



# Caritas Cares Bulgaria Report November 2015

## What this report is about

This report describes the main challenges related to poverty and social inclusion in Bulgaria and provides recommendations for policy makers to address these challenges. The recommendations are based on an analysis of the grass-roots experience of Caritas Bulgaria, which is compared to official data.

## About Caritas Bulgaria

Caritas Bulgaria is a non-profit organisation that implements social activities, through its member organisations, aimed at giving support to vulnerable groups of people. Our work and activities are organised around 3 main areas: 1) Providing social, health and educational services for elderly people, children at risk of poverty, including the Roma and migrants; 2) Responding to emergency situations; 3) Carrying out advocacy and lobbying for complex and long-term social, health and educational issues.

In 2014, the organisation reached a total of 9.000 beneficiaries in Bulgaria with a variety of profiles. One-time help is provided for groups such as migrants (33%), people with addiction problems (21%), and families from regions affected by floods (17%). Constant support is provided for people with disabilities (7%), elderly people (5%), homeless people (4%), single mothers (1%), and other vulnerable groups living at risk of poverty or social exclusion (13%).

For more information see: Caritas, [One Human Family](#) and [Poverty among Us](#).



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**Improving healthcare services and working towards a more inclusive labour market are two key factors to reduce poverty and social exclusion in Bulgaria**

## Bulgaria's main challenges related to poverty and social exclusion:

- ❖ **Elderly and homeless people are at highest risk of poverty; they require adequate and adapted long-term care and integrated policies and services**

Despite the efforts to implement strategies, policies and measures to combat poverty and social exclusion, in the majority of cases, they are generally not very effective or they only solve the problems partially or temporarily. Adopting comprehensive and sustainable policies and measures, including income support, provision of and effective access to adequate housing, and health care services that count, along with adequate financing mechanisms and involving civil society organisations should all be a priority.

- ❖ **Poor healthcare coverage, unemployment and in-work poverty are the three major problems**

Currently a large percentage of people cannot afford to pay for health insurance (the long-term unemployed, the homeless, those employed in the grey sector) and therefore have no access to health services, except emergency services. Quality health services are concentrated in big cities. A lack of adequate and quality healthcare coverage and insufficient measures to ensure a more inclusive labour market (viz. a decent salary and a work/family balance, especially in those cases where a person has caring responsibilities) are the main obstacles to progress in preventing and reducing poverty and social exclusion.

## Policy recommendations for the National Government:

### **Access to quality services:**

1. Introduce and regulate integrated healthcare and social services as part of the long-term care development measures aimed at ensuring access for all as well as its sustainability.
2. Adopt a comprehensive and specific long-term policy and programme aimed at combating homelessness, based on updated surveys and data and on providing adequate services in the initial phase of homelessness, to prevent people's marginalisation.
3. Involve and encourage the participation of all key stakeholders, especially civil society organisations, in the entire policy cycle of policies and measures related to education, social and health services (design and planning, implementation and evaluation). Civil society organisations should be considered key social service providers in the process of the implementation of projects under the European Social Fund's (ESF) operational programmes.

# 1. Poverty and social exclusion in Bulgaria: the reality behind the data

## The problems of most concern in Bulgaria

- ❖ Poor healthcare coverage, especially among vulnerable groups
- ❖ High unemployment (registered and unregistered)
- ❖ In-work poverty

### Poor healthcare coverage, especially among vulnerable groups

The functioning of the healthcare system stands out as one of the major problems in the Bulgarian welfare system, which operates through contributions, making it dependent on the level of people's employment and income and not on stable State funding. This system is not functioning because the high level of unemployment has dramatically reduced the number of people who can afford to pay contributions, even if the amount of a contribution itself is small (access to the healthcare system is increasingly dependent on these contributions unfortunately); this generates poverty (worsening people's health status and increasing the number of those needing costly treatments).

