

Platform Reps

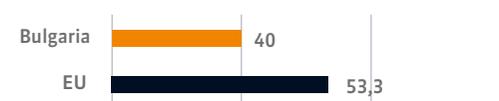
BULGARIA: Country report 2022



1. Context: Social dialogue and work in platforms

According to Eurofound, the overall quality of social dialogue in Bulgaria is significantly lacking compared to the EU average (see **Figure 1** below).

Figure 1: Industrial Relations Index (2013-2017)¹



Source: [Eurofound Industrial Relations Index](#)

It is important to note that, measured as a share in the adult population, work in digital labour platforms (hereafter referred to

as “platforms”) in Bulgaria is one percentage point higher than the EU average, amounting to almost ten per cent (**Figure 2**).

Figure 2: The share of workers in platforms in the adult population (2021)²



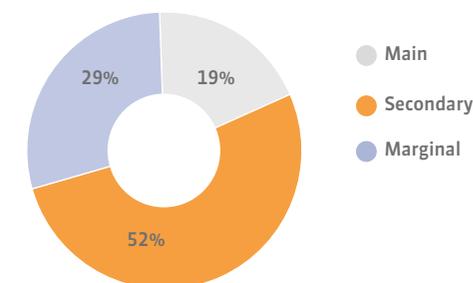
Source: EC (2021); Eurostat.

According to 2021 estimates, up to almost half a million people might have engaged in work in platforms in Bulgaria in 2021 more

than sporadically, i.e., at least 10 hours a week or contributing to more than 25% of their income (**Figure 3**).³

Figure 3: Number and categories of workers in platforms (2021)⁴

Number of workers in platforms: 496k



Source: EC (2021)

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1. The index measures the overall quality of the “collective and individual governance of work and employment” across four categories, based on 47 indicators. See: Eurofound (2018). *Measuring varieties of industrial relations in Europe: A quantitative analysis*. Publications Office of the European Union, Luxembourg., p. 1.

2. The numbers cited are an upper-bound estimation based on 2021 survey results. They cover all types of work in platforms from low- to high-skill and from on-location (e.g., transport, delivery) to online work (e.g., ICT, data entry, creative work). See: EC (2021). [Study to support the impact assessment of an EU initiative to improve the working conditions in platform work](#)

3. Other estimates show significantly lower numbers; for example, according to ETUI, only 3.8% of Bulgarian survey respondents engaged in work in platforms in the 12-month reference period. See ETUI (2022). *The platform economy in Europe: Results from the second ETUI Internet and Platform Work Survey*. The Confederation of Independent Trade Unions in Bulgaria (CITUB) deems the data provided by ETUI more reliable and believes The EC data are over-estimated.

4. Main workers work through platforms for at least 20 hours a week or receive at least 50% of their income therein. Secondary workers spend between 10 and 19 hours per week or receive between 25% and 50% of their income from work in platforms. Marginal workers spend less than 10 hours a week working via platforms and get less than 25% of their income via platforms.

2. Current legal framework

2.1. LABOUR LAW

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The Labour Code functions as the sole pillar for regulating employment relations. However, it does not define an employee based on their factual status. Instead, the **employment relationship is only created upon signing an employment contract**. The Labour Code provides a detailed account of what the contract should specify to define a working relationship, including:⁵

- The place of work;
- The position title and the nature of the work;
- The date of its conclusion and the beginning of its implementation;

- The duration of the employment contract;
- The amount of the basic and extended paid annual leave;
- An equal termination notice period for both parties;
- The basic and additional labour remunerations as well as the periodicity of their payment;
- The length of the working day or week.

Workers in Bulgaria can also work as independent contractors, based on service contracts. Key differences between employment and service contracts are outlined in **Table 1** below.

