



# STRENGTHENING THE LABOUR RIGHTS OF MIGRANT WORKERS IN BULGARIA

## LEGAL AND ECONOMIC ANALYSIS



**PICUM**  
PLATFORM FOR INTERNATIONAL COOPERATION ON  
UNDOCUMENTED MIGRANTS



**Robert Bosch**  
Stiftung

# STRENGTHENING THE LABOUR RIGHTS OF MIGRANT WORKERS IN BULGARIA LEGAL AND ECONOMIC ANALYSIS

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This publication presents the results of an academic and field study conducted within the framework of the project "Strengthening the labor rights of migrant workers in Bulgaria", implemented by the "Center for Legal Aid - Voice in Bulgaria" (CLA) within the framework of a joint program for labor rights and labor migration of the Platform for International Cooperation on Undocumented Migrants PICUM and the Robert Bosch Stiftung, Germany.

The study combines an analysis of the legal and economic aspects of the specifics of labor migration in Bulgaria at the current difficult moment of intensified demographic crisis and high migration pressure not only at the national but also at the European level.

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One of the main goals of the project "Strengthening the labor rights of migrant workers in Bulgaria" is to start a completely new discussion regarding migration in Bulgaria, based on the enormous potential, positives and development that migrants<sup>1</sup> bring, regardless of whether they are only economic, or those who are forced to leave their countries as a result of persecution or armed conflict. The two groups - voluntary and forced migrants, although subject to different regimes for access to territory and residence, often overlap and do not have a clear distinction in terms of needs for integration, respect for rights, access to services, contribution to economic and social development of the host society. That is why the main point of intersection of the two internal migrant groups, as well as of migrants in general with the local population, is the labor market - where real life and effective integration take place.

What are the challenges faced by migrant workers, especially the most vulnerable among them, in the process of integration into the labor market in Bulgaria? What are the difficulties faced by employers employing or intending to employ migrant workers? What is the role of trade unions in the process of labor integration and monitoring the rights of migrant workers in our country? What is the state of the labor market in our country and what are the economic needs and challenges facing Bulgaria? What is the potential of migration to be part of the response to these needs?

The present publication seeks an answer to these questions by going through an analysis of the complex legal framework and the difficulties it creates for the most vulnerable among migrants, and places it in the prism of the economic picture of the state of the labor market, the demand for workers in Bulgaria and the role of foreigners in this market. Combination between legal and economic analysis best reflects the real needs and conditions in the host society and the need for our migration policy to be adequately reformed so that migration is part of the response to these needs.

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<sup>1</sup> The term "migrant" in this publication has a broad content and, when used independently, includes all types of foreigners residing in our country based on the type of residence (prolonged, long-term, permanent), refugees seeking protection, persons with temporary protection, as well as persons without legal residence.



BRIEF

## LIST OF ACRONYMS

Employment Agency (EA)

UN Universal Declaration of Human Rights of 1948 /UDHR/

Third country nationals /TCN/

State Agency for Refugees /SAR/

Law on foreigners in the Republic of Bulgaria /LFRB/

Law on Labor Migration and Labor Mobility /LLMLM/

Law on Asylum and Refugees /LAR/

Single residence and work permit /SRWP/

European Union /EU/

Confederation of Independent Trade Unions in Bulgaria (KNSB)

KT Podkrepa - Confederation of Labor Podkrepa

Ministry of Internal Affairs /MIA?

International Covenant on Economic, Social and Cultural Rights of 1966 /ICESCR/

International Convention on the Elimination of Racial Discrimination /ICERD/

International Labor Organization /ILO/

Penal Code /PC/

National Insurance Institute /NII/

National Revenue Agency /NRA/

United Nations Organization /UN/

The Regulations for the Implementation of the Law on Foreigners in the Republic of Bulgaria /RI of LFRB/

The Regulations for the Implementation of the Law on Labor Migration and Labor Mobility /PRI of LLMLM/

Seasonal worker permit /SWP/

Permit to move a person by intra-corporate transfer /ICTP/

Work permit /WP/

Freelance permit /FP/

The Blue Card of the European Union /BC of the EU/

Special home for temporary accommodation of foreigners /SHTAF

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Migration is a driving force of human history and development, but the debate about it is increasingly difficult and politically exploited. It has to do with the challenges we all face. The number of armed conflicts has almost doubled in the last decade. In 2023, Europe and Bulgaria have record statistics for the reception of refugees, both from Ukraine and from the Middle East, Africa and Asia. Although the political debate in Europe in recent years has mainly revolved around the issues of irregular migration and asylum, the demographic crisis, the aging population and the increasing need for labor on the continent are painful realities. Against the background of this reality, the in-depth debate on a balanced approach to migration, asylum and integration becomes even more imperative. Having legal pathways to access the labor market for migrant workers remains a key priority.

The non-exhaustive list of developments in EU member states' national policies from 2023, described by the International Center for Migration Policy Development (ICMPD) in its Migration Outlook 2024 study<sup>2</sup>, includes:

- new legislation to facilitate labor migration in Member States;
- higher quotas for workers from non-EU countries;
- expanding the lists of occupations in short supply;
- special permits for occupying specific professions;
- introduction of job-seeking visas;
- streamlining skills recognition;
- legalization programs (regularization);
- further conclusion of migration and mobility agreements;
- building new institutional frameworks to support the employment of foreign workers and active recruitment in the countries of origin.

Against the background of these dynamics at the world and European level, with this publication an attempt is made to examine the challenges and opportunities before Bulgaria not simply for "dealing" with migration, but for a mature, balanced, comprehensive rethinking of our national migration policy, with a clear set goal for integration, creative legal pathways for migrants to access the labor market, protecting their rights and helping them to be an effective part of our society.

The methodology of this publication includes academic legal and economic analysis combined with field research through the conduct of informational interviews with three target groups - vulnerable migrant workers; selected employers and business representatives working with migrants; trade unions. Findings from the field and academic research are the basis for proposed recommendations for legislative, administrative and policy changes.

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<sup>2</sup>"Migration Outlook 2024: Ten Migration Issues to Watch for in 2024", International Center for Migration Policy Development (ICMPD), [chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://www.icmpd.org/file/download/60599/file/ICMPD%2520Migration%2520Outlook%25202024.pdf](https://chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://www.icmpd.org/file/download/60599/file/ICMPD%2520Migration%2520Outlook%25202024.pdf)

# LEGAL ANALYSIS

The legal analysis aims to cover both an overview of the available legal framework regulating access to the labor market and, accordingly, the protection of the rights of migrant workers at the international, European and national level, as well as an analysis of the results of a conducted field study showing the practical application of these norms. The aim is to identify problem areas and weaknesses in the functioning of the system that have the most severe impact on the rights of the most vulnerable among migrant workers, namely asylum seekers, refugees and undocumented persons.

## LEGAL FRAMEWORK

The need for special protection of migrant workers was officially recognized at the beginning of the twentieth century. Since then, the gradual construction of a regulatory framework at the international level has begun to create minimum standards for their protection in order to guarantee equal treatment and equal access to rights and social protection as that given to local workers. In this period, the first and perceived as the main organization committed to guaranteeing the welfare of migrant workers - the International Labor Organization (ILO) - was created. A number of normative acts have been adopted at the regional and national level, and for the purposes of this review, the main European instruments and the Bulgarian legislative framework will be examined.

## INTERNATIONAL LEGAL NORMS

The two legally binding and effective international instruments adopted by the ILO for the protection of migrant workers today are the Labor Migration Convention No. 97 of 1949 and the Migrant Workers Convention No. 143 of 1975.

Convention No. 97 deals only with legal migrants and aims, on the one hand, to ensure and facilitate the flow of migrants from labor surplus countries to labor shortage countries, while on the other hand protecting them from exploitation, discrimination, unequal treatment from local workers. The Convention has been ratified by 50 countries, and the Republic of Bulgaria is not a party to it.

Convention No. 143 is broader in scope for the management of migration flows and aims to provide minimum protection for the rights of all migrant workers, both illegal and legal migrants. Convention No. 143 has been ratified by 25 countries, and Bulgaria is again not a party to it. Only 5 EU member states have ratified the convention - Cyprus, Italy, Portugal, Slovenia and Sweden.

At the UN level, the act that provides special protection to migrant workers is the 1990 International Convention on the Protection of the Rights of All Migrants and Members of Their Families (the "**Convention**"). It is the most comprehensive treaty dealing with migrant workers and outlining their rights. The main purpose of the Convention is to promote respect for the rights of persons working abroad and to ensure that they are treated not simply as workers, but as a social group with families and a corresponding right to the same protection as that guaranteed to local workers. Both legal and illegal migrant workers are covered by the Convention. At the moment, it has been ratified by 56 countries, and Bulgaria is not a party to it. The Convention has not been ratified by any EU member state.

Basic standards in the field of socio-economic and labor rights are also found in the United Nations Universal Declaration of Human Rights (UDHR) of 1948, the International Covenant on Economic, Social and Cultural Rights (ICESCR) of 1966 and The International Convention on the Elimination of Racial Discrimination (ICRD) of 1965. Unlike the 1990 Migrants Convention and the ILO Conventions, these UN standards are universally endorsed by EU member states. In practice, they offer many of the same rights that are provided for in other international instruments, such as standards for migrant workers in the areas of civil, political, socio-economic and labor rights.



The rights of all workers in the European Union are protected in the first place by the fundamental document defining the framework of fundamental rights, freedoms and principles in the Union - **the Charter of Fundamental Rights of the European Union** - Art. 29 of the Charter regulates the right of access to employment services; Art. 30 - protection in case of unjustified dismissal; Art. 31 - fair and equal working conditions; Art. 32 - prohibition of child labor and protection of working youth; Art. 33 - family and professional life. The provisions in question regulate the rights of both European citizens and third-country nationals working in the Union. There are also attempts at an expansive interpretation, according to which most of the rights guaranteed by the Charter, including those on labor rights, are applicable to every citizen, including every worker, regardless not only of their citizenship (European or third country), but also by its status (regular or irregular).<sup>3</sup>

The main instrument for transposition into the national legislation of the EU member states of the principles from the EU Charter or Treaty are the directives. A number of EU directives have adopted minimum standards for the treatment in various areas of access to the labor market and labor rights of migrants, persons seeking international protection and refugees. Among them are:

- Directive 2004/114/EC of the Council of 13 December 2004 on the conditions of admission of TCN for the purpose of studies, pupil exchange, unremunerated training or voluntary service.

- Directive 2005/71/EC of the Council of October 12, 2005 on a specific procedure for admitting TCN for the purposes of scientific research.

- Directive 2009/50/EC of the Council of May 25, 2009 on the conditions of entry and residence of TCN for the purposes of highly qualified employment.

- Directive 2009/52/EC of the EP and of the Council of 18 June 2009 providing for minimum standards on sanctions and measures against employers of illegally staying TCN.

- Directive 2011/98/EU of the EP and of the Council of 13 December 2011 on a single application procedure for a single permit for TCN to reside and work in the

territory of a Member State and on a common set of rights for third-country workers legally residing in a Member State

- Directive 2014/54/EU of the EP and of the Council of 16 April 2014 on measures facilitating the exercise of rights conferred on workers in the context of freedom of movement for workers.

- Directive 2014/36/EU of the EP and of the Council of 26 February 2014 on the conditions of entry and stay of TCN for the purpose of employment as seasonal workers

- Directive 2014/66/EU of the EP and of the Council of May 15, 2014 on the conditions of entry and residence of TCN in the framework of an intra-corporate transfer.

- Directive (EC) No. 2016/801 of the EP and of the Council of 11 May 2016 on the conditions of entry and residence of TCN for the purposes of research, studies, training, voluntary service, pupil exchange schemes or educational projects and au pairing (recast)

<sup>3</sup> *Fundamental Rights of Illegal Migrant Workers in the EU: Study Requested by the LIBE Commission, Citizens' Rights Policy and Constitutional Affairs Unit, Directorate-General for Internal Policies, PE 702.670 - July 2022*, available here: [The Fundamental Rights of Irregular Migrant Workers in the EU \(europa.eu\)](https://european-council.europa.eu/media/en/press-communications/infographic/infographic_fundamental_rights_of_irregular_migrant_workers_in_the_eu.pdf)

## NATIONAL NORMS

The employment of foreigners on the territory of the Republic of Bulgaria is regulated most fully in the Law on Foreigners in the Republic of Bulgaria /LFRB/, the Regulations for its Implementation /RI of LFRB/, the Law on Labor Migration and Labor Mobility /LLMLM/ and the Regulations for its Implementation /RI of LLMLM/, the Employment Promotion Act, Ordinance on the Integration of Foreigners, etc. by-laws.

