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MORE SOCIAL DUMPING COMES TO EUROPE THROUGH BULGARIA'S DOOR

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This time, the new door is poised to affect not only Westerners but also the poorer East.

The latest European Commission report on Bulgaria under the European Semester, which came out several days ago, has again underlined that poverty and inequality in the country are highest in all the EU. It is no coincidence that all governments have been advertising the country as a territory of cheap labour and low taxes in the past three decades.

This is why since its accession to the EU Bulgaria has been a source of dumping (labour, social, tax) for Western Europe. After changes in the labour migration legislation, now Bulgaria itself will be subjected to such dumping.

Although today there were several possibilities for third-country nationals to get access to the labour market, the employers organisations circulated national institutions and media complaining of a heavy deficit of labour force in the country and aggressively insisted on an eased import of workers. Their main goal was the removal of the so-called market test.

This is a requirement to offer a vacant position first to Bulgarian and European citizens and only after it has not been taken, to be able to offer it to a non-EU national. This is a regular mechanism for the protection of local citizens, so that they have the opportunity to live and work in their own country without choosing the precarious living as Gastarbeiters.

The systematic years-long pressure from the employers to ease import finally gave fruit. With the decisive support of the far-right vice prime minister Valeri Simeonov and the nationalist formations in the parliament and after a series of violations Bulgaria relieved the import of workers with or without qualification under the pretext that the shortage stalls the economic development.

Of course, this could not have happened without the tacit support of GERB, the main centre-right party and Merkels favourite.

Is there a need to import workers in the first place?

In 2016, the number of highly qualified workers from third countries that found a job in Bulgaria was only 115. The reason, according to the employers, was that the market test took 5 to 6 months, while the Ministry of social affairs stated that 45 days were enough to obtain a Blue Card.

In fact, 84% of all Blue card workers are in Germany, which has completely removed the market test and has allowed the employers to offer a lower salary than what is the standard for the Blue card workers. The permit is also for the longest period possible. This regime is one of the most liberalised in the Union, with 23% of the employees for 2016 coming from India.

It is namely the Asian country with ravaging poverty that is often pointed out by Bulgarian employers as a source of labour force. Data from the International Labour Organisation shows that 400 million people live in precarity and the working poor survive with only □□□□ a day. This is why Indian specialists are more likely to go to work abroad.

One of the economic sectors that does not need qualified labour, but which Bulgarian employers claim also suffers from shortage, is the tourism sector. With every coming season, publications ring the alarm that there is a huge deficit as all Bulgarians have left to work in Greece and Spain. And no wonder, as the average salary in Bulgaria for the hotel industry is roughly €339 before tax.

The practice is that employees do not have contracts, yet they work 12-14 hours/ day with no day off. Sometimes they do not receive their last paycheck but do not go to court either as it is often costly. After a persistent exploitation, the flight of people to tourist destinations outside Bulgaria is a logical process. Instead of providing decent conditions for work and a living wage, the employers prefer to import workers from countries where the salaries are even lower.

As experts in the two nationally representative trade unions in Bulgaria, we could describe problems like this in almost all economic sectors in the country. Only in the IT field (and this means mainly the programmers), the negotiating force of the employees is high and the exploitation is low. Of course, this is not the case for the call centres, which also count as part of the IT sector.

The official data shows that the total number of vacant positions in Bulgaria is several times lower than the registered unemployed. The minimum wage in the country is traditionally the lowest in the EU or □□□□ before tax. A big part of the Bulgarian workers do not have labour contracts. In this situation, it can hardly be expected that employees from similarly or more developed countries will choose to come.

Import for Bulgaria or the EU?

For the workers without a university diploma, the employers benefit from an eased procedure of import. Before the changes in the legislation, 10% of the personnel could be from such third country nationals. Now this number was elevated to 35% and above it, import can still take place but there needs to be a permission from the ministry of labour and statements of the social partners. This procedure has been abused with employers often posting the imported labour force in Western Europe.

A concrete example: Despite being only a Bulgarian law, its dimensions are European. The company Plane care is registered in Bulgaria as temporary work agency, although a verification in

the Labour inspection shows that the managers have signed a declaration stating that they do not operate as such.

Almost all 47 employees of the firm do not work on the territory of Bulgaria but can instead be found on the airport in Montpellier toiling for another company, Vallair. All this happened even without the necessary posting form, i.e. it is illegal. Six of the workers are third-country nationals, who in addition to all other irregularities, do not have the permission to work for a company different from Plane care or in another EU country. Under a mechanism for European cooperation Bulgarian and French authorities are currently conducting an investigation of the company, which has been fined by the French labour inspection. This is a company that does not have a website, signs declarations with false content, breaches the labour legislation, but applies for an import of Serbian air mechanics under the pretext of labour shortage in Bulgaria.

And if the new rules for access to the labour market had been in force at the time when the company was filing its import request, the chance of discovering the violation of European and Bulgarian regulations would have been minimal. From now on dishonest Bulgarian businessmen would have a 3 times bigger liberty to do so.

Damage of eased access to the labour market in Bulgaria

First, with the Bulgarian salaries being traditionally the lowest in the EU but with signs of improvement, a massive import of workers threatens to destabilize the labour market and keep wages down, by providing cheap competition to the Bulgarian citizen.

Second, the lack of a perspective for decent jobs and salaries might cause a new massive emigration wave towards Western Europe, worsening the already deplorable demographic situation in the country.

Third, an unexpected inflow of foreign citizens even to countries with stable public systems will lead to an increase of social tension and fuel the already rising far-right political formations. Today, it is exactly the extreme right party in the Bulgarian government that opens widely the door to third country nationals.

An analysis of the European Commission points that a 10% increase of the labour force redirects 1.7% of the GDP from local workers to the owners of capital. This means that the new law has nothing to do with the fears of the employers for labour shortage or lack of qualified workers. The people in the EU and Bulgaria in particular are victim to the strive of the business to extract even more value from labour.

Lastly, if the forecast of the employers for 500,000 new workers is fulfilled, this will not only totally deform the Bulgarian labour market, but will inevitably affect to the EU as a whole.

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