Table 1: Key provisions of employment and service contracts

Criteria	Employment contract	Service contract
Content	<ul style="list-style-type: none"> - The employee is contracted to perform the work. - The parties are in a hierarchical relationship of dependence – the employee has to abide by the orders of the employer. - The employee performs their job within the stipulated working time, working place and in accordance with the nature of the work. - The employee uses materials and supplies provided by the employer. 	<ul style="list-style-type: none"> - The contract subject is the result of the work. - The parties (the client and the contractor) generally enjoy an equal position (no subordination). - The contractor has no defined working time or place. Their only obligation is to deliver the result. - The contractor uses their own materials.
Form	Concluded in writing	Unspecified
Remuneration	Regularly paid salary	Depending on the agreement

Source: Visionary Analytics, based on Ruskov & Kollegen (n.d.). [Employment contract and work contract in Bulgaria](#).

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5. Article 66 of the Labour Code

6. Interview results

7. EC (2021). [Study to support the impact assessment of an EU initiative to improve the working conditions in platform work](#).

In cases when service contracts are inaccurately applied, they can be contested in the Labour Inspectorate and redefined as employment contracts, however, **the burden is placed on the workers to take initiative and prove the employment relationship**.⁶

2.2. PLATFORM-SPECIFIC LEGISLATION

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As of today, specific regulation addressing work in platforms is lacking in Bulgaria. The Ministry of Labour and Social Policy did issue a report analysing new forms of work and the expected changes in the organisation of labour and employment, including work in platforms. It found that workers in platforms partially meet the characteristics of an employment relationship within the existing labour law and legal tradition. The report concluded that Bulgaria shall wait for a common EU-wide resolution rather than take the initiative to introduce its own new regulations.⁷

3. State-of-play of workers' rights

Workers enjoy different access to labour rights, depending on their status, as summarised in **Table 2** below.

Table 2: Worker statuses and corresponding labour rights

Worker status	Legal basis	Social security	Union representation	Collective bargaining
Employee	Labour law	✓	✓	✓
Independent contractor	Civil law	✓ (self-paid)	✗	✗

Source: Visionary Analytics.

Reliable data on platform companies is lacking, but according to various assessments, **the vast majority of workers in platforms are independent contractors.**⁸ Therefore, workers fall outside of the labour law provisions and are not covered by basic rights, including minimum wage, work-

ing time standards, health and safety provisions, or vocational training. This translates to precarious working conditions including “extremely low” pay.⁹ Additionally, workers can be subject to other unfair practices such as penalties (deductions from pay) for under-performance (e.g.,

untimely delivery).¹⁰ Therefore, **the misclassification of worker status is the main obstacle in ensuring adequate access to basic labour rights and protections.**

In terms of enforcing the legal framework, the key challenge is the inadequacy of the framework itself, which makes it hard for workers to fight for their rights. Additionally, questionable court independence has been mentioned as a potential risk in possible legal proceedings.

Finally, the interviewees suggested that workers in platforms, even should they unionise, would not prioritise gaining more social security or labour rights but would rather choose to negotiate higher pay.¹¹

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8. Interview results; CITUB (2022). *Кабинетното проучване на дигиталните трудови платформи: общ преглед на тематиката и данни за България* (unpublished), Ministry of Labour and Social Policy (2019). *Анализ на очакваните промени в организацията на труда и заетостта в България, породени от нововъзникващите „нови форми на труд“.*

9. Ministry of Labour and Social Policy (2019). *Анализ на очакваните промени в организацията на труда и заетостта в България, породени от нововъзникващите „нови форми на труд“.*

10. Interview results

11. Interview results

4. State-of-play of union action

Union action for workers in platforms in Bulgaria is under-developed. No instances of spontaneous organisation efforts by workers have been identified, while established trade unions in Bulgaria are incapacitated by the lack of legal framework. The right to collective bargaining is only guaranteed in the Labour Code, which does not apply to a vast majority of workers in platforms, who tend to be self-employed and therefore are not covered by its provisions.¹²

Nevertheless, **trade unions support the workers directly by acquainting them with their rights and providing legal consultations,** as well as

Supreme Court's Uber ban

Given this unfavourable legal environment for the workers, no court decisions or proceedings have taken place in Bulgaria that would deal with the working conditions of workers in platforms. However, a notable court case around the competition law exists.

