



COUNTRY  
REPORT  
FOR  
BULGARIA

A photograph of a woman carrying a young child on a sidewalk, overlaid with a semi-transparent red filter. The woman is looking down at the child. The background shows a brick wall and a metal railing.

EUROPE 2020  
SHADOW REPORT 2014

PROPOSALS FOR THE ANNUAL GROWTH SURVEY,  
COUNTRY SPECIFIC RECOMMENDATIONS AND NATIONAL POLICIES.  
CARITAS RECOMMENDATIONS FOR EUROPE 2020 MID-TERM REVIEW.

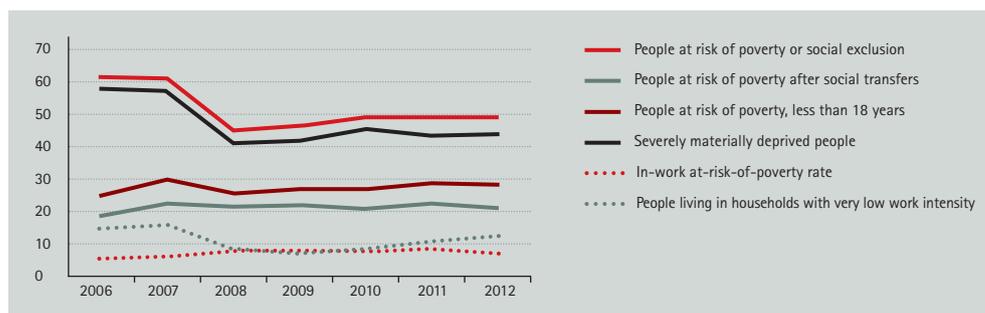
# 01 Poverty

## 1.1 Recent trends

### Developments of poverty and social exclusion indicators in Bulgaria (2009-2012) based on Eurostat:

- ➔ The highest relative and absolute increase occurred in the rate of people living in households with very low work intensity, which rose from 6.9% in 2009 to 12.5% in 2012; above the EU-average (10.3% in 2012).
- ➔ The rate of severe material deprivation continues to remain five times the EU average, and increased to 44.1% in 2012 compared to 43.6% in 2011, the highest in the EU (EU average: 9.9%). This increase in severe material deprivation during the observed period resulted in a further rise in the rate of people at risk of poverty and social exclusion: in 2012, almost every second person (49.3%) was at risk of poverty and social exclusion – by far the highest rate in the EU (EU average 2011: 24.8%).
- ➔ Child poverty remains higher than the EU average.

Eurostat (% of population)	2009			2010			2011			2012			EU average
	M	F	T	M	F	T	M	F	T	M	F	T	
<b>Bulgaria</b>													
<b>POVERTY</b>													
People at risk of poverty or social exclusion	-	-	46.2	-	-	49.2	-	-	49.1	-	-	49.3	24.8
People at risk of poverty after social transfers	19.8	23.7	21.8	19.8	19.5	21.8	20.8	23.6	22.2	19.5	22.8	21.2	17.0
People at risk of poverty, less than 18 years of age	-	-	26.7	-	-	26.7	-	-	28.4	-	-	28.2	20.8
Severely materially deprived people	-	-	41.9	-	-	45.7	-	-	43.6	-	-	44.1	9.9
In-work at-risk-of-poverty rate	7.7	7.1	7.4	8.4	7.7	7.7	8.8	7.5	8.2	7.7	7	7.4	9.2
People living in households with very low work intensity	-	-	6.9	-	-	8.0	-	-	11.0	-	-	12.5	10.3



## Testimony

*"In my opinion, their most serious problem is that they do not go to school or they never have. They cannot read and write, so how is one supposed to hire them. Some of them do not even speak Bulgarian."*  
 Young married woman with four children aged 2.5 to 7 years.

*"Even if those children do not go to school, their absence is rarely reported, because if they reported all absences, they would have to expel them and this affects the school's budget. In this way children move from class to class without having basic knowledge. For example, here comes a kid in the 4th grade, who doesn't know the alphabet, I would not even mention the multiplication tables. Even if they get a diploma in primary education, those kids are illiterate."* - An employee at a Public Support Center "Tom Sawyer", Ruse.