LLMLM provides equal access to the Bulgarian labor market and equal treatment to citizens of another EU member state, a state party to the EEA Agreement, or the Swiss Confederation, but sets certain requirements and restrictions for access to the labor market for citizens of third countries. Citizens of third countries may carry out activities on the territory of the Republic of Bulgaria, only if they reside legally on the territory of the country. The legal basis is acquired through access to the labor market provided by the Employment Agency, resp. through a residence permit issued by the Ministry of the Interior.

LFRB and LLMLM provide for different regimes and procedures for access to the labor market, depending on the type of employment that workers - citizens of third countries wish to pursue on the territory of the country. In certain cases, the permit is issued by the Ministry of the Interior, and it also includes the positive opinion of the executive director of the Employment Agency for access to the labor market (for example, the Single residence and work permit /SRWP/, the Blue Card of the European Union /BC of EU/, Seasonal Worker Permit /SWP/ and Permit to relocate a person under an internal corporate transfer /ICT/), and in others the first work permit is issued by the executive director of the Employment Agency and based on it the permit for residence permit from the Ministry of Internal Affairs (for example, the work permit /WP/ and the permit to carry out freelance activity /FLA/). Three of the main modes of access to the Bulgarian labor market are summarized below.



**The EU Blue Card** is a permit that allows highly qualified specialists from third countries (persons with higher education or without, but with at least 5 years of work experience in the relevant branch) to work and live in an EU country (Chapter Three "b", Art. 33k et seq. of the LFRB). To be able to obtain such a card, third-country nationals must have the necessary qualifications and a job offer that includes a salary above a certain level (at least one and a half times higher than the average gross salary in the country for the last 12 months). The blue card is valid for up to 5 years, but not shorter than 24 months, and can be renewed, with the possibility of changing employers under certain conditions. BC holders can bring their family members to Bulgaria.

## The Single residence and work permit

requires a specific job position with a specific employer and is issued for a period of up to three years (Article 24i of the LFRB). The procedure for issuing an SRWP is carried out only before the "Migration Directorate" of the Ministry of the Interior. A number of reliefs were introduced in the procedure, such as dropping the requirement that the worker be outside the country when submitting the application in the initial or subsequent procedure, dropping the so-called "market test" etc. However, there remains the requirement for an additional requirement for publication in the media of a job advertisement and an explicit justification by the employer why a Bulgarian citizen cannot be hired for the intended position. Explicit requirements have been introduced for the employer to declare that the foreigner is provided with suitable housing that meets all safety and health requirements, that the conditions of work and pay are respected, and that they are not less favourable than the conditions for Bulgarian citizens for the relevant category.



**Seasonal worker permit** is issued to third-country nationals who apply for a residence permit for the purpose of seasonal work of 90 days to 9 months within each 12-month period. SWP is issued by the Ministry of Internal Affairs according to Art. 24k, para. 1 of LFRB. It also contains the positive written opinion provided by the executive director of the Employment Agency for access to the Bulgarian labor market. The procedure for issuing the SWP is in accordance with Directive 2014/36/EU on the entry and stay of third-country nationals for the purpose of employment as seasonal workers. SWP is issued under an accelerated procedure for foreigners who have worked at least once on the territory of the Republic of Bulgaria as seasonal workers in the last 5

years. For seasonal workers, the procedure is accelerated, there is no requirement for a "market test" and a one-time change of employer within 90 days is allowed.

A permit for access to the labor market is not required for foreigners with a long-term or permanent residence permit in the Republic of Bulgaria, for those with granted right of asylum or international protection in accordance with the Law on Asylum and Refugees, as well as for their family members.

Persons seeking asylum or international protection under the LAR also have the right to access the labor market. It applies to the time of their procedure if the proceedings are not completed within three months from the submission of the application for protection.

Persons enjoying temporary protection (for example, Ukrainian citizens) also do not need a special work permit for the duration of the temporary protection itself. These persons can register as unemployed in the relevant territorial unit of the Employment agency for inclusion in trainings financed with public funds, as well as in subsidiary employment.

It is important to note that the current national legislation does not provide for the possibility of access to the labor market for persons in illegal stay. Unlike a number of other member countries, in Bulgaria there are no schemes or mechanisms for the regularization of de facto integrated and long-term resident foreign citizens. Moreover, the law provides for the penalty of "imprisonment" and "fine" for an employer, employing foreigners with an unregulated legal status (Article 227 of the Criminal Code).

Political will for creating of a stable migration policy is declared in the **National Migration Strategy of the Republic of Bulgaria 2021-2025** adopted by Decision No. 256 of the Council of Ministers of 25.03.2021. The strategy places a major emphasis on managing legal migration and countering illegal migration through return policies and cooperation with third countries. While considering the human rights and dignity of migrants and asylum seekers, the document does not discuss ensuring access to the country's territory as a necessary prerequisite, easing legal paths to access the labor market and integration. There is no vision of a mechanism or procedure to fill the existing legal vacuum regarding undocumented people.

Last but not least, Bulgaria has settled its relations with third countries regarding access to the labor market of their citizens in our country through bilateral **agreements on the regulation of labor migration**. Bulgaria currently has such agreements with the State of Israel, the Republic of Moldova, the Republic of Georgia and the Republic of Armenia. Through these agreements, a quick and easy regime for access to the labor market is established for specific foreign citizens.

## MAIN FINDINGS FROM THE SURVEY ON MIGRANTS' RIGHTS

The sociological research consisted of conducting in-depth informational interviews with three target groups - vulnerable migrant workers; selected employers and business representatives working with migrants; trade unions. In the period from November 2023 to April 2024, 12 interviews were conducted with migrant workers, 6 interviews with employers and 2 interviews with the main two nationally represented labor unions in Bulgaria - the Confederation of Independent Trade Unions in Bulgaria (KNSB) and the Confederation "PODKREPA" (KT Podkrepa).

### RESULTS OF INTERVIEWS WITH MIGRANT WORKERS

The 12 interviews conducted with migrant workers cover a wide range of countries of origin, age, gender, form and length of residence in the country, employment sectors. Among the interviewees are citizens of Afghanistan, Bangladesh, Iraq, Iran, Kazakhstan, Ivory Coast, Somalia, Ukraine. Of them, 5 are women and 7 are men, aged between 27 and 40 years. Forms of residence include persons with recognized temporary protection, humanitarian/refugee status, asylum seeker status, seasonal workers, undocumented persons. Their stay in Bulgaria ranges from 2 to 13 years. Five of the 12 interviewed persons have higher education, of which 3 are women and 2 are men. The rest of the interviewees have secondary education or have completed elementary school.

Seven of the interviewees work as service staff in food establishments - both in small restaurants and in large national and international restaurants and fast-food establishments. Three of the interviewees are service staff in commercial establishments, three are service staff in hotels. One of the workers interviewed is in the field of production.

At the time of conducting the interviews, 9 out of all respondents were working on employment contracts, fixed-term or permanent, depending on whether they were asylum seekers, protection holders or seasonal workers. In the case of employment contracts, the individuals declare that, in general, the compliance of the real engagement with the one established by the contract is observed, with the exception of 3 of the interviewees. In one of the cases, the actual salary does not correspond to the amount agreed in the employment contract. Compliance with the daily lunch break and paid annual leave is declared. Particular difficulties have been reported in contracts with asylum seekers, which are concluded as a series of fixed-term contracts for a period of 3 months, due to the need to extend the validity period of the registration cards of these persons, serving as the only substitute for an identity document. To a lesser extent, the requirement for payment of additional work is observed.

In the case of three of the interviewed persons, who do not have the status of legal residence in the country, the employment relationship is without a contract. It is important to note that 8 of the interviewed persons had a period or periods of time (from a few months to over 5 years) in

which they had to work without a contract due to the lack of legal residence status in the country. This usually occurs as a result of transitional periods between subsequent asylum procedures, or due to a permanent situation of rejection of asylum and impossibility of returning to the country of origin or to have alternative arrangements for the foreigner's legal stay through another legal means. In periods of non-contractual work, the type of commitment is usually not tied to a specific clearly specified activity, but rather a general commitment to the 'benefactor employer'. In these cases, there is a disturbing tendency of the person's complete dependence on the employer, gratitude for the assistance provided through the possibility of a living, as well as denial of existing or potential abuses of their rights. At the same time, in cases of work without a contract among the interviewees, there are extreme situations in which people worked in very difficult conditions, without salary, without compliance with requirements for regulated working hours, breaks, vacations and overtime pay, only for an insured housing and food.



*" It is a pity that the Bulgarian authorities do not use the potential that we refugees and migrants have as workers and employees in many labor sectors, which are otherwise said to suffer from a lack of labor."*

*- Quote from a migrant worker interviewed*

Almost all interviewees have a desire for higher pay, but no feeling of discriminatory treatment towards Bulgarian citizens specifically in terms of pay has been expressed.

A very low degree of awareness, knowledge and sensitivity regarding labor rights was observed among the interviewees. Many of the individuals lack information on basic elements of the binding employment relationship, apart from basic pay parameters. There is a lack of self-initiative or referral by an employer or third parties to consult with NGOs or lawyers specifically regarding labor rights.

A relatively low degree of sensitivity among the interviewed persons for the violation of their basic rights is considered. It was mentioned the presence of discriminatory treatment of individuals by team members at their workplace, humiliating treatment by direct supervisors or employers, but mainly among seasonal workers and undocumented persons.

The impossibility of recognition of diplomas and education acquired outside Bulgaria and difficulty in administrative procedures were highlighted as a problem in some of the cases, especially for Ukrainian citizens.

None of the interviewees has any information regarding the existence or activity of trade union organizations, their way of functioning and their benefits. There is also no information as to whether their enterprise is unionized or not.

There was a unanimous opinion on the lack of adequate information both at the initial start of work and during the subsequent work process. All interviewees were unable to obtain professional qualifications due to employment in low-skilled activities.

Regarding expressed future prospects for professional development, ten of the twelve interviewees see themselves in Bulgaria in the short term without a clear picture in the long term, with a desire for some form of development and retraining. In one of the cases, the person expressed a desire to study further. Four of the interviewees expressed a desire to start their own business.

## RESULTS OF INTERVIEWS WITH EMPLOYER

The second target group of the conducted sociological survey is the employers. This target group was significantly more difficult to reach. Six employers responded to the invitations, among which there are representatives of small and large businesses, NGOs in private and public form, including a private school. Four of the employers have business in Sofia, two of them in Stara Zagora.


The employers represented have varied experience in working with migrant workers – some of them employing up to two people, others with over fifty migrant workers. The workers employed by the surveyed employers are from Iran, Afghanistan, Syria, Ukraine.

All employers are satisfied with their work with migrants and determined to work with such in the future. It is emphasized that there is not only a desire to work with migrants, but the need, which is leading.

Apart from an initial job introduction and general in-house trainings, no other retraining or career development programs were shared. Two of the employers shared an initiative and support for migrant workers in Bulgarian language training.

Part of the questions for employers are related to **the need to improve the legal framework for obtaining access to the labor market for migrant workers**. Recommendations were shared to ease the procedures and requirements for obtaining work permits, to reduce the terms of these procedures, as well as for the need for greater awareness among employers of the overall procedure for obtaining a work permit, for hiring, for the subsequent notices and requirements to the employer. The support programs for those working with Ukrainian citizens or other refugees are specifically mentioned, which are particularly difficult in terms of procedure and requirements for the employer. Their complexity and lack of information demotivates potential employers, and in one of the interviews, an employer shared that the accountants themselves advise employers not to apply for these programs. The lack of coordination between institutions is highlighted as a major problem, both for those working with Ukrainian citizens and with other refugees and asylum seekers. Since foreigners are not aware of the established legal system and the mechanisms in force, usually the employer must assist the migrant in the process of

communication with the state institutions - National Insurance Institute (NII), National Revenue Agency (NRA), Directorate "Migration" of the Ministry of Internal Affairs, State Agency for Refugees (SAR), banks and other institutions. This is an additional time-consuming process that in some cases discourages the employer from engaging with these individuals. A clear recommendation was made to create a legal path for access to the labor market for undocumented people who are in our country by applying clear criteria, individual approach and overcoming prejudices and fears.