In fact, according to Eurostat, all six Bulgarian NUTS<sup>1</sup> level 2 regions were present among the seven regions in the EU with the highest crude death rates from diseases of the circulatory system.<sup>2</sup> In addition, according to the European Commission, compared to the majority of EU countries, a significant proportion of the Bulgarian population is uninsured, despite having made some efforts in recent years.<sup>3</sup> Caritas in Bulgaria helps homeless people, and the long-term unemployed (Roma people, single mothers, people with drug addictions) who do not have access to health services because they simply cannot afford to pay the insurance fee. There are around 2 million pensioners in Bulgaria (of a total population of approximately 7.000.000). The minimum pension for people who have completed the requirements for age and years of labour is 157,44 Bulgarian lev (BGN) (about €80), and the minimal social pension is 115 BGN (€58). Contrast this with Hospice care or a Centre for the Elderly (residential services for adults) which costs 600 BGN (€305) per month.

Currently, policies implemented focus on hospitalisation, while prevention, post-hospital treatment and palliative care are neglected.

### High unemployment (registered and unregistered)

Although registered unemployment rates are not high and are officially decreasing - reaching 11.4% in 2014<sup>4</sup> - the Ministry of Labour and Social Policy estimates that

<sup>1</sup> EU Nomenclature of Territorial Units for Statistics, <http://ec.europa.eu/eurostat/web/nuts/overview>

<sup>2</sup> Eurostat, 2015. [Health Statistics at Regional Level.](#)

<sup>3</sup> European Commission & OCDE, 2014. [Health at a Glance: Europe 2014.](#)

<sup>4</sup> Eurostat, Unemployment Rate:

<http://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&language=en&pcode=tsdec450&plugin=1>.

there is more than twice this number of unregistered unemployed.<sup>5</sup> Consequently, households with one or more unemployed person (registered or unregistered) are at a higher risk of poverty (with no or limited access to health care, childcare, etc.). Youth unemployment also remains unacceptably high at 18.8% (as at July 2015). Because of a lack of job opportunities in the country, there are many cases of families with one or both parents working abroad while the children remain with grandparents in Bulgaria.

The Bulgarian labour market is currently not inclusive: the lack of services to address specific needs of certain groups, together with little flexibility from employers, hinders people's employment opportunities. For instance, families that have caring responsibilities, especially of people in vulnerable situations, with disabilities or people that require long-term care, experience difficulties in finding and maintaining a job. Often, these people are not able to cope with their work and their caring responsibilities or are discriminated against. The labour market is not flexible or secure enough, especially for certain groups that are more vulnerable: single mothers, people at pre-pension age, un(der)-qualified and the long-term unemployed.

*"People who care for a relative with a disability have difficulties sustaining a full-time job. When they come to Caritas seeking for help they tell us that employers are often unwilling to employ them because of their caring engagements or offer them a much lower salary."*

*Priest working for Caritas in*

### In-work poverty

In addition, the labour market in Bulgaria also suffers from a worryingly high in-work poverty rate (7.2%, according to Eurostat) and a large informal economy, which is having a disturbing impact on the level of tax contributions. The average income per person per year is extremely low (approximately €2.500).<sup>6</sup> Low wages do not strengthen the financial stability of families and working conditions have a negative impact on the balance between work and family life.

### Groups at risk of poverty with the highest need for political action in Bulgaria

- ❖ The elderly
- ❖ Homeless people
- ❖ Migrants and refugees

### The elderly

The income that most elderly people receive from their pensions is generally insufficient to cover their daily basic needs. At the same time, many of them suffer from serious diseases and illnesses, which require special attention and specific comprehensive social and healthcare services. Of utmost importance is the factor of loneliness. Many live isolated in small villages, or are anonymous or forgotten in the big cities. Many have no relatives or their children live and work far from home.

<sup>5</sup>Club Z: <http://www.clubz.bg/15454-it-sektoryt-iska-da-vnasq-kadri-ot-chujbina>.

<sup>6</sup> National Statistical Institute:

<http://www.nsi.bg/bg/content/3223/%D0%B3%D0%BE%D0%B4%D0%B8%D1%88%D0%BD%D0%B8-%D0%B4%D0%B0%D0%BD%D0%BD%D0%B8>.

## Homeless people

Most homeless people are long-term unemployed and have no income. They generally have no qualifications and have never worked. In some cases, although it is rare, they are able to find a job but it is generally short-term and in the informal economy. Many homeless people suffer from various mental health issues or intellectual disabilities but do not receive any social benefits. Nor do they have access to social or health support as most of the time they have no official certificates proving their situation - for many different reasons: they have no identity document, no birth certificate, no permanent address, etc.