In addition to this data, it is worth highlighting the following issues:

- People living in households with very low work intensity: there are families, especially among the Roma population, where three generations in a row have been unemployed. Lack of work means not only a lack of money (this is the least important), but also the lack of a good role model in the family, lack of communication skills, lost opportunity to share experiences, which leads to an increasing difference in opportunities, expectations, cultural and moral values of people, broken family ties, demographic issues, producing excessive population, etc.
- The risk of poverty or social exclusion<sup>1</sup> is highest for:
  - Single people over 65 years of age (79.3%)
  - Under 18 years of age (52.3%).
  - Low level of education (73.7%).
  - Single-member households (73.3%)
  - Single parents with dependent children (77.5%)
  - Households with three or more dependent children (80.7%).
- There is also a worrying trend of people who believe that working is not worth it as the income of certain jobs is so low that it equals, in some cases, the amount received through social benefits.

<sup>1</sup> Concept for Operational Programme European Support Fund: [http://ophrd.government.bg/view\\_doc.php/6856](http://ophrd.government.bg/view_doc.php/6856)

- ➔ Pensions and social benefits are the main sources of income for a lot of people. For example, among 180 unemployed people seeking help from Caritas Sofia, only 10% receive unemployment benefits. In Bulgaria there are over 2 million pensioners, of whom 800,000 receive pensions of between 50 and 100 EUR per month. Old people literally starve, living in isolation, without social contacts, without heating, medicines and treatment. Moreover, cases of domestic violence against the elderly are becoming more frequent.<sup>2</sup>
- ➔ Although current legislation guarantees equal rights to all, access to health and social services is not necessarily the case. For example, in order to exercise one's health-care rights, one should have a general practitioner (GP). In small settlements, or Roma and refugee communities there either aren't enough vacancies at the GP, or there aren't enough people to fill the required number of patients for one GP. There are many vulnerable people who virtually have no access to health care (with the exception of emergency services), because they do not have health insurance: homeless people, people with addictions, unemployed single parents, those employed in the grey sector (i.e. people working without official/legal working contracts), and the long-term unemployed. Quality health care is concentrated in the capital and several big cities; in other parts of the country, people do not have money for transport and accommodation that would enable them to go to the big cities.<sup>3</sup>
- ➔ Children remain at a higher risk of poverty than the total population: new groups of children living at risk of poverty and social exclusion have been appearing in recent years. For many children in Bulgaria the classic family image does not exist.<sup>4</sup> We also observe a trend of neglecting the relationship and communication with the child; which is also affecting parents with a decent income who are too busy working. In such a situation it is likely that serious behavioural problems appear in children as well as across the entire society in the long-term. Refugee children are expected to start school in September 2014. Admission to school for these children has not yet been regulated. No curriculum has been drafted to learn Bulgarian and there are no trained teachers to work with refugee children.

What remains hidden behind the figures is the fact that the majority of the population is extremely poor. The number of families, in which there are two or three generations of unemployed, is increasing. This results in loss of skills, motivation and values, and also distrust in the government and European institutions. Moreover, the percentage of working poor who have limited opportunities is also increasing, and thus are set the preconditions for the transmission of poverty from generation to generation. On top of this, Bulgaria has a serious demographic crisis.

## 1.2 Recent policy developments

The adoption of different strategic documents continues but since October 2014 there have been no visible positive results in terms of improving the social situation of the population. Unfortunately, the political crisis is not helping to improve the political environment, but rather creates conditions of instability and increasing distrust of society. For example, in early September, interim government changes (some are substantially reduced) unified standards for state funding of social services without informing or consulting with the providers of social services. The following policy developments related to poverty and social inclusion have been observed:

- ➔ The National Strategy for Reducing Poverty and Promoting Social Inclusion 2020 was adopted by the Council of Ministers in February 2013. The development of the action plan was planned

<sup>2</sup> Bulgarian Christian Charity for Everybody Report 2013

<sup>3</sup> Caritas Bulgaria, 2014, *Poverty Among Us* (publication in process)

<sup>4</sup> Christian Charity for Everyone, *ibid.*

for 2014. There is no official information about that process. An action plan has not been drafted yet and there are no clear monitoring mechanisms for the strategy's implementation.

- ➔ A new Law on Social Services is in a discussion process. A positive fact is that this law aims to comply with three important documents: the National Concept for Active Ageing of the Elderly, the National Strategy for Long-Term Care and the Strategic Framework for Policies for Health/Improving the Health of the Nation 2014-2020. The measures envisaged in the Strategy for Long-Term Care are to be developed with financing from the Operational Programme "Human Resources Development" for the new programming period 2014-2020.
- ➔ There is still a lack of official data concerning the number of homeless people in Bulgaria and/or evaluation of their needs.
- ➔ The Law on Pre-School and School Education is still in a process of discussion.
- ➔ The activities related to implementation of the National Strategy for Integration of the Roma include the adoption of regional strategies and local action plans. However, how the government plans to finance their implementation is still unclear. In May 2014 the government adopted the Administrative Monitoring Report for 2013 on the implementation of the National Roma Integration Strategy.

