Although the number of CLAs for the period has decreased by 11.7% in total, the number of employees in the companies has decreased by only 372 people. The relative share of employees, for whom the existing CLAs at a company level are in force, to the total number of all employed in the country for the period is between 13.1 and 14.8%. At the end of the period, it comes down to 13.2%.

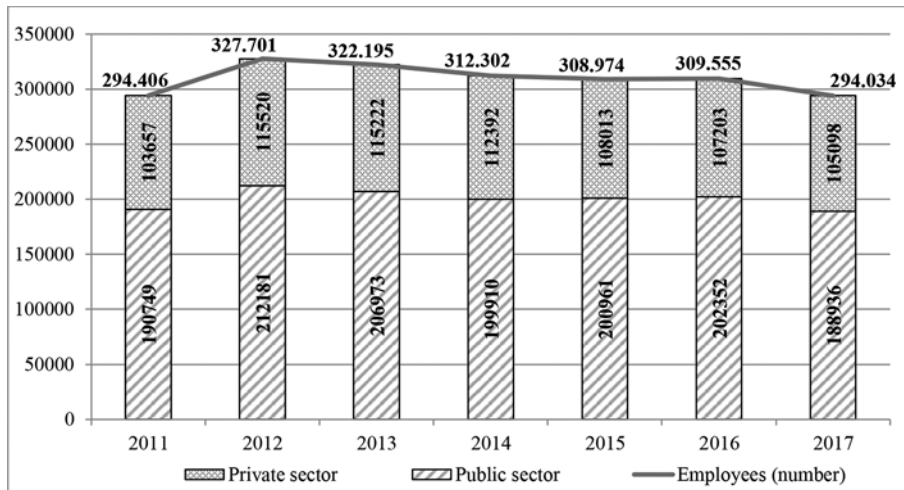
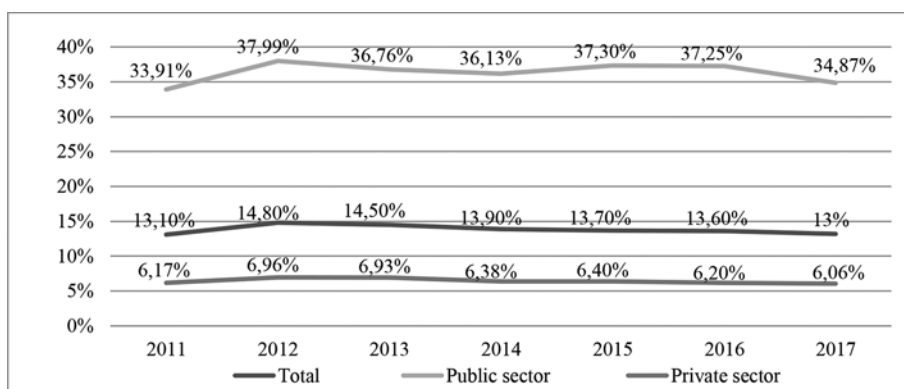


Figure 3. Employees, for whom the existing CLAs at a company level are in force.

Source: Database of CLAs and CLDs of NICA.[1]

Table 1. Share of employees, for whom CLAs at a company level is in force, compared to all employees in the country.

	2011	2012	2013	2014	2015	2016	2017
Total	13.1%	14.8%	14.5%	13.9%	13.7%	13.6%	13.2%
Public sector	33.91%	37.99%	36.76%	36.13%	37.30%	37.25%	34.87%
Private sector	6.17%	6.96%	6.93%	6.38%	6.40%	6.20%	6.06%



Source: Database of CLAs and CLDs of NICA.[1]

In fact, the number of employees with active CLAs is higher. The reason is that table 1 does not account for municipal employees and some of the small companies, which are covered under broader sectoral or industry-wide CLAs.

Trade union density

Trade union membership significantly decreased during the years of economic transitions in Bulgaria as a result of increased unemployment rate, privatization of big state enterprises, and negative attitude of private employers towards workers' unionization, combined with lower level of workers' trust in the institution of trade unions.