*"Our work with homeless people becomes very difficult as they are often refused many public services, even in cases of health emergencies. Many times we have called 112 for an emergency related to a situation where a man is unconscious on the street and have been refused the service of an ambulance, arguing that there are more important things to deal with than homeless people, that there are not enough doctors, etc."*

*Caritas employees working with homeless people in Burgas*

## Migrants & refugees

There are no integration programmes that provide Bulgarian language courses or mediation in finding a job, housing, or social services. Healthcare services are provided only for approximately three months for newly recognised refugees and unaccompanied child refugees.

Many unaccompanied child refugees face a number of difficulties and problems in the process of their adoption, adaptation and integration in Bulgaria, due to the ordeals that they encountered during events that led to their escape from their countries and the loss of relatives and friends. Difficulties faced by refugee children come from the fact that they are isolated. They differ from other children in their ethnicity, culture and religion, even the colour of their skin. They often have poor comprehension and communicative skills due to lack of knowledge of the Bulgarian language. They do not know the customs and culture of the people with whom they will have to live together. In turn, Bulgarian children often do not know their history, religion and culture.

## The challenges in achieving active inclusion in Bulgaria

- ❖ Adequate income support
- ❖ Inclusive labour markets
- ❖ Access to quality services

## Adequate Income Support

In Bulgaria, minimum income schemes are generally accessible but are inadequate in covering basic living needs. Minimum income support is 65 BGN (€33) per month (the amount has not been changed since 2009) and the monthly minimum wage is 380 BGN (approximately €190). After tax, pension and health contributions the net disposable income is 298 BGN monthly. The poverty line, on the other hand, is 286

BGN monthly. According to the Trade Unions Confederation, the monthly subsistence cost per person (in a 4-member household) is 563,23 BGN.

## Inclusive labour markets

The labour market in Bulgaria is not becoming more inclusive and is, in fact, de-regulated, with high unemployment rates causing low wages and bad working conditions. Although there are programmes and measures being implemented, most of the time these are not planned from a long-term perspective or do not comprehensively address the problems. Neither are the implemented programmes based on inclusive principles. In most cases they are focused on a “quick” solution to one problem, so they are not sustainable. For instance, the programmes for employment only create temporary jobs (especially in the social sphere). The activities and measures are often only financed as part of ESF programmes but are not always connected to mainstream policies. The ideal policies and measures should be comprehensive and long-term with reasonable and clear financing mechanisms to ensure their sustainability. It is also important that the measures to be implemented are done so on time.

## Access to quality services

According to the information and comments from Caritas Bulgaria’s beneficiaries, we have observed that, in recent years, access to public services has become problematic, especially for vulnerable groups. Social, educational and health services are largely concentrated in the big cities, which means that many people from the countryside do not have access to adequate and quality services. The quality services are found in large cities, and many of them require additional payment by the user. Most social services are developed only on a short-term basis and are not sustainable as they depend on ESF programmes and funding.

## 2. How effective are Bulgaria’s policies to fight poverty and social exclusion?

The Country Report for Bulgaria,<sup>7</sup> published by the European Commission in February 2015, and the National Reform Programme<sup>8</sup> published by the Government of Bulgaria in 2015, reflect the main problems and reality of poverty and social exclusion in the country. However, the measures foreseen are generally delayed or are implemented on a short-term basis. All recently adopted strategies and policy documents normally provide very useful measures, but their implementation is rarely effective as there are no action plans or clear financing mechanisms. In most cases, policies implemented in recent years have not been effective in addressing the problems of poverty and social exclusion. For example, we often find cases where new social services are promoted but they are generally temporary so they are only able to temporarily and partially solve the problem. To illustrate, we

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<sup>7</sup>European Commission, 2015. [Country Report Bulgaria 2015](#).

<sup>8</sup>Government of Bulgaria, 2015. [National Reform Programme Bulgaria 2015](#).

observed the case of a social programme aimed at people with disabilities who are long-term unemployed; through the programme the beneficiaries were to be employed by public authorities, but it was not complemented with measures aimed at supporting the person to get the required qualifications. As a result, the unemployment rate decreased temporarily while the programme was running. However, when the programme ended the persons became unemployed again, and as they had not obtained any qualifications they were therefore unable to find another job.