The poor state of the labour market impairs the functioning of the welfare state. Instead of being eased and reinforced by a well-developed labour market, the state is compelled to cover a wide range of social services which, however, have little financial resources. This situation does not help solve any social problem that leads to poverty. The most affected by this state of affairs are the elderly and children.

Of course, EU recommendations are appropriate and it would be very useful if they could be implemented; however, despite all the efforts of NGOs and state institutions, change occurs slowly. For a long time the state, the law enforcement system and labour market have been functioning poorly. Corruption is everywhere. This leads to distorted values and will cause many other problems in the future.

## Innovative services or programmes implemented by Caritas Bulgaria

### DESCRIPTION OF THE SERVICE OR PROGRAMME

In the last three years Caritas has explored the phenomenon of homelessness, which is relatively new in Bulgaria. We have warned the government and European institutions about the lack of a comprehensive study of the number of homeless people in the country and have recommended appropriate social services. As a result of our efforts Caritas Ruse<sup>5</sup>, together with the Municipality of Ruse, opened the first shelter for homeless people "The Good Samaritan." This social service was officially announced and included in the list of state delegated activities by an order of the Director of the Social Assistance Agency from the beginning of January 2013. Such services are not new or innovative in Europe, however, in Bulgaria they are much needed and we wish to support the opening of such shelters in other Bulgarian cities.

<sup>5</sup> <http://www.caritas-ruse.bg/>

## Social investment package: investing in children<sup>6</sup>

### ASSESSMENT OF PROGRESS

Very little progress has been observed, with the exception of a law on pre-school and school education, which is still in the process of discussion and being amended.

Equal opportunities in education is definitely not a reality in Bulgaria where segregation on ethnic, regional, income, education and regional criteria is increasing with each passing year.

Inefficiency, discrimination and segregation is occurring in people's access to health services, especially due to the uneven distribution of health care facilities and doctors and a lack of infrastructure to provide access to health services for people from small settlements. Pregnant women, who do not have health insurance, are entitled to free examinations and free of charge hospital births; however, ambulances usually do not travel into Roma ghettos nor go to remote areas. As a result, many young mothers give birth at home.

## EU initiative for Roma integration<sup>7</sup>

### ASSESSMENT OF PROGRESS

The steps envisaged under the Bulgarian Fact sheet on the Roma will contribute to the integration of Roma communities. Unfortunately, Caritas's assessment of the measures undertaken thus far is rather negative.

The measures in the sphere of education, for instance, are inadequate: namely, a mandatory two-year pre-school education has been established; however, there are no schools available and no trained teachers. The number of dropouts has been reduced, but this is only on paper. Schools receive financial support based on the number of students and therefore attendance is over-reported.

Employment of the Roma population has not increased. The opinions of mediators working with them are contradictory. There has been no visible positive result of their actions. Rather, they have created even greater dependence of the Roma population, greater segregation and discrimination.

The Roma population is not the only social group affected by the problem related to lack of health insurance. The majority of unemployed people in Bulgaria also have no health insurance. Emergency medical care is the only option available to these people; however, it does not solve the problems of those who are chronically ill. Children benefit from free medical advice, but if they need medical treatment, it must be paid for, meaning that medical treatment is in fact unavailable to the children of unemployed or low-income parents.

<sup>6</sup> European Commission, 2013, Recommendation *Investing in Children: Breaking the Cycle of Disadvantage 2013/112/EU* approved under the Framework of the Social Investment Package

<sup>7</sup> Council of the European Union (Employment, Social Policy, Health and Consumer Affairs) Council Meeting, 2013, *Council Recommendation on Effective Roma Integration Measures in the Member States*

## Assessment of Bulgaria's Country Specific Recommendations (CSRs) adopted in 2014:

Caritas welcomes the following CSRs which will most probably have a positive impact on the employment situation in Bulgaria:

- ➔ CSR 3 on improving the efficiency of the Employment Agency;
- ➔ CSR 4 on adopting the School Education Act and pursuing the reforms of vocational and higher education: attention should be paid to the effectiveness of the rules linking the payment of child allowance to participation in education (part of Recommendation 4).