*" Many people are without documents for months and years - from 5 to 8 years in some cases, they have no right to a work contract, no housing, no insurance, nothing. We condemn them to misery, and they are people with skills, some of them with education, with a desire to work ."*

- Quote from employer interviewed

None of the employers interviewed have **contact or interaction with a trade union organization in the context of their work with migrant workers**. At one of the employers, there is interaction with a union due to the performance of a delegated state service and the presence of payment from the state budget for part of the Bulgarian workers. A major problem in working with trade unions is the understanding that the development and maintenance of trade union activity is relevant mainly for workers and employees performing work or official duties on activities to the state budget, and for the private sector they are irrelevant. At one of the employers, communication with a union was assessed as unnecessary, even harmful. A quote from an interview with another NGO employer reads:

- *" Membership in a trade union is optional for Bulgarian citizens, they receive additional privileges - work clothes, more days off, salaries are adjusted, working conditions are monitored. This is regulated by the union's collective labor agreement. But this does not include workers, for example, on projects where foreigners are usually involved. Projects generally do not recognize additional remuneration and privileges typical of the union's collective labor agreement. That is why, for example, it is an obstacle if a migrant worker becomes a member of the union, we will have to provide him with what was agreed in the collective agreement, and there is no way to include this under the project. In this way workers on non-budgetary wages are not equal to those on budget, but here the inequality is not based on nationality, but whether they are working on budget funding. "*

No signal of discrimination or harassment in the workplace was identified at any of the employers. Only discriminatory attitudes in society as a whole were mentioned.




In hiring or in matters related to respect of labor rights, there is no habit of using specialized legal assistance, lawyers or other services on the part of employers. Four of the interviewed employers turned to the NGOs for assistance in terms of clarifications about the status of the asylum seekers and refugees they work with and their right to access the labor market in view of the specifics of their legal status, not in terms of labor legal relationship. The partnership with the NGO sector was assessed as good, but insufficient.

The following **categories of difficulties** were distinguished by employers in the process of their overall work with migrant workers:

### *Obtaining a work permit*

The work permit procedure is long, complicated, without clear time parameters, and the employer easily gives up. This opinion was expressed by almost all employers, despite the fact that in the LFRB and in the LLMLM there are clearly defined, shortened and optimized deadlines for the procedures. In practice, however, these deadlines are often suspended due to additional instructions to employers due to non-fulfilment of requirements, in some cases these terms are simply not met by the administration, and so the procedure lasts for months. The reliefs from the abolition of the so-called "market test" are important, but difficulties still remain with the need to prove the additionally that a suitable worker in Bulgaria has not been found. There is an urgent need to assist employers in the process of applying for work permits, further clarification of the procedure, access to correct information and advance preparation.



*"Migrants are a great resource for the Bulgarian economy as a workforce, but their integration into the labor market requires great efforts and there is a lack of targeted policy on this issue, and all this against the background of a major demographic crisis."*

*- Quote from employer interviewed*

### *Problems in employing asylum seekers or people with refugee/humanitarian status*

There is a lack of sufficiently accessible information among employers about the legal framework and the procedure in which the asylum seekers are - who and when has the right to work, whether documents proving this right are needed, how the employment contract is announced in the National Revenue Agency or National Insurance Agency. Difficulties due to irregular or delayed transfer of information between SAR and NRA are shared. In the case of asylum seekers in particular, the employer has to make a lot of extra personal effort, which not everyone can or would afford. When concluding a contract with a Ukrainian citizen, for example, the employer shares a clash with a number of different institutions, each of which has no communication with

the other, making the procedure cumbersome and bureaucratic. Special difficulties are created by the short 3-month period of the registration cards of asylum seekers, which are their only personal documents. But this raises many questions for the employer - for what period should they conclude an employment contract; is it certain that the term of the card will be extended after its expiry; how many times and until when it will be continued; how many consecutive term contracts will need to be concluded; where can they find out more about the asylum procedure of their worker.

#### *Announcement of employment contracts in the Chief Labor Inspectorate (CLI)*

In the case of small companies and NGOs, the question arose of the requirement to declare employment contracts to the Labor Inspectorate (LI) and the large fines if this is not done within the required time frame. There is not much information about this announcement, it is regulated only in RI of LLMLM, there is no information provided either by the Employment Agency, nor by the Migration Directorate, or the Labor Bureau.

#### *Proficiency in the Bulgarian language*

The problem with the degree of proficiency of the Bulgarian language by foreign citizens has been highlighted as a factor making communication difficult, although not of primary importance. The lack of sufficient state or social programs for teaching the Bulgarian language was noted, as well as the need for the employer to invest and organize such training for the workers himself, as is the case with two of the employers.

#### *Attitude towards a different culture*

The need for a correct attitude towards the different culture and its specifics is a factor that the employer usually faces after starting the labor relationship with a foreigner and realizes on the move that he is not fully prepared. It sometimes leads to disappointment and a negative experience. Specific characteristic of different nationalities are pointed out, and in two of the conducted interviews a willingness to work only with migrant workers of specific nationalities is very clearly expressed. There is a need to support employers in their efforts to recruit migrant workers and to acquire cross-cultural communication skills.

#### *Negative public attitudes*

Problems for employers are the overall negative public attitudes against migrants in Bulgarian society, which make it difficult for employers to work with the institutions, when trying to assist in renting accommodation, when choosing a personal doctor, etc.



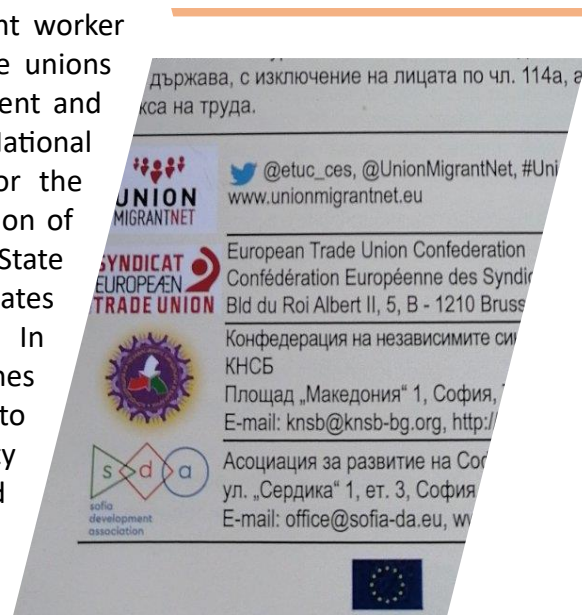
*"It is important to overcome prejudices. As a Christian society, we should reach out to people in need, not express doubt because we don't realize, but most of them carry all their possessions in one bag. They also carry potential. "*

*- Quote from employer interviewed*

Interviews were conducted with the main two nationally represented trade unions in Bulgaria - KNSB and CT "Podkrepa". There are migrant workers included in collective labor contracts, mainly in the sectors of tourism, hotel and catering, construction, processing industry - textile, food and beverage, IT industry. Foreign citizens engaged in these sectors are mainly from Uzbekistan, Kyrgyzstan, Moldova, Turkey, India. In general, not only in Bulgaria, but also at the European level, unionization is low. Employers hinder the unionization of migrant workers by not informing them that a trade union organization has been established on the territory of the enterprise and what the essence of the trade union activity is.

According to data collected during interviews, the collective labor agreement covers all union members, with no separate provisions specifically for migrant workers. Collective labor matters are generally related to the employment relationship between workers and the employer and include wages, working conditions, social benefits, working hours, rest, vacations and more.

The main focus of trade unions to date on migrant worker activities has been on refugees. In 2016, the trade unions demanded and developed a program for employment and training of refugees, which program is part of the National Employment Action Plan and includes training for the acquisition of professional qualifications and provision of subsidized employment. KNSB works well with the State Agency for Refugees and their representative participates in the agency's monthly coordination meetings. In addition, KNSB conducts labor exchanges, publishes brochures and materials with explanations on access to the labor market and basic labor and social security rights, conducts trainings and seminars on labor and social security rights, as well as tax consultations. They have developed materials that are in several languages and are available in electronic and print formats. They also have good communication with the "Migration" Directorate of the Ministry of the Interior.



Trade unions participate together with the employer in preparing a program for professional qualification and retraining of migrant workers, having successful examples in working with Ukrainian citizens. It was noted during the interviews that social dialogue between trade unions and employers is better in the public sector. In the private sector it is difficult, and in multinational companies it is extremely difficult and slow.

In view of the above and the difficulty of direct access of trade unions to migrant workers, the latter insist on the creation of a state register with information on appointed foreign nationals, managed by employers and trade unions, for the purpose of awareness, prevention of discrimination and exploitation, and protection of their rights.

## MAIN CHALLENGES FACED BY VULNERABLE MIGRANT GROUPS AND THEIR ACCESS TO RIGHT TO LABOR

According to the established legal principles and on the basis of the field sociological research carried out, asylum seekers and those with a humanitarian or refugee status are among the most vulnerable categories of foreign citizens, both in terms of overall access and protection of their rights, and specifically regarding access to the labor market and protection of their rights as workers during the protection procedure and after obtaining status. For the purposes of this study, in this part we will focus only on the access to the right to work for asylum seekers, and will not consider the situation of those granted humanitarian or refugee status, as well as persons with temporary protection.

A related group to that of asylum seekers is the group of persons without documents, who in most cases are persons with rejected applications for protection and subsequent delayed possibility or complete impossibility of return to their country of origin. For the purposes of this report, we will refer to these individuals as "people without documents" or "undocumented migrants."

The purpose of considering these two specific groups of migrant workers separately is not only their vulnerability, but also their presence on the territory of Bulgaria and the direct, facilitated way of access to the labour market. Although many problems are available to these two groups, their potential is unknown, unexplored and underutilized.

*"People with rejected status should not be allowed to roam the streets without documents, there should be a middle ground for the person to be protected, to be able to exist legally. This is good in the first place for us as a society . "*

*- Quote from employer interviewed*



The procedure for applying for international protection in Bulgaria is regulated at the national level by LAR. The existing current provisions concerning the admission procedure will be reformed very soon based on the implementation of the New European Pact on Asylum and Migration. However, in general, the structure of the two types of proceedings for examining the application for international protection, which are of different duration, will be preserved. In the case of accelerated proceedings, in which the application is rejected as clearly unfounded, the terms are extremely shortened, as a decision at the administrative level is issued within 7 days and the appeal of this decision is single-instance. In the general proceedings, only at the administrative level, the protection procedure can last a maximum of 6 months, with the possibility of being extended for another 9 months, as the final decision of SRA is appealed in front of two courts. Practice shows that individuals can be in asylum procedure for more than one year, and sometimes several years. During all this time they have access to the labor market without need of an explicit permit for that. According to Art. 29, para. 3 of the LRA, during his/her asylum proceedings, the foreigner has the right to access the labor market, including to participate in programs and projects financed by the state budget or through international or European funding, if the proceedings are not completed within three months of the submission of his application for international protection for reasons beyond his control. Access to the labor market is certified with a very simple procedure of issuing a declarative certificate from the SAR. This means that the asylum seeker has automatic access to the labor market 3 months after submitting an application for protection. In the current proposals for amendment of LRA, this term will be reduced to 1 month. Once issued, the certificate gives access to all types of employment and social benefits, including unemployment benefits and access to vocational training.

For the year 2023, SAR had a record number of registrations of new asylum requests since the beginning of its existence - 22,518 asylum seekers. Despite the high percentage of discontinued procedures and persons leaving our country (48% for 2023), the number of those remaining in our country is increasing. According to the SAR's annual report on the quality of the procedure <sup>4</sup>, as of 31.12.2023 there were 11,951 persons in ongoing asylum procedure, and the report states that the highest number of persons in the procedure since 1993 was reached during this year.

According to data from the AIDA report for Bulgaria <sup>5</sup>, in 2023 SAR issued 579 official notices for access to the labor market to persons seeking protection. Only for the period from the first four months of 2024, this number is 222. <sup>6</sup>According to the above-cited AIDA report, comprehensive statistics on asylum seekers actually included in the labor market are not collected, except for those officially registered as job seekers.