In addition, although the Government generally consults with the civil sector, very little effort is made to strengthen and support their involvement in the policy cycle. Consultation around official documents and strategy is generally done but, at the final stages, civil society organisations are given very little time to react. Often the proposals of civil society are not even taken into account. The participation of civil society organisations is generally instrumental and often organised on an *ad hoc* basis. Their involvement in the implementation of the measures is rarely taken seriously or foreseen in the entire cycle of the policy and decision-making process. For instance, in general only the municipalities are eligible as project applicants for the implementation of the activities foreseen in the operational programmes and NGOs tend to only be subcontractors of the municipalities.

## What policies are needed to address poverty and social exclusion more effectively?

In Bulgaria, policies and measures should be comprehensive and planned on a more long-term basis with concrete planning systems that can ensure their timely implementation. For instance, in order to reduce the informal economy, contributions and tax could be increased to improve service provision (health care, childcare, elderly care, etc.) and gradually replace ESF/ERDF (European Regional Development Fund) funding of these services by sustainable government funding paid for by tax income.

It is crucial to ensure that all stakeholders can count on adequate financing mechanisms to ensure programme sustainability. Involving civil society organisations should also be a priority.

## The impact of social protection system reforms

### Social protection system reforms & modernisation in Bulgaria

The reforms have mainly focussed on budget cuts, and although some steps have been taken to partially reform some aspects of the social protection system, the Bulgarian social protection system still faces several challenges.

The main challenges of the social protection system in Bulgaria relate to:

- People most at risk of poverty or social exclusion who have more difficulties in accessing social protection services and benefits. Some people have issues in visiting institutions and completing documents, due to, for example, lack of finances; lack of access for people with disabilities; or difficulty with the Bulgarian language. The requirement to have ID card and a residential address when applying for social services excludes homeless people. Other restrictions exist for people who, at any time, have left the country at their own expense, or have, at any time, performed property transactions etc.
- Social protection services and benefits that are not targeted at the groups most in need or those with the most severe problems.
- Reducing inequality in society and breaking the intergenerational cycle of disadvantage.

## The use of EU funds in Bulgaria

Caritas Bulgaria has been involved in the planning process of the European Structural and Investment Funds 2014-2020 in Bulgaria. However, only some proposals were taken into account in the programming documents. Caritas Bulgaria is expected to be involved in the direct implementation of the European Structural and Investment Funds 2014-2020.

It must be highlighted that Bulgaria has a poor absorption rate of European funding. In this sense, it would be advisable to improve State collaboration with not-for-profit service providers to improve not only the capacity of Bulgaria to absorb European funds but also to improve the quality of service provision.

### 3. The response of Caritas: initiatives that have been effective when addressing poverty and social exclusion

The following initiatives run by Caritas Bulgaria are demonstrating good results when addressing problems related to poverty and social exclusion of vulnerable groups.

#### **SOCIAL SERVICES & HEALTH**

<http://www.caritas.bg/bg/home-care-support/item/2979-homecare>

#### **Project “Caritas Home Care”**

##### **Description**

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The aim of the "Caritas Home Care" programme is to give an adequate response to the needs of the elderly, taking into account both their health and social needs. Our programme provides comprehensive health and social care, for nearly 400 elderly patients, on a daily basis, where the elderly feel most relaxed - in their own homes.

##### **Problem addressed**

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This project addresses a challenge related to the “access to quality services” pillar of

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active inclusion, with regards to accessing integrated social and health services.

### **Results**

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Over the last 15 years the programme has supported more than 400 people each year. The programme has established and operates eight homecare centres, which through the work of the mobile teams, provide comprehensive home care for dependent elderly people in Ruse, Belene, Malko Tarnovo, Rakovski, Zhitnitsa, Burgas, Plovdiv and Sofia. Furthermore, there are mobile teams which provide services in another 5 locations that are close to these towns and villages.