It is worth taking into account that the study "Poverty Among Us" showed that children from ethnic minorities are victims of not only their ethnicity's cultural environment, but also of our educational system. An example of this is the operation of primary and secondary schools on the basis of delegated budgets. The results of our study clearly showed that linking school budgets with the number of students enrolled produces rather unmotivated children who receive a diploma, but not knowledge. Similar are the results of linking the payment of child allowance to participation in education and respectively to the school budget. The school's Director signs the paper confirming that the child is at school (because this means funding), parents are granted child allowance (sometimes this is their only source of income) yet no one is interested in the knowledge and education of children. A common practice involves children registered as attending a number of supporting social services (other than school), but only on paper, The money is ostensibly spent on/for children, but in reality this is not so.

### 1.3

## Recommendations

Given the above assessments, Caritas recommends the following policy measures be introduced in order to address the challenges related to poverty and social exclusion:

- ➔ Develop mechanisms to curb corruption.
- ➔ Create tools for assessing the long-term effectiveness of various social inclusion programmes.
- ➔ Create a financial mechanism for the provision of affordable and quality medical and social care outside the project basis.
- ➔ Provide and regulate by law the access to medical and social home care for elderly people who are chronically ill or temporarily unable to take care of themselves.
- ➔ Ensure access to health and social home care in remote rural areas where there are no doctor or pharmacies.
- ➔ Design and implement comprehensive social services for children and young people with a focus on the entire family and the educational environment.

# 02

# Employment

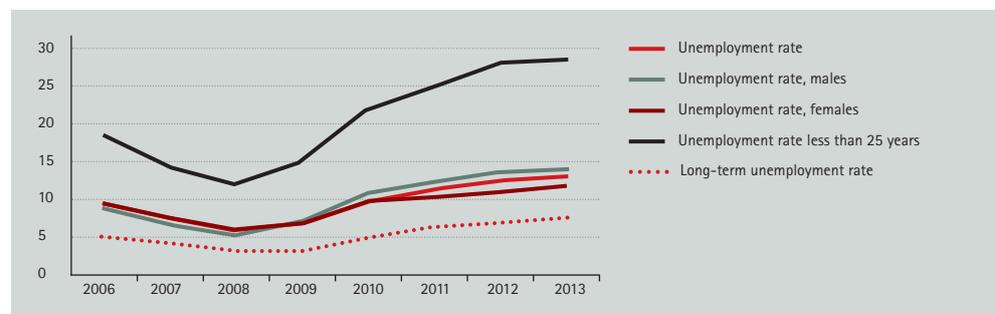
## 2.1

### Recent trends

#### Developments of employment indicators in Bulgaria (2009-2013) based on Eurostat:

- ➔ The highest absolute increase occurred in the unemployment rate of people under 25, which almost doubled from 15.1% in 2009 to 28.4% in 2013, well above the EU average of 23.4%.
- ➔ The unemployment rate of 6.8% in 2009 also more than doubled during the observed period, reaching 13% in 2013, hitting considerably more men (13.9%) than women (11.8%) and the employment rate of men (66.4%) compared to women (60.7%) is higher.
- ➔ All unemployment indicators have increased between 2009 and 2013 with the highest relative increase in the rate of long-term unemployment of men, which rose from 2.8% in 2009 to 8.1% in 2013, well above the EU-average (5.1% in 2013).

Eurostat (% of population)	2009			2010			2011			2012			2013			EU average
	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T	
<b>Bulgaria</b>																
<b>EMPLOYMENT</b>																
Employment rate	73.8	64.0	68.8	69.1	61.7	65.4	66.0	59.8	62.9	65.8	60.2	63.0	66.4	60.7	63.5	68.3
Unemployment rate	6.9	6.7	6.8	10.8	9.6	10.3	12.3	10.1	11.3	13.5	10.8	12.3	13.9	11.8	13	10.8
Unemployment rate, under 25 years of age	-	-	15.1	-	-	21.8	-	-	25	-	-	28.1	-	-	28.4	23.4
Long-term unemployment rate	2.8	3.1	3	5	4.5	4.8	7	5.5	6.3	7.7	5.7	6.8	8.1	6.6	7.4	5.1



## Additional to this data, there are certain issues that are worth highlighting:<sup>8</sup>

- The economic structure in Bulgaria does not offer enough job opportunities. The percentage of working poor is high. There are few people for whom having a job is a sufficient condition to avoiding poverty.
- The labour market is insufficient to strengthen the financial stability of families, an aspect that destabilizes their role as communities of solidarity. The welfare state is burdened with additional responsibilities because a high percentage of employed people are poor and in need of social assistance.
- Insufficient job opportunities also increase discrimination on the labour market as well as discrimination based on ethnic, age, education and regional grounds. This creates conditions for long-term unemployment and poverty and is a prerequisite for segregation and generation of a "superfluous population".
- The labour market should play an educational role, which is essential for tackling the poverty problem. Unfortunately, there is a very large gap between the education being offered and the one demanded, as well as between educational levels and pay. Frequent changes of government and policies, lack of jobs and inefficient social systems have caused distrust in institutions, confusion of values and have led to people's inability to build long-term plans.