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<sup>4</sup>The annual report of the Quality of the International Protection Procedure Directorate for 2023, State Agency for Refugees, available at [www.aref.government.bg/novini/annual-report-procedure-international-protection](http://www.aref.government.bg/novini/annual-report-procedure-international-protection)

<sup>5</sup>Bulgaria Annual Report 2023, AIDA, available at: <https://asylumineurope.org/reports/country/bulgaria/>

<sup>6</sup>Presentation at the 129th coordination meeting of the DAB, 09.05.2024.

It is important to note that successful early integration into the labor market, from the beginning of the asylum procedure, is of key importance in the subsequent choice that those granted status make about whether to stay in Bulgaria or go to Western Europe. That is why this integration should be encouraged, to begin at the earliest possible stage of the person's arrival in Bulgaria and to be maximum facilitated.

In view of the conducted informational interviews and the cabinet study, the following problem areas in the access to the right to work of the asylum seekers were highlighted:

#### **Lack of statistics<sup>7</sup>**

Currently, there is no single system that contains and uses data on refugees and asylum seekers in Bulgaria. For example, there is no information in the NRA regarding the employment contracts of asylum seekers under the LRA. Such information is not maintained by the SAR.<sup>8</sup> Comprehensive statistical data on the asylum seekers actually included in the labor market, their qualifications and education, is not collected, with the exception of those officially registered as job seekers.

#### **Lack of sufficient access to government employment programs**

The above-cited statistics show that in 2023, SAR issued 579 work permits to asylum seekers, of which only 2 asylum seekers, along with 17 international protection recipients, sought work through government employment programs, while the rest have looked for work independently and on their own initiative. At the same time, a total of 1,484 persons with temporary protection were employed through government employment programs. The number of available programs and awareness campaigns for Ukrainian citizens with temporary protection is much greater than for those seeking international protection, which also leads to the difference in the number of persons involved.

#### **Problems with registration cards and their 3-month renewal**

SAR issues a registration card to asylum seekers for a period of three months, which can be extended until the end of the protection procedure with the initial period, i.e. every three months.<sup>9</sup> This registration card contains the basic data of the person - names, date of birth, country of origin, PIN (personal identification number of a foreigner), but according to the current law it does not have the force of an equivalent document for establishing identity.<sup>10</sup> In many cases, this legal wording of a temporary 3-month validity of registration cards confuses employers and creates difficulties for concluding a permanent or long-term employment contract, and sometimes leads to decisions by large companies to stop working with asylum seekers. The fact

<sup>7</sup>The problem is reported in the report "Migration as an Opportunity", Center for Legal Aid - Voice in Bulgaria, August 2023, available at: [www.centerforlegalaid.com/migration-as-an-opportunity/](http://www.centerforlegalaid.com/migration-as-an-opportunity/)

<sup>8</sup>The available information in the DAB is about the number of issued certificates for the right to access the labor market, but not about concluded employment contracts.

<sup>9</sup>See Art. 29, para. 1, item 7; Art. 40, para. 1, item 1; Art. 41, para 1, item 4 and para. 2 of ZUB

<sup>10</sup>See Art. 40, para. 3 of ZUB

that the registration card currently does not establish the identity of the foreigner also creates uncertainty. In most cases, individuals do not have another valid national document, and if they do, it is kept in their file at the SAR. In the proposed amendments in LRA,<sup>11</sup> this problem is addressed by providing that registration cards have the power to certify identity if the person possesses and has submitted a valid national identity document. The situation of Ukrainian citizens granted temporary protection, whose registration cards are valid for 1 year, is different here.

#### **Lack of access to a bank account**

Due to the lack of an identity document replacing national documents, if the person does not have a valid national passport, he cannot open a bank account based on his asylum seeker registration card alone. A large part of payments under labor and civil contracts nowadays are made via bank transfer. In Bulgaria, since 01.09.2023, a legal change has been in effect, according to which wages paid by employers with 100 or more employees, with the exception of persons with whom an employment contract for short-term seasonal agricultural work has been concluded, must be paid only through bank transfer<sup>12</sup>. This practice has also been adopted by smaller companies; it also applies to donor requirements for project activities.

#### **Lack of access to social benefits or benefit payments**

The requirements of the state institutions (NRA, NII) are that the payment of social benefits, as well as benefits, for example for sick leave, can be made only by bank transfer in the name of the addressee. Difficulties in opening a bank account lead to the impossibility of receiving these benefits. In the case of one of the migrant workers interviewed in the sociological survey, who is an asylum seeker suffering from a serious health problem, it was the lack of a bank account that led to the impossibility of obtaining sick pay and due to the particular difficulties, crisis assistance from non-governmental organizations was required. The person has agreed with the employer to receive his salary into the bank account of a friend, which, however, turns out to be impossible for the sick leave allowance, apart from the fact that the payment of labor remuneration to the account of a third person leads to unwanted and dangerous dependency.

#### **Lack of access to annual leave**

The fact that the temporary registration card leads to the conclusion of a number of temporary 3-month employment contracts has an impact on the person's ability to take paid annual leave. Although, according to the Labor Code, the right to paid annual leave is acquired after 4 months of total work experience, with a contract with such a short term, individuals are entirely dependent on the favor and fairness of their employer.

<sup>11</sup>Council of Ministers, Portal for public consultations:

<https://www.strategy.bg/publicconsultations/View.aspx?lang=bg-BG&Id=8070>

<sup>12</sup>See Art. 270 of the Labor Code; Art. 3, para. 1, item 3 of the Law on Restriction of Cash Payments

### **Lack of a unified system and contact point for information and assistance**

A serious difficulty for the integration of asylum seekers is the lack of a single database and a single contact point - "one-stop shop", where asylum seekers and refugees could receive information about all state procedures and opportunities - address registration, health insurance, finding a job, education, legal issues, etc. The idea of this complex service is not new, but it is innovative and could be implemented by a state structure, local authority or NGO. This would also make it easier for employers to navigate when hiring asylum seekers or refugees. A good example in this direction is the Bureau of Information and Services for Migrants under the project "**CONNECTION - Initiative for integration by connecting the cities**" (**CONNECTION**)

### **Lack of sufficient programs for studying the Bulgarian language**

Learning the language of the host country is the first step for the successful integration of any migrant. Quick and regular access to programs for studying the Bulgarian language will help asylum seekers to integrate more successfully into the labor market, to fully orient themselves in their relationships with the employer and team, and to quickly enter the work process.

## **IRREGULAR MIGRANT WORKERS**

Migrants in irregular status are the most vulnerable, including in terms of their employment rights, with the least degree of legal protection because they are effectively outside the law. This paradox provokes a number of debates and attempts to expand the interpretation of the main international and European acts that treat people equally regardless of their status. In this section, we will examine the main challenges in relation to access to the protection of labor rights of irregular migrant workers, depending on the available national regulations and practice in Bulgaria.

### **Terminology**

For the purposes of this study, we will use the term "irregular migrant workers" only for those of them who do not have a legal right of residence, and therefore a legal right to work in Bulgaria as a host country. In the term, we exclude foreign citizens who reside legally on the territory of our country, but work without the right or with a limited right to work.



## Statistics

Irregular migrant workers are part of the society of almost every country in the world. It is a logical conclusion that as the number of persons seeking protection increases, so does the percentage of refusals and, accordingly, the percentage of people who remain without documents and legal status, without the possibility of returning to their countries of origin. Statistics for these individuals are very difficult to collect due to a lack of sufficiently developed methodology and transparency. According to a recent PICUM study on the rights of irregular migrants,<sup>13</sup> the most recent available estimates of the number of irregular migrants in Europe were made by the Pew Research Centre, an established non-political "fact tank" in the US. These estimates were published in 2019 and cover the period 2014-2017, and suggest that there were between 2.9 and 3.8 million irregular migrants in Europe (all EEA member states and Switzerland). The Pew estimates are the first estimates of undocumented migrants in Europe as a whole in more than a decade. The latest round of the EU's Horizon Europe research funding program included a call for projects to provide new assessments of undocumented migrants in European countries, with results expected around 2025.

In Bulgaria, there are various data provided by the SAR and the Ministry of the Interior, according to which we get a general rough idea of the number of persons without documents. According to data provided by the Ministry of the Interior in 2019,<sup>14</sup> "the number of registered irregular residents on the territory of the Republic of Bulgaria for the reporting period 01.01.2019 – 30.06.2019 is a total of 895 foreigners". Of them, as of 30.06.2019, 149 are accommodated in the closed-type homes of the Ministry of Internal Affairs (Special Home for Temporary Accommodation of Foreigners - SHTPF), and the rest live freely outside the SHTPF. In 2017, 2018 and 2019 (until 26.07.2019), a total of 124 foreigners have been released from the SHTPF due to reaching the maximum legal term for accommodation of 18 months, without being able to be returned to their countries of origin during that time. For the period 2020-2022, this number is 103 foreign citizens.<sup>15</sup> In an inquiry by BTV to the Migration Directorate, it is stated<sup>16</sup> that as of February 2024, there were 114 third-country nationals residing irregularly in Bulgaria, with 75 of them subject to an imposed administrative measure of "weekly reporting at the police station".

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<sup>13</sup>See report " *Guide to the rights of undocumented workers in the workplace under international and EU law* ", PICUM publication, 2022, available here: <chrome-extension://efaidnbmnibpcajpcglclefindmkaj/https://picum.org/wp-content/uploads/2022/04/Guide-to-undocumented-workers-rights-EN.pdf>

<sup>14</sup>Decision of the Ministry of the Interior with reg. No. 812104-182 of 31.07.2019. for providing information under Application for access to public information with reg. No. 812104-173 of 23.07.2019

<sup>15</sup>Decision of the Ministry of the Interior with registration No. 812104-189 of 02.06.2023. for provision of information under Application for access to public information with reg. No. 536400-28276 dated 23.05.2023

<sup>16</sup>BTV report from 11.02.2024, "The invisible people who live in our country without documents", available here: <https://www.btv.bg/shows/tazi-nedelia/videos-nedelia/nevidimite-hora-koito-zhivejat-u-nas-bez-dokumenti.html>

The number at the moment is much larger, as exact statistics for this are missing. The only way to collect statistics is to find a legal possibility to legalize the stay of these people by introducing a legal procedure in which they would apply, be subject to administrative control and come out of "invisibility".

Their "invisibility" is very similar to the "invisibility" of more than 70,000 Bulgarian citizens without identity documents, which is emphasized in the Bulgarian Helsinki Committee's annual report for 2023<sup>17</sup> and for whom the lack of address registration is the reason for the impossibility of renewing personal identity documents.

## Categories

Who are these people? There are three non-exhaustive and partially overlapping categories of persons in a situation of undocumented residence in Bulgaria:

- 1) **De facto Bulgarian citizens** - those who entered the country at an early age with a parent/s, and some of them were born in Bulgaria, but do not meet the criteria for Bulgarian citizenship, as their parents are foreign citizens. They speak Bulgarian as a native language, have no connection to their parents' country of origin, nor knowledge of life there, often have completed high school education in Bulgaria due to the goodwill of an educational institution in the respective settlement (but cannot obtain a document for this) and have a fully Bulgarian self-awareness and self-determination. A part of them, but by no means all, are children of Armenian citizens legally residing in Bulgaria for a long time.
- 2) **Foreign citizens with a high degree of integration** - those with social, cultural and labor integration, in some cases with advanced skills in the Bulgarian language, but with a shorter stay in Bulgaria compared to the first group. A significant part of this group arrived in Bulgaria with the increased migration flow in 2012-2016. They currently have an established community and professional environment, often family ties with Bulgarian citizens. In the typical case, they have exhausted the possibilities of obtaining international protection with several procedures, ending with a negative decision that came into force.
- 3) **Foreign citizens with deferred return** - relatively recently entered in Bulgaria (most often arrived in the last 1-3 years), with varying degrees of integration, with an order for return to the country of origin, which cannot be executed at the moment, but it is possible to do so at some point in the future, otherwise they move into the second category.
- 4)

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<sup>17</sup>Human rights in Bulgaria for 2023, report of the Bulgarian Helsinki Committee, 30.04.2024, available here: <https://www.bghelsinki.org/bg/news/2024-04-30-press-annual-human-rights-report>

## Vulnerability

For each of these categories of undocumented third-country nationals, there is a high probability that they will work irregularly in order to support themselves and ensure their existence for an extended period of time. At the same time, their good integration, contacts, supportive communities, developed skills as a result of already accumulated work experience in Bulgaria, makes them sought after by a number of employers, regardless of the sanctions available for this in the Criminal Code.<sup>18</sup> But this unregulated mode of work places not only the employer but also the worker in a vulnerable situation bordering on exploitation.