## **SOCIAL & EMPLOYMENT SUPPORT FOR WOMEN**

### **Project “Centre for mothers in disadvantaged situations ‘Rojdestvo Hristovo”**

#### **Description**

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The aim of this project is to empower women to live independently. It offers personalised social programmes, taking into account the specific problems of each individual person. There are craft workshops where women can work according to their interests. The workshops are run from a dual perspective: personal therapy and a source of some additional income, albeit modest. The centre also assists women in finding employment. It supports institutionalised young women in their transition to living an independent life by providing temporary accommodation and work. The centre works closely with the regional government, employment bureaus and social service institutions.

#### **Problem addressed**

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This project addresses a challenge related to the “access to services” pillar of active inclusion.

#### **Results**

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Throughout the 12 years of its operation, the centre has helped more than 300 mothers in need. Though many have continued to be dependent on additional help, more than 60 of these mothers have achieved and maintained a stable material and social status, and 6 of them have been hired as full-time employees at the centre itself.

## 4. Recommendations to address the described problems

**Recommendation 1: Introduce and regulate integrated health and social services as a part of the long-term care development measures, aimed at ensuring access for all and sustainability.**

- **Problem addressed if implemented:** Integrated home care services are not regulated by law and there is no financial mechanism for funding.
- **Governmental department that could lead this measure:** The Ministry of Labour and Social Affairs and the Ministry of Health.
- **Policy framework:** The EC Recommendation on the active inclusion of people excluded from the labour market (the “access to adequate services” pillar), the National Strategy for Reducing Poverty and Promoting Social Inclusion; the New Health strategy of Bulgaria 2015–2020.
- **How the European Commission could support this measure:** By facilitating recommendations and guidance on how to carry out social protection system reforms that foster and promote integrated health and social services, based on experiences that have been successful and by encouraging Government to make use of ESF funding for this purpose from a sustainable perspective.

**Recommendation 2: Adopt a comprehensive and specific long-term policy and programme aimed at combating homelessness, based on updated surveys and data, and on providing adequate services in the initial phase of homelessness, to prevent people’s marginalisation.**

For instance, prevention measures could include: providing specific income support programmes, access to social housing, and counselling services.

- **Problem addressed if implemented:** Lack of access to housing and social services for homeless people: many homeless people have various mental illnesses, addictions or other health or social problems (e.g. young people leaving institutions or the elderly). Lack of data enabling an accurate assessment of their needs prevent the development of appropriate services for this diverse group.
- **Governmental department that could lead this measure:** The Ministry of Labour and Social Affairs.
- **Policy framework:** The EC Recommendation on the active inclusion of people excluded from the labour market (the “access to quality services” pillar), and the National Strategy for Reducing Poverty and Promoting Social Inclusion.
- **How the European Commission could support this measure:** By facilitating recommendations and guidance on how to implement effective strategies to combat homelessness, based on experiences that have been successful, and by encouraging Government to make use of ESF funding for this purpose from a sustainable perspective.

**Recommendation 3: Involve and encourage the participation of all key stakeholders, especially civil society organisations, in the entire policy cycle of policies and measures related to education, social and health services (design and planning, implementation and evaluation). Civil society organisations should be considered key social service providers in the process of the implementation of projects under the ESF's operational programmes.**

- **Problem addressed if implemented:** The lack of a comprehensive and long-term involvement of key stakeholders, in particular, specialised NGOs in the entire policy cycle. NGOs are in close contact with beneficiaries and have valuable information on the needs of vulnerable groups. Not involving them in the entire policy cycle is a loss of key information that could allow for the design and implementation of more effective programmes and measures that are more adapted to the needs of the people.
- **Governmental department that could lead this measure:** The Ministry of Labour and Social Affairs, the Ministry of Health, the Ministry of Education and Science.
- **Policy framework:** The EC Recommendation on the active inclusion of people excluded from the labour market (the “access to quality services” pillar); Regulation (EU) No. 1303/2013 of the European Parliament and of the Council of 17 December 2013, laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund; and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund; and repealing Council Regulation (EC) No. 1083/2006; European Commission Delegated Regulation (EU) No. 240/2014 of 7 January 2014 on the European code of conduct on partnership in the framework of the European Structural and Investment Funds.
- **How the European Commission could support this measure:** By facilitating recommendations and guidance on how to involve civil society organisations in the entire policy cycle of policies related to poverty and social exclusion, and by encouraging the Bulgarian authorities to make use of ESF funding for this purpose from a sustainable perspective.



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