Changes in employment rate influenced level of trade union density over the years. When the employment rate is high, the relative share of trade union members is lower. When the number of employees decreases, the union density increases because the majority of workers dismissed are not trade union members.

Table 4. National trade union organizations. Trade union membership and trade union density.

	Number of members					
	1993	1998	2003	2008	2012	2016
Confederation of Independent Trade Unions in Bulgaria – CITUB	1 663 821	607 883	393 191	328 232	275 762	No data
Confederation of Labour „Podkrepa”	500 000	155 000	106 309	91 738	88 329	No data
Total employed in the country	2 266 984	2 119 120	2 079 932	2 466 852	2 218 718	2 277 345
Trade union density	95%	36%	24%	17%	16%	13.7%

Source: Ministry of Labour and Social Policy,
National Statistical Institute, European Industrial Relations Observatory.

Data of census of the criterion for representativeness in 2003, and at the end of 2007-the beginning of 2008. Data for 2012 is obtained from *Bulgaria: Industrial relations profile*, European Industrial Relations Observatory, available at http://www.eurofound.europa.eu/eiro/country/bulgaria_3.htm. Data for 2016 is obtained from World Labour Organization.

What are the main characteristics of trade union members?

The two trade union organizations in the country are frugal in terms of information, regarding their members as socio-demographic profile, characteristics of their labour and work organization, etc. Unfortunately, none of the state institutions in the country can provide such information as well.

Relevant information can only be acquired through empirical social and sociological research. Such a study is the European Social Study (ESS)². ESS gives some idea who are the members and what kind of workers are they; also, what are their social, demographic and labour characteristics.

When asked “Have you ever been a member of a trade union or a similar organization?” in 2010, 5% of all persons surveyed in Bulgaria replied that they were active members of a trade union in the period of the survey. 46.8% have been members of a similar organization in the past, 48.2% have never been members of a trade union or similar organization to that date. Compared to the other countries involved in the project the share of trade union members was lower than in

² European Social Survey in Bulgaria, fifth wave in 2010, is a national representative survey, in which 2 434 persons over 15 years of age were involved. The whole methodology and empirical data are available at: <http://www.europeansocialsurvey.org/>.

Bulgaria in countries like Portugal (4.8%), Greece (4.1%), Latvia (4.1%) and Estonia (4.0%). The Largest was the share of trade union members in Denmark (57.6%), Finland (50.1%), Sweden (49.4%), Norway (44.1%).

The share of the current members of trade unions in Bulgaria is increasing in the surveyed people who worked in the study period – 12.9% are members at the time, 29.5% were members in the past, and 57.2% of employees were not members of such organization to date.

There is a lack of interest from young people towards trade union membership. With the increase of the age of the employees increases the share of trade unions members among them. There are no union members aged 18-24, 2.6% of the union members are between 25 and 29 years old, 4.3% are aged 30-34, 14.7% – aged 35-39. In the age group 40-49 years old – the union members are 21.5%. The largest share of union members is in the age group 50-59 years (50%). 6.9% are 60 years old and over.

The work experience of 8.7% of the union members is up to 10 years, 22.6% have a work experience between 10 and 20 years, and the remaining 69.7% have a work experience over 20 years.

Syndicalism is more prevalent among women – 14.4% of the surveyed female workers are members of a union at the moment, 31.4% have been a member in the past, and 54.2% have never been members. While amongst male workers, 11.2% of them are members at the moment, 27.8% have been in the past, and 61.0% – have never been members.

Of the currently studied union members, 58.6% are women, and the remaining 41.4% are men. By level of education, 1.7% of the studied union members have completed primary education, 41.4% are with secondary education, and the remaining 56.1% are university graduates. Over one third (41.4%) of the union members describe the place where they live as a big city, roughly more so (38.8%) live in small towns, and every fourth (19.8%) lives in a village.