### Testimony

*"In Bulgaria an educated person earns BGN 500 in their job, while my elder son, without studying, gets around BGN 1000 from construction jobs or thefts",* said a father of a child attending Caritas Social Support Center.

*"We need to create conditions for work so people feel they are useful. Many social benefits are given without being deserved – people able to work should do it and there must be found a way. Receiving social benefits encourages couch potatoes."* – a Caritas employee working with the long-term unemployed.

*"In every community there are people who want to work and others who don't. However, if there are job opportunities and half of the people in the community start working, others will be motivated too. Unfortunately, there are no job opportunities and no organizations to provide them. On the other hand, there are plenty of deserted villages and uncultivated land. There are many things we can do. They have cut off all normal jobs in factories and agriculture and now they make changes on paper only. It is a prejudice that Gypsies have no qualifications. They may not be educated, but they are good craftsmen. They should be given a chance. The problem is that the employees at the institutions who are supposed to help them, in fact, are intolerant, as well as the fact that the economy of the country is weak, if any. There is no state policy for real development. Money is spent on programmes in a very irrational way. The only thing that was established during the years of transition with the money designated for the Roma community, is the*

<sup>8</sup> Study carried out by Caritas Bulgaria on poverty among people from 20 settlements in Bulgaria. The conclusions of this report were included in the "Poverty Among Us" report.

*Roma mediator figure – health mediators, social mediators, etc. On the other hand, these mediators have created an even greater dependence and intolerance. What happens to gypsies is their self-esteem is lowered, yet their expectations that someone has to serve them are rising; their motivation to learn and educate is reduced even further. And what happens to all those mediators – teachers, doctors, etc. – they become more and more intolerant and even less eager to communicate with “the different ones”. Instead of getting to know each other better and working together, we are splitting apart”, says a Caritas employee, working with the Roma people in a Sofia ghetto.*

## 2.2

### Recent policy developments

The measures addressing access to employment through an ESF Operational Programme on Human Resource Development, together with programmes proposing new employment opportunities for young people (employment markets, financially supported internships, foreign languages and computer skills training) continue to be implemented. The activities targeted at unemployed people aged 50+ and at the Roma community also continue but **there are no visible positive results**. The set of measures taken to monitor and control the legality of employment **are not being implemented**. The positive trend of including all of the stakeholders in the overall processes of preparation of the Structural Funds' operational programmes for the new 2014–2020 period is being continued.

### EU initiative: youth guarantee<sup>9</sup>

#### ASSESSMENT OF PROGRESS

The Coordinating Council for controlling and monitoring the implementation of the Youth Guarantee, chaired by the Minister of Labour and Social Policy, was established in early 2014. This Council held its first and – for the moment – only meeting in February 2014. Although the government (Deputy Minister of Labour and Social Policy, Ms. Yankova) stated that youth organizations will participate in the Council, the only youth organization which is part of the Council is the National Youth Forum<sup>10</sup>.

<sup>9</sup> Council of the European Union, 2013, *Recommendation on establishing a Youth Guarantee* (2013/C 120/01)

<sup>10</sup> [http://saveti.government.bg/web/cc\\_901/1](http://saveti.government.bg/web/cc_901/1)

## Assessment of Bulgaria's Country Specific Recommendations (CSRs) adopted in 2014:

Caritas welcomes the following CSRs which will most probably have a positive impact on the employment situation in Belgium

- ➔ CSR 1 on reinforcing the budgetary measures for 2014: it is crucial they implement a comprehensive tax strategy to strengthen tax collection, tackle the shadow economy and reduce compliance costs.
- ➔ CSR 1 on improving the efficiency of the Employment Agency.

### 2.3

## Recommendations

Given the above assessments, Caritas recommends the following policy measures be introduced in order to address the challenges related to the employment situation:

- ➔ Evaluate the implemented measures and analyse their long-term effectiveness.
- ➔ Regulate by law and fund employment services.
- ➔ Provide access to various supported employment forums that actually prepare and mediate vulnerable groups towards their inclusion into the labour market;
- ➔ Guarantee the access of people from vulnerable groups to adequate services and training courses in terms of method, type and location, as well as literacy courses and vocational training. Training courses should be linked to an option for providing gainful employment.

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