Following Uber's branch-out to Bulgaria in 2014, a sizeable trade union organisation – Union Taxi, raised concerns about unfair competition, calling for a complete ban on the car service by the Commission for the Protection of Competition (CPC). Uber was collaboratively accused by several driver unions of creating financial losses for legitimate taxi companies by “stealing” customers and using inappropriate tactics.

indirectly, by attending and organising campaigns via collaboration with the ETUC. Work in platforms is also becoming a higher priority for established unions – for example, in its new five-year plan, CITUB has set several priorities regarding work in platforms.

Some of the main obstacles in organising workers include:

- The lack of direct bottom-up action (workers lack the awareness of unionisation possibilities and benefits, and might not have the tradition of union membership);
- The lack of visibility and contact between

After multiple requests by the union confederation, Uber was fined €25,532 and effectively banned by CPC in 2015. An additional fine of €25,532 was added on top of that for Uber's failure to provide the requested documents during the investigation. The Uber ban is still effective in Bulgaria today. Furthermore, the ban also resulted in new legislation requiring taxi companies to provide their drivers with employment contracts and social security, declare their turnover and pay employment taxes. The new requirements were met with backlash from the taxi companies since they used to work with self-employed drivers as well.

Source: Visionary Analytics, based on Eurofound (2016). [Bulgaria: Supreme Court shuts down smartphone car service Uber.](#)

workers;

- Autonomous workers competing rather than collaborating with one another;
- Lack of focusing events which would catalyse unionisation (i.e., media coverage of workers' rights violations).

CITUB's proposals for union action in platforms

CITUB emphasised the challenges related to work in platforms throughout its five-year (2022-2027) programme. Some of the policy priorities include:

- Achieving a clear definition of workers in platforms
- Ensuring adequate and stable remuneration
- Improving access to vocational training and education
- Ensuring statutory working hours and place of work
- Providing workers with union and worker representation
- Participating in the process of implementation of the new EU Directive on predictable and transparent working conditions
- Protection of personal data and privacy

Source: Visionary Analytics, based on CITUB (2022). [CITUB's programme for the period 2022- 2027.](#)

5. Action checklist

Preliminary suggestions for actions are summarised in **Table 3** below. .

Table 3: Action checklist in two main areas

Policy	On-the-ground action
<ul style="list-style-type: none"> - Lobby for a “good” transposition of the EU Directive, including potentially preparing a clear and specific legislative proposition ahead of time. - Consider setting the scene for the incorporation of a comprehensive and inclusive definition of worker into the legal framework. 	<ul style="list-style-type: none"> - Push on-the-ground action to raise awareness among workers in platforms about their rights: Given the very initial stage of unionisation efforts, it is vital to reach out to workers with fundamental information campaign and support.

Source: Visionary Analytics.

Application of the proposal for Directive of the EC and/or the ETUC policy proposal

CITUB representatives expressed the opinion that the EC proposal would improve the legal framework for work in platforms in Bulgaria, by providing any legal grounds to re-classify workers as employees. This would depend, however, on an effective transposition of the Directive

into Bulgarian law, which might be a problem in itself. It would likely require introducing a new, dedicated law for work in platforms, as the current legal framework is not compatible with the provisions of either the EC or ETUC – mostly because of **the lack of a definition of an employee in the Bulgarian Labour Code** (that would be based on the factual worker situation and not established via the existence of an employment

contract). The Directive proposal of the EC rests on the assumption that the final verdict about the employment status relies on national definitions of employees. It is currently unclear how this would work in Bulgaria, where no statutory definition exists in the Labour Code, collective agreements, or other legal sources.

Source: Visionary Analytics, based on interview results.