What distinguishes irregular migrant workers from other groups of exploited workers and puts them at increased risk of fundamental rights violations is their illegal and, in many cases, criminal status. Being on the wrong side of the law ultimately hinders the law's ability to protect them and affects the willingness of undocumented migrants to report labor exploitation to relevant national authorities.

According to LIBE research<sup>19</sup>, the available evidence suggests that irregular migrant workers are typically exploited in the areas of pay, working conditions, leave entitlements, contract/job security and lack of compensation for occupational accidents and injuries. This opinion is also proven by the results of the conducted sociological survey shared here.

## Legal norms and guarantees

In view of the above, access to a legal right to work for undocumented persons is important not only to guarantee their rights, but also to create security, predictability and maximum benefit for the host society.

Access to the right to work for this group of foreigners in general goes through two paths: the first, through access to a regular migration status, which will ensure a residence status (equivalent to a type of long-term or permanent residence) and the right to access the labor market at the same time; the second, by providing legal access only to the labor market, without access to legal status.

The first of these two methods does not exist in Bulgaria, and there is a vacuum in our national legislation, with one small exception, which has almost never been applied, to unaccompanied minors.<sup>20</sup> This vacuum can only be filled by the introduction of a regularization regime or system,

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<sup>18</sup>See Art. 227 of the Criminal Code.

<sup>19</sup> *Fundamental Rights of Illegal Migrant Workers in the EU: Study Requested by the LIBE Committee, Citizens' Rights Policy and Constitutional Affairs Unit, Directorate-General for Internal Policies, PE 702.670 - July 2022*, available here: [The Fundamental Rights of Irregular Migrant Workers in the EU \(europa.eu\)](https://european-council.europa.eu/media/en/press-communications/infographic/infographic_fundamental_rights_of_irregular_migrant_workers_in_the_eu.pdf)

<sup>20</sup>An exception is the special regime under Art. 28a of the Criminal Code, according to which unaccompanied children of foreigners, as well as of foreigners under the age of 18, who entered the territory of the Republic of Bulgaria with an escort, but were abandoned by him, who did not request protection under the Law on Asylum and

according to which, if the person meets specific conditions, part of which integration, including in the labor market, can obtain legal residence - long-term or permanent according to the LFRB. In 2020, CLA – Voice in Bulgaria launched a campaign in support of a legislative initiative to regulate the status of people without documents in Bulgaria<sup>21</sup>, together with partners from the civil sector. Specific proposal for amendments in the LFRB has been created<sup>22</sup> and video material with the stories of these people has been presented.<sup>23</sup> A petition has also been launched in support of these legislative proposals.

The second regime for access to the labor market without access to legal status already exists in the Bulgarian legislation, surprising only for persons subject to expulsion due to a threat to public order and national security. Art. 44a, para. 3 of the LFRB (adopted in 2013) temporarily allows access to the labor market of foreign citizens who cannot be expelled to their country of origin and have not been expelled to a safe third country within one year of the issuance of the order for expulsion. The process for obtaining this authorization is complex and enforcement of this provision is almost non-existent. It is logical that this application can be extended to persons with deferred return orders, which are the majority of cases of undocumented people in the country.

The only guarantee for the protection of the rights of irregular migrant workers in the Bulgarian legislation is found in the LLMLM, introducing the requirements of Directive 2009/52/EC of the EP and of the Council of June 18, 2009. According to Art. 13 of the LLMLM, the employment of third-country nationals illegally residing on the territory of Bulgaria is not permitted, but in the event that an employer hires an irregular migrant in violation of this prohibition, he owes him the agreed remuneration, but not less than the minimum wage established for the country or for the relevant economic activity, for a period of three months, unless the employer or the employed person proves another duration of employment. The payment is due and can be sought in accordance with the Civil Procedure Code and after the return of the citizen to the country of his habitual residence. According to Art. 70 of the LLMLM, citizens of third countries - illegally employed, can personally or through persons authorized by them report to the Executive Agency "Chief Labor Inspectorate" about violations committed by their employer, such as in this case providing assistance to the citizens of third countries who are illegally employed shall not be considered as facilitating illegal residence.

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Refugees or whose applications have entered into force decisions to refuse international protection, they can only be allowed a long-term residence on the territory of the Republic of Bulgaria until they reach the age of maturity.

<sup>21</sup>Campaign of Center for Legal Assistance - Voice in Bulgaria "Let's pave the way - it depends on us", available here: [www.centerforlegalaid.com/portfolio/da-papravim-path-ot-nas-zavisi/](http://www.centerforlegalaid.com/portfolio/da-papravim-path-ot-nas-zavisi/)

<sup>22</sup>Proposal for an amendment to the Law on Foreigners in the Republic of Bulgaria (LFRB), aimed at introducing a mechanism for regulating the status of certain categories of citizens of third countries, available [here](#).

<sup>23</sup>Video "[It's up to us to pave the way 0](#)"; Documentary by MO-TIF media foundation and "Center for legal aid - Voice in Bulgaria", sponsored by the RavniBG program, "[The Invisibles](#)"

# MAIN CONCLUSIONS

**Access to the labor market for asylum seekers and refugees,** although automatic and without the need for an additional work permit, has a number of practical difficulties, especially in regard to asylum seekers. Existing programs to support access to work, focused on refugees and on Ukrainian citizens with temporary protection, do not have a sufficient level of awareness, especially among non-Ukrainian migrant groups. The potential of this group of foreign citizens on the territory of our country is not utilized enough.

**Regulating the access to the labor market of integrated persons without documents.** Undocumented persons residing long-term on the territory of our country, whose number cannot be traced, is not alarmingly large, but it is constantly growing. They are invisible, without any access to the right to work or any other rights. The lack of a legislative regime for these people leads not only to a gross violation of their human rights, but also has adverse consequences for the receiving society, due to social isolation and marginalization, push into the gray sector and criminalization, loss of potential revenues for the budget that would have been carried out if individuals had the right to work and, accordingly, the obligation to pay taxes. The opinion of the interviewed employers is unanimous that this legal gap in the Bulgarian legislation should be filled, so that these people become an instead of a burden.

**Facilitation of access to the right to work for migrant workers.** Emphasized by employers was the need for easier access to the labor market for migrants from third countries, easing the procedures and requirements for obtaining work permits, reducing the deadlines for these procedures, as well as the need for employers to be more aware of the overall procedure for issuing a work permit, hiring, subsequent notifications and requirements. Demographic problems, the increased need for labor, require creative methods to attract migrant workers to our country through reformed policies.

**The role of trade unions as a tool for monitoring the rights of migrant workers.** As the need of employers and businesses for migrant workers increase and their active participation in the Bulgarian labor market is grows, the need for monitoring the level of protection of their basic rights as workers also increases. The role of trade unions is extremely important here.

# ECONOMICAL ANALYSIS

## LITERATURE REVIEW

The impact of immigration on the labor market is among the most widely studied economic phenomena. This chapter presents the findings of several of the most frequently cited and most recent studies on the topic.

Borjas and colleagues (1991) examine the impact of the combination of immigration and increased international trade on the US labor market. They find that both increase the supply of labor, especially the less educated, for whom there remains a significant supply in the period they consider in the 1980s. Their conclusion regarding the impact of immigration on wages is interesting, with the analysis pointing to a negative effect on the wages of workers with less than a high school education.

Gang and Rivera-Batiz (1994) apply a model that distinguishes the impact of immigrants as potentially substituting for native labor or filling shortages in the US and European labor markets. The study models the balance and remuneration of unskilled labor, education and worker experience as the main factors that affect labor productivity and wages. The findings suggest that in cases where immigrants have a profile on these three factors similar to that of native workers, their effect is wage depressing. When the profiles are supplemented, however, there is no drop.

Altonji and Card (2018) also focus on local workers with low levels of education and skills. Their analysis finds "modest" competition between immigrants and low-educated native workers and a moderate substitution effect in economic activities where such workers can find fulfillment. However, the authors point out that there is a lack of evidence of a direct impact of the size of immigration flows on the employment and unemployment of the local workforce.

Dorn and Zweimüller (2021) focus on the realities of migration in Europe. They find that despite the formal removal of borders to the free movement of labor in the EU, labor migration between individual countries remains lower than expected, especially compared to the US. Existing differences in language and culture, education, skills and experience regulations, and discrimination against migrant workers are cited as reasons for this.

Moreno-Galbis and Tritach's (2015) findings, based on an EU database, suggest counter-intuitively that accepting more workers from other countries leads to an increase in the employment of local workers at the level of individual occupations. This reflects the better performance of sectors supported by immigrant labor. In other words, rather than creating a "crowd-out effect" from occupations in which more immigrants work, they lead to an overall expansion.

Regarding the integration of refugees in the labor market specifically, the literature is relatively poorer. Sarvimäki (2017) traces the inclusion of immigrants from Afghanistan, Iraq and Somalia in the Finnish labor market, finding that there are significant differences between them and local workers in terms of employment and especially in pay, but with the necessary clarification that the distance is narrowing after a longer stay in the country. These conclusions are also confirmed by Brel and colleagues (2020), although their analysis shows that some countries – Sweden, the USA, Canada in particular – manage to achieve parity between the employment of refugees and

other immigrants, and in the case of the USA they even pass by the "locals". However, wage differences remain significant, with a relative balance only in Sweden and Norway. Del Carpio and Wagner (2016) analyze the effect of the refugee wave that followed the Syrian crisis on the labor market in Turkey. The authors note that almost all refugees work in the informal economy, which creates a significant shock to the informal labor market, displacing local workers. At the same time, however, this also leads to an increase in official employment among Turks, visible among men with secondary education.

In general, it is difficult to draw a general and unequivocal conclusion about the consequences of labor immigration. Research results indicate that the state of the host labor market – labor demand and supply, the profile of vacant jobs, the available education and skills of the workforce, and the host economy's capacity for growth – are of primary importance. Openness and opportunities for social integration should not be overlooked either.

## STATE OF THE LABOR MARKET AND DEMAND FOR WORKERS IN BULGARIA

This part of the analysis aims to establish the state of supply and demand in the national and regional labor markets as of the end of 2023, as well as follow the trends since the beginning of the covid-19 pandemic. A review of the data reveals significant labor shortages, particularly in certain regions and economic activities. At the same time, supply is persistently failing to meet business needs, creating a risk to medium-term economic growth and improving living standards.

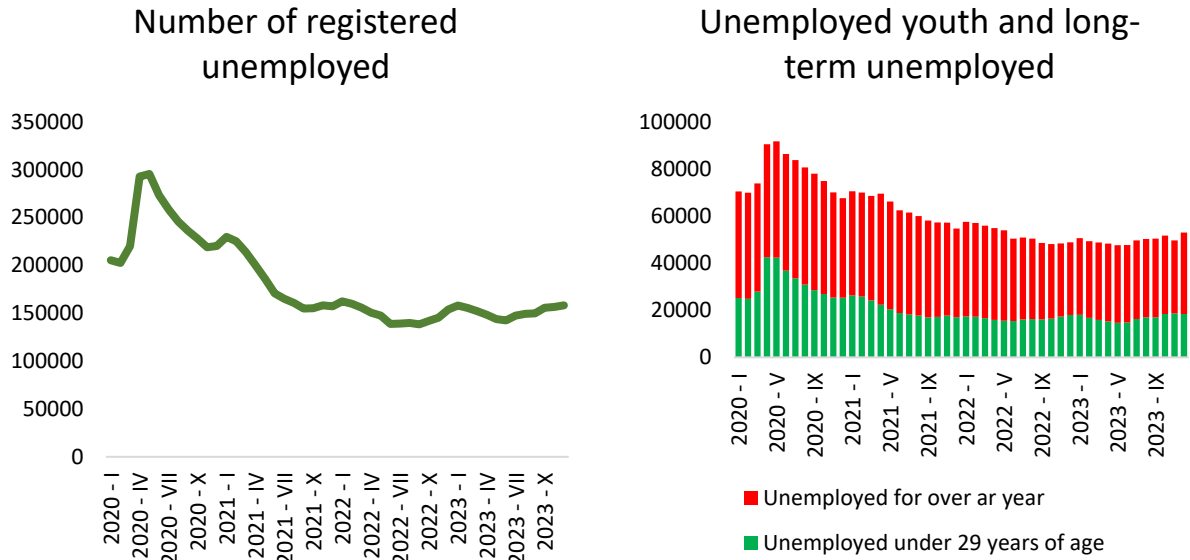
The fall 2021 census recorded a very rapid decline in the working-age population, with the 18-65 age group shrinking by almost 900,000 people in the decade between the current census and the previous census in 2011. This dynamic largely predetermines the current state of the Bulgarian labor market, which is characterized above all by a chronic shortage of workers and an urgent need to increase labor productivity.