The labour market in Bulgaria is continuously changing. Employment on a fixed-term contract, hourly employment or work without a contract (employed in the informal and even gray economy) is growing. These workers are much more difficult to organize. Some of the employees are self-employed or working in a managerial contract and almost certainly do not participate in trade unions. The tendency to move towards more flexible forms of employment also has a negative impact on the number of trade unions membership. Among those who are employed on a permanent employment contract, current members of a trade union are 16% against 4.2% of those on a fixed-term employment contract. At the same time, 94% of the union members are employed on a permanent employment contract, 3.4% were employed on a fixed-term employment contract.

Almost one fifth of the union members (19.5%) work in micro-companies with up to 10 employees, 22.1% of them are employed by companies with between 10 and 24 employees, almost every third employee (29.2%) has between 25 and 99 co-workers, 18.6% – in a large company with between 100-499 employees and 10.6% in companies with over 500 employees.

About half (49.1%) of the surveyed union members work in the public sector, 19.8% - in the state-owned enterprise and equally (19.0%) in a private company, only 6.9% work for the central or local governments.

The assertions of some analysts, that the type of ownership of the economic organization has an impact on trade union activity are now confirmed. Moreover, with the transformation of the

country's economy from state to private property, trade unions could not attract enough confidence in their activities by the new owners. The share of the private sector in total employment is around 75% of all employees. Syndicalism is several times higher in the public service sector.

The reasons for this are, in the first place, that the vast majority of the private companies are small and medium-sized enterprises, in which it is harder to organize people in trade unions. Secondly, the workers in the private sector themselves avoid participating in such organizations. Finally, it is much more difficult to organize people in companies that are newly established or with small history and lack of traditions trade unions.

The vast majority of trade union members (65%) say that there are regular meetings between employers' and employees' representatives, who are discussing working conditions and ways of working. Their assessment of the impact of trade unions on decisions about working conditions and the way of working is relatively negative. Trade unions have little or no influence, according to 40.5% of the members and have some influence, according to 41.4%. Only 4.3% of the current trade union members believe that unions have rather considerable influence and 9.5% – considerable influence.

The recognition of trade unions as “defenders” of violated labour rights in comparison with the court, local officials, a political party or others is relatively high. 14% of the workers would seek trade unions to gain real protection. In the second place the workers would turn to their relatives – 10%, and the court – 9%. 43% of respondent would have to cope with it by themselves when they are in breach of labour rights. Also 17% feel helpless and think that no one can help them in such situation³.

3. CHALLENGES THAT TRADE UNIONS FACE

Trade unions are generally challenged to deal with the various changes that occur in the nature, content, organization of labour, employment and division of labour, different labour, economic, cultural and social relations as a whole.

The globalization of the economy generates a number of processes, such as: increased the mobility of capital and services, bigger role of multinational companies in national economies, emergence of new business forms (export of operations and processes, use of subcontractors, relocation of enterprises, etc.), ease of exchange of technologies and the process of innovation, emergence of new, more flexible forms of employment, work organization and working time, including a number of atypical employment, such as temporary work, part-time work, tele-working, freelancing i.e. all such forms that give extra benefits to the capital and take away from hired workers.

The role of the “information society” is growing. Services take the predominant role in the economic structures. The number and relative share of employees in the new industries, in services, in small and micro enterprises grows. There are significant changes in the composition of the workforce, stratification of the professional-qualification composition and strong differentiation of statuses and working conditions between the employees in the same industry, in the same enterprise. Changes in the composition of the workforce are triggered by demographic changes,

³ Data is form a national representative survey of ASSA-M, carried out in December 2010. The answers are based on working respondents.

which trigger processes such as: the mass influx of women into the labour market; increasing the number of older workers; the difficult labour adaptation of young people; the presence of a larger number of foreign workers and immigrants.

As a result of the intensive free movement of people, the established national culture is mixed with new imported cultural models, which creates cultural pluralism and multicultural environment. The values of employed workers are also changing. They fear that choosing to participate in a trade union might mean to be protected or to be fired. Naturally all these factors lead to inevitable changes in attitudes and practices of industrial relationships and social partnership.

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