After the labor market crisis of the spring of 2020, which followed the outbreak of the covid-19 pandemic and the restrictive measures for business, travel and social life in general, unemployment in Bulgaria follows its usual seasonal dynamics - with peaks in the winter months and distinctly on -low unemployment in the summer, thanks to the tourism sector and agriculture. At the peak of the restriction, unemployment registered by the Employment Agency reached 300 thousand people, or 9% of the economically active population, but this high level was maintained for a very short period. As of mid-2021, the unemployment rate has remained in the range of 4-5.5%, which corresponds to between 140 and 160 thousand persons registered at the labor offices - a significantly lower number even compared to the period before the pandemic. It appears that unemployment in the country has reached its natural low level, with those who are employable having found jobs, and almost all who are not successful at finding jobs have moved into the inactive group. It is significant that despite the high declared labor shortage, the rest of



the unemployed do not manage to find employment - they either have inappropriate education and skills compared to the demand, or they are in regions where the demand is low and for various reasons, they are not mobile.

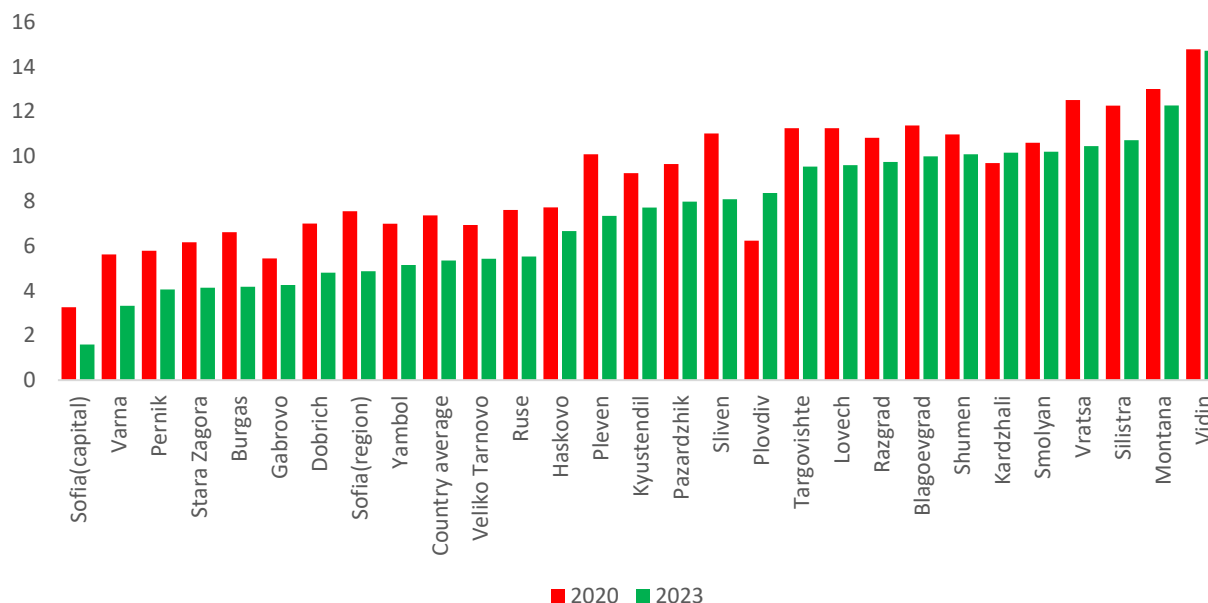
Chart 1. Dynamics of unemployment by month, 2020-2023.



Source: Employment Agency

Part of the reason for this is the profile of a large share of the unemployed. The number of people under the age of 29 registered at the labor offices has decreased significantly - to 15-18 thousand people in different months of 2023, compared to more than 40 thousand at the peak of the pandemic. The decline in the case of the permanently unemployed is weaker - up to 35 thousand people. To the extent that these two groups experience particular difficulties in finding employment, the likelihood that they will leave the pool of the unemployed in the near future seems relatively small.

Chart 2. Unemployment rate by region, 2020 and 2023.

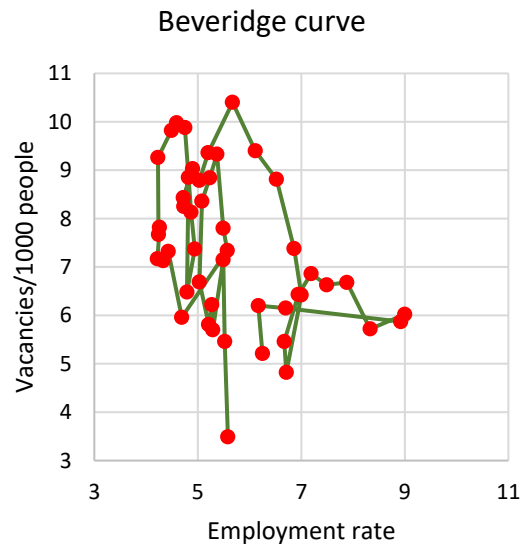


Source: Employment Agency

At the same time, regional differences in unemployment remain significantly high. While the areas with the most dynamic labor markets registered a rapid decline in unemployment, among the economically less developed the recovery was significantly slower.

In 2023, a visible decline in vacancies registered in the labor offices begins. On the one hand, the annual spring labor demand peak is weaker and shorter compared to 2021 and 2022, and consequently the demand for workers throughout the summer and fall remains at significantly lower levels. This is especially clear in the last two months of 2023, when registered vacancies fall even below the level of the period of the strictest restrictive measures. On the one hand, this may reflect reduced expectations of employers for the upcoming need for labor in 2024, on the other - adaptation to the inability to fill jobs and search for business strategies to compensate for the labor shortage.

Chart 3. Vacancies and Beveridge Curve, 2020-2023.



*Source: Employment Agency*

The current state of the labor market is most clearly described by the Beveridge curve<sup>24</sup>. According to this approach, the last months of 2023 are characterized by both low supply and low demand for labor – in other words, the labor market stagnates. The cooling of the labor market has serious consequences both for the expected dynamics of wages in the short term and for economic activity in general. Diminished competition for workers potentially reduces pressure on employers to raise wages, especially given the decline in demand in high-tech economic activities. The slowdown in employment growth, in turn, threatens to miss the economy's growth potential due to the inability of companies to realize their expansion plans.

The new picture of the labor market from mid-2023 is largely foreshadowed. The changes mostly reflect the final normalization after the shock caused by covid-19 and the revival after the lifting of restrictions. Against this background, however, the long-term structural problems come to the fore again - the low levels of education and skills of people outside of employment, regional inequalities, weak retraining and activation policies.

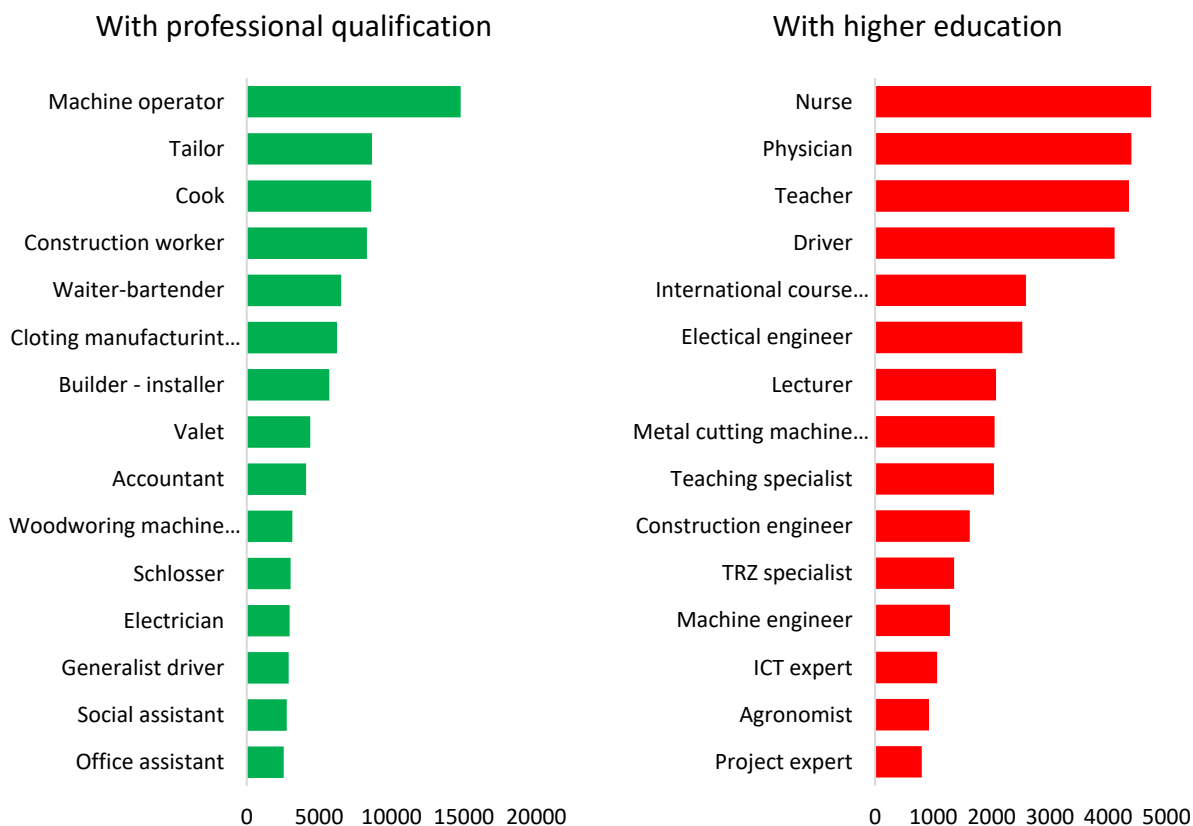
It is also worth considering the specific features of labor demand, as they significantly inform the directions for its satisfaction.

<sup>24</sup>Comparison of the unemployment rate with the number of vacancies relative to the total size of the labor force. The resulting indicator serves to determine the phase of the business cycle through the dynamics of the labor market, with recessions characterized by high unemployment and lower demand for labor, and periods of economic growth - by low unemployment, many vacancies, and respectively – with high competition for workers.

The immediate shortage of workers is examined in detail in the annual **Labor Force Needs Survey**<sup>25</sup> conducted among employers by the Employment Agency. While machine operators, tailors and cooks remain among the occupations with the highest demand, among professionals with tertiary education, the analysis reports a significant shortage of nurses, doctors and teachers.

Indicative of the state of the labor market is the share of employers who encounter difficulties in hiring workers, and for 2023 this is 64% of those included in the survey. At the national level, the total labor force needed for enterprises for the 12 months after the survey was conducted was 268,000 people. As expected, the most frequently cited reason - according to 38% of employers - for the impossibility of filling the shortage is the lack of qualification or education of the candidates.

*Chart 4. Demand for workers with professional qualifications and higher education, 2023.*



Source: Employment Agency

<sup>25</sup> <https://www.az.government.bg/pages/prouchvane-potrebnosti-2023/>

The broadest view of the distribution of labor demand suggests that manufacturing will continue to generate the most jobs in the immediate future, with 31% of stated needs. However, there is also a serious increase in the trade, transport, hotels and restaurants (25% of demand), mainly as a result of the significantly faster than expected recovery of tourism. There are also significant deficits (17%) in public administration, education and health care, concentrated mostly in schools and hospitals. Construction, after booming in recent years, ranks fourth with 14% of total labor demand, and far behind in fifth place with 5% is agriculture.

Among qualified specialists, the sharpest registered shortage is among machine operators - 14.8 thousand people, followed by tailors (8.7 thousand), cooks (8.6 thousand), builders (8.3 thousand) and waiters and bartenders (6.5 thousand). Interestingly, the demand is generally divided into two categories - occupations in which there is a shortage of qualified specialists and those in which the levels of pay are not competitive with the rest of the economy (and not only the national one, but also the open common market of labor in the EU), and accordingly there is no demand for jobs in them. This is especially visible in professions related to the sewing industry, as well as in tourism.

The shortage of specialists with higher education registered by the Employment Agency is concentrated in several professions closely related to the budgetary sphere - nurses (4.7 thousand), doctors (4.4 thousand) and teachers (4.4). It is noteworthy that, according to the survey, the demand for ICT specialists is relatively low - barely a thousand people, despite the serious expansion of the sector in recent years. The jobs.bg and dev.bg data also point to a slowdown in this sector, although against the background of the general dynamics, it is most likely short-lived.

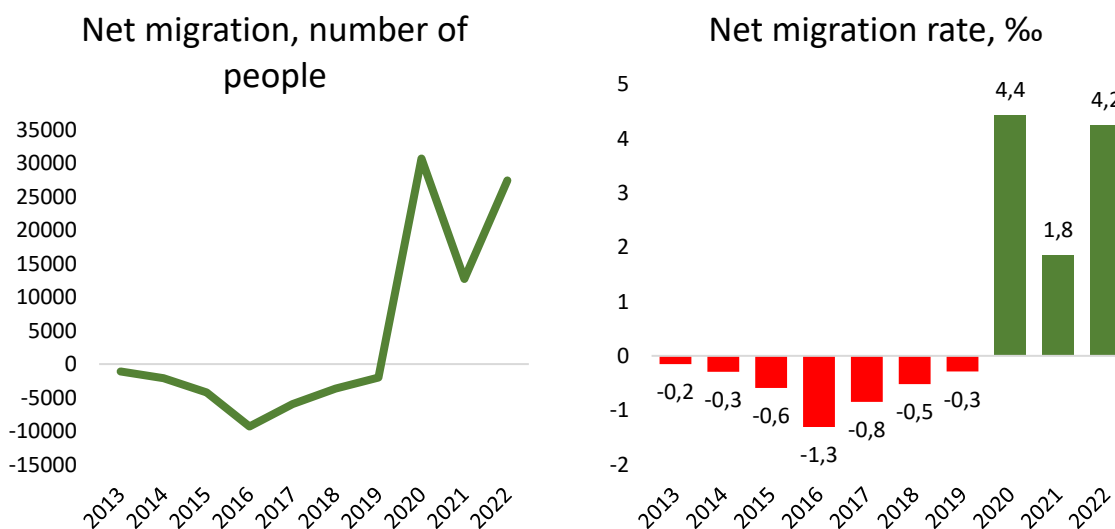
The regional distribution of current labor demand also holds some surprises. According to the survey, Burgas is in first place with over 10% of the total demand, or 27.4 thousand workers. The capital is in second place with 26.7 thousand, Varna in third place with 25.8 thousand, and the previous leader Plovdiv is in fourth place with 18.9 thousand workers. The sectoral profile of demand in the regions is very diverse, with tourism, trade and transport leading in many regions, construction in Burgas and the capital, and industry in Plovdiv. The shortage of personnel in education and healthcare is relatively evenly distributed. It is noteworthy that despite the uncertainties surrounding the energy transition, the demand in Stara Zagora remains significant, and areas with a lower level of economic development such as Smolyan, Blagoevgrad and Kardzhali are also coming to the fore - mainly due to the increasing role of the processing industry. On the other hand, at the bottom are the regions of Vidin, Montana and Yambol, where weak demand means a weak potential for labor market expansion in the immediate future.

## THE ROLE OF FOREIGNERS IN THE BULGARIAN LABOR MARKET

Along with the conditions of the labor market, the pandemic also changed the migration trends in Bulgaria. Before 2020, the mechanical increase to the country is inevitably negative, with the balance between those who settled and those who left the country varying between -1000 and -9000 people. After covid-19, however, the indicator improved significantly, as in the first year the population of the country increased by 31 thousand people as a result of migration processes, in 2021 – by 13 thousand, in 2022 – by 27 thousand. It is important to note that the change in balance is due to several concomitant processes. There is no reason to claim that there is a significant change in the number of emigrants from the country, but instead there is a permanent increase in the number of settlers.

This reflects both the greatly increased uncertainty since the pandemic and the improvements in incomes and living standards that make the return of Bulgarians from abroad possible. Those coming from third countries who find jobs in the Bulgarian market are also important. This conclusion is also confirmed by Eurostat's immigration structure data, which show that by 2022, Bulgarian immigrants in the country were just under 15,000 people, compared to 26,000 from other countries<sup>26</sup>. Compared to the period before covid-19, there has been a significant increase in foreigners, and before 2019 their annual number varied in the range of 10-15 thousand people per year. While in 2020 one could talk about a one-time effect of the pandemic, judging by the following years, it seems that the trend is permanent. This in turn means that immigration is gradually becoming an important source of labor and increases the potential for employment growth.

Chart 5. Migration trends, 2013-2022.

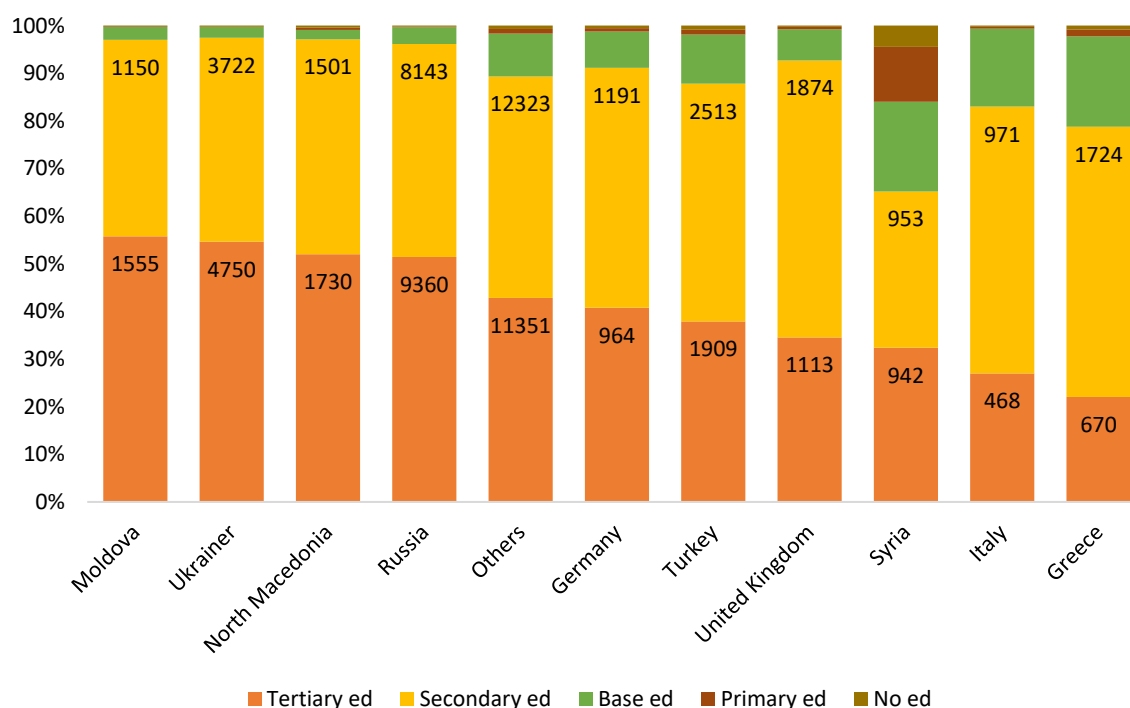


Source: NSI, IME calculations

<sup>26</sup>The statistics for Bulgaria do not include citizens of Ukraine who received temporary protection.

From the point of view of the labor market and the impact on the economy of Bulgaria, the profile, education and integration of immigrants are of particular importance. The data collected during the 2021 census allow us to examine the main characteristics of foreign nationals in the country and their place in employment. At the end of 2021, the total number of people who reside in Bulgaria but were born outside the country in the working age (15-64) was 77.8 thousand people, or almost 2% of the entire working population. The largest group is that of those born in the Russian Federation (18 thousand people), followed by those born in Ukraine (8.7 thousand people), Turkey (5 thousand people) and North Macedonia (3.2 thousand people).

*Chart 6. Population born outside Bulgaria aged 15 to 64 by country of birth and highest completed education, number of persons*

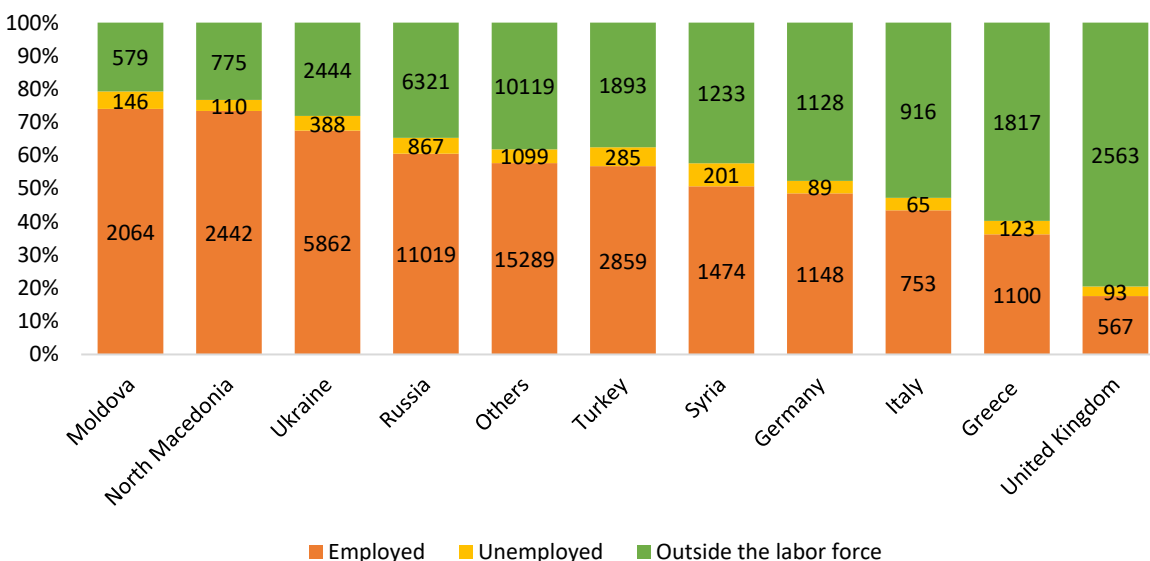


*Source: NSI, census 2021, reference at the request of the IME*

There are significant differences in the educational structure of immigrants from different countries. Those born in Moldova have the highest share of university graduates - 56% of the population of working age, followed by those from Ukraine (55%) and North Macedonia (52%). At the same time, however, among the countries with large immigrant groups there are also those with a very low share of completed higher education, such as among those from Greece they are only 22%, among those from Italy - 27%. The share of people with primary and lower education is very low in almost all cases - below 2%, except among those born in Syria. Among them, it reaches 15%, and another 19% only have a basic education, which poses a significant obstacle to their integration in the labor market beyond the language barrier, as the jobs available to people

with this level of education are very limited. Leaving aside those born in Syria, however, there is a visible differentiation, with immigrants from non-EU countries significantly more educated than those from the EU. The reason for this is most likely the fact that immigrants from non-EU countries head to Bulgaria primarily for work, while the motivation of those from the EU for staying in the country is probably different, which is also emphasized by their different roles on the labor market. However, if we take the group of those born outside of Bulgaria as a whole, the educational structure is significantly more favourable than that of Bulgarians of active age - 45% have university degrees, 46% have secondary education, and only 7.3% have primary and 1, 6% with primary and no education.

*Chart 7. Population born outside Bulgaria aged 15 to 64 by country of birth and labor force status, number of persons*

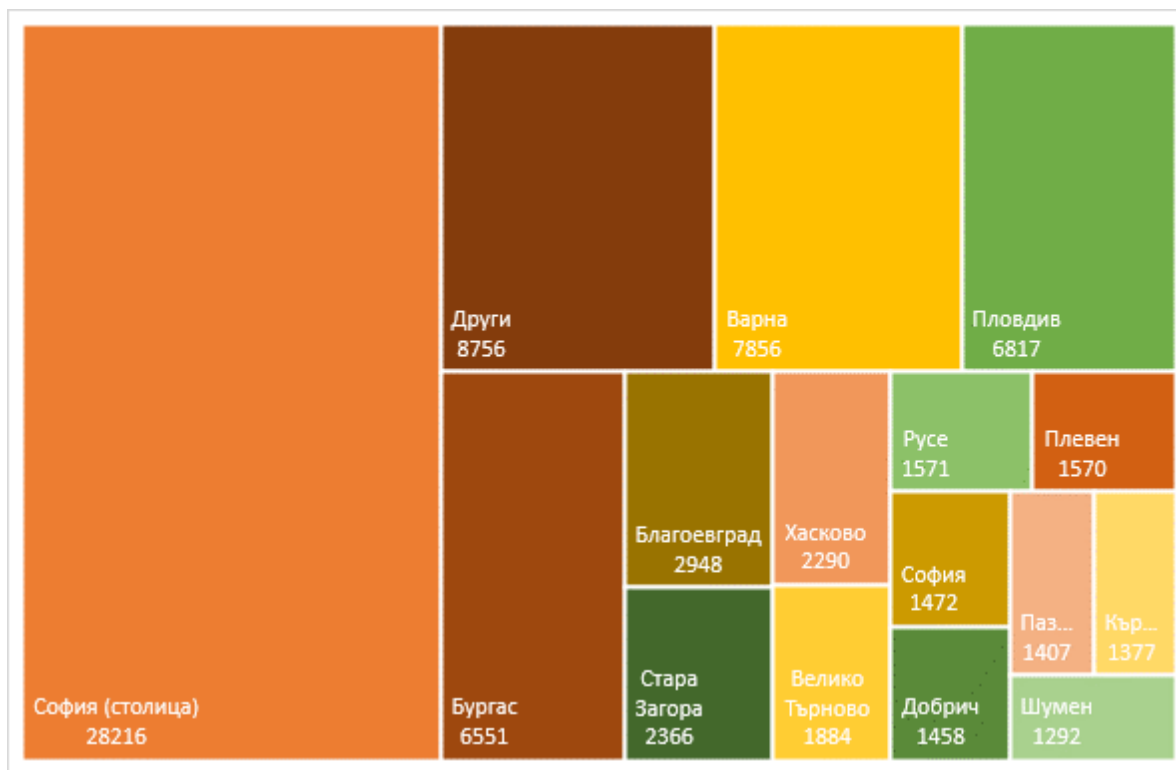


*Source: NSI, census 2021, reference at the request of the FII*

The structure of employment among the foreign-born largely reflects the level of education. Among immigrants from Moldova, 74% of the population aged 15-64 are employed, among those from North Macedonia - 73%. At the other extreme are the UK-born, with employment at just 18%, followed by Greeks at 36%. In general, immigrant groups from non-EU countries are characterized by high employment and a low share of people outside the labor force, and those from the EU by lower employment and more people who neither have nor are looking for work. A significant group of almost 30,000 immigrants of working age remains completely outside the labor market, revealing an untapped potential for expanding employment and satisfying labor demand. However, to the extent that the total employment among those born outside the country is significantly lower than the total - 57% compared to 68% on average for the 15-64-year-olds before 2021 - there is clearly a need for targeted policies for better integration, including for improving knowledge of the Bulgarian language and a relevant professional qualification.



Chart 8. Population born outside Bulgaria aged 15 to 64 by regions



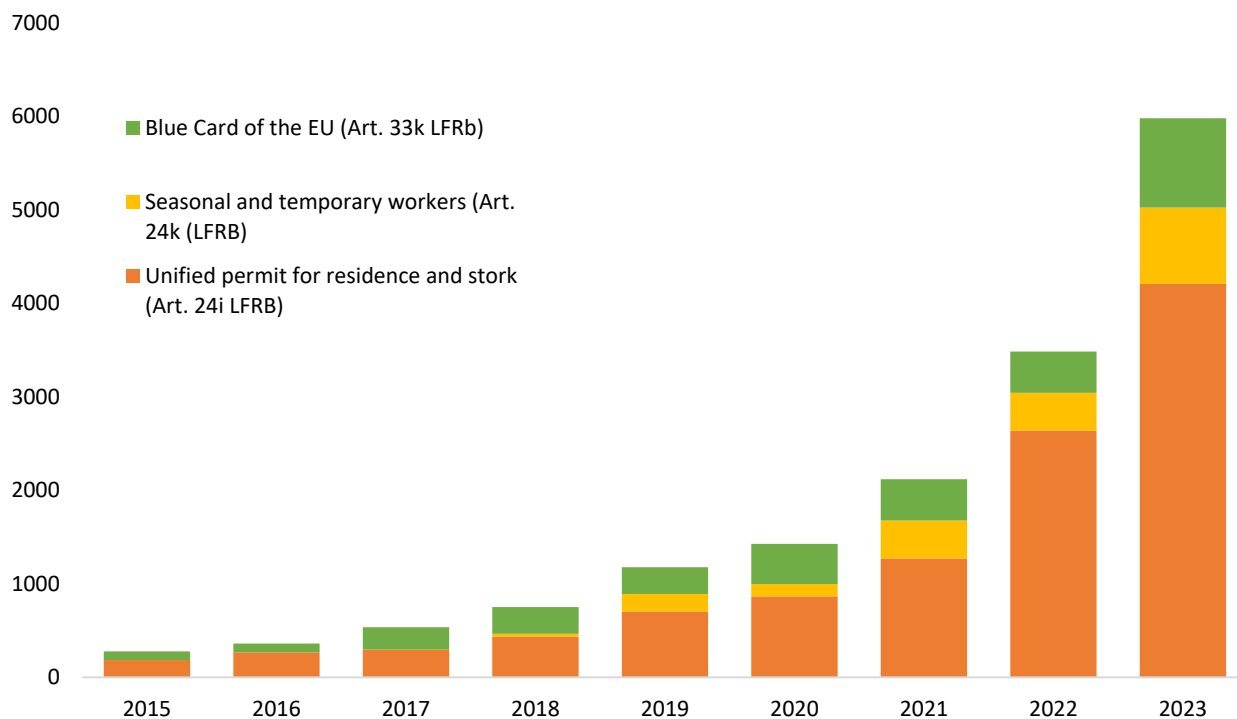
Source: NSI, census 2021, reference at the request of the IME

The regional distribution of working-age immigrants is similar to the territorial distribution of the country's total population, with some notable exceptions. As expected, they are the most in the capital (28 thousand people), as well as in Varna (7.9 thousand), Plovdiv (6.8 thousand) and Burgas (6.6 thousand). However, there are significant differences in the individual immigrant groups - those born in Russia are clustered in Varna and Burgas, those from Turkey in Shumen and Kardzhali. An interesting case is those born in North Macedonia, where there is a significant clustering in Blagoevgrad, as a result of the geographical proximity. For the Syrians, Haskovo ranks right after Sofia, as they most often cross the country's border there. The uneven distribution of immigrants at the regional level is of key importance for their successful implementation on the labor market - as we demonstrated above there are large regional differences in the demand for labor and vacancies, which in turn means that integration measures must be adapted both to the specific conditions and to the characteristics of the various immigrant groups.

The role of foreigners, and more specifically third country nationals, is also illustrated by the increasing number of work permits issued. According to data provided to IME by the Migration Directorate of the Ministry of Internal Affairs, the total number of unified residence and work permits, seasonal work permits and those for the EU Blue Card for highly skilled workers has increased manifold, from a total of less than 300 in 2015 to almost 6 thousand in 2023. In recent years, Single Permits have played a leading role, with their number reaching 4.2 thousand in 2023. The reason for this is mainly their more frequent application for workers in sectors and

professions with more low qualifications and skills, as well as the fact that the Blue Card mechanism is shared by the entire European Union, which puts Bulgaria in direct competition with countries with significantly more developed economies and labor remunerations for those workers that fulfil the requirements for obtaining them. The annual report on the implementation of the Employment plan of the Employment agency gives a look at the general distribution of those who have gained access to the labor market by country and professional fields.<sup>27</sup> The leading countries in 2023 are Turkey, Uzbekistan, Kyrgyzstan, Nepal and Russia, with a predominance of seasonal workers, as well as technical and engineering personnel, construction and manufacturing workers. The dynamics of work permits for foreigners point to the unequivocal conclusion that in recent years they have become increasingly important to meet the growing needs of the labor force, and it seems that their importance will increase against the background of unsatisfied labor demand and shrinking supply for demographic reasons.

*Chart 9. Work permits issued to third-country nationals by the three main types (blue card, seasonal workers and single work permit), 2015-2023.*



*Source: Directorate "Migration" of the Ministry of Internal Affairs under the Law of access to public information request*

<sup>27</sup> <https://www.az.government.bg/pages/otchet-za-deinostta-na-az/>

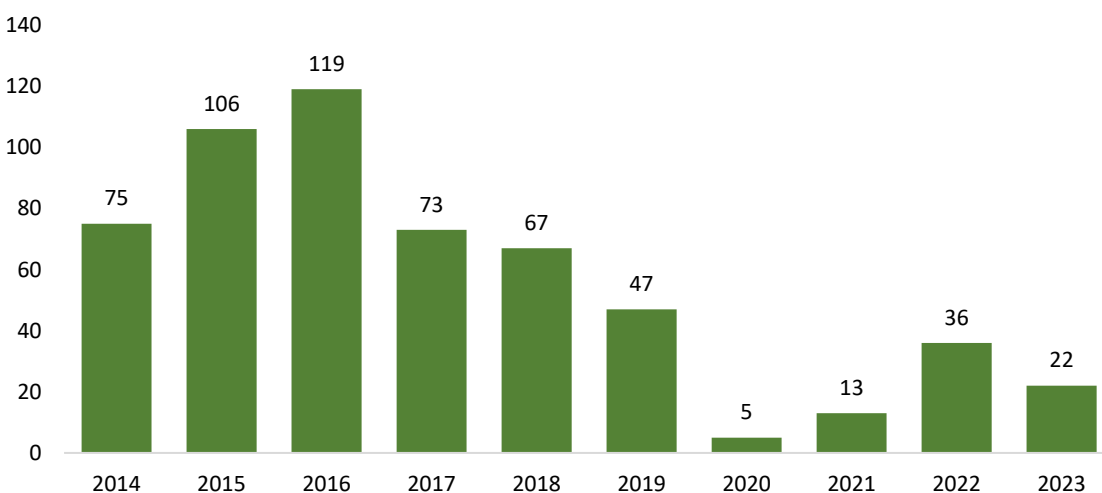
## INTEGRATION OF REFUGEES IN THE LABOR MARKET

This segment of the analysis dwells in more detail on the effect on the labor market of measures aimed specifically at the integration of refugees. The review of the available data shows that their labor is an almost completely unused and therefore available resource for the Bulgarian economy, and the integration programs achieve relatively good results from the point of view of employment creation and inclusion in the workforce.

The Employment Agency's Training and Employment Program for Refugees, launched in 2014, is specifically aimed at the integration of refugees into the Bulgarian labor market. It includes comprehensive measures for integration - according to the description of EA, "increasing their employability through inclusion in training in the Bulgarian language, training for the acquisition of a professional qualification and provision of subsidized employment".

The peak of the program in terms of providing employment was during the refugee wave in 2015-16, when the number of unemployed people included in it exceeded 100 people per year, and the total number since the beginning of the program so far was 563. Activity gradually died down until the start of the covid pandemic, and after the start of the war in Ukraine there is a slight increase. However, a new peak is missing, which is a consequence of the opening of a specialized program aimed at the labor market integration of this particular refugee group. However, according to the data provided by the Employment Agency, the inclusion of training under the training and employment program for refugees is very weak - for the entire period from 2013 until now, 20 people have been included in training (as opposed to providing employment), only in 2022. From a regional point of view, the largest number of unemployed people for the entire duration of the program is in Haskovo - 296 people, followed by Sofia (234 people). Against the background of the total number of refugees, however, the scope of the EA program seems relatively insignificant - if we compare it with the data of the UN Refugee Agency on the total number of registered refugees in Bulgaria, it fails to cover even 1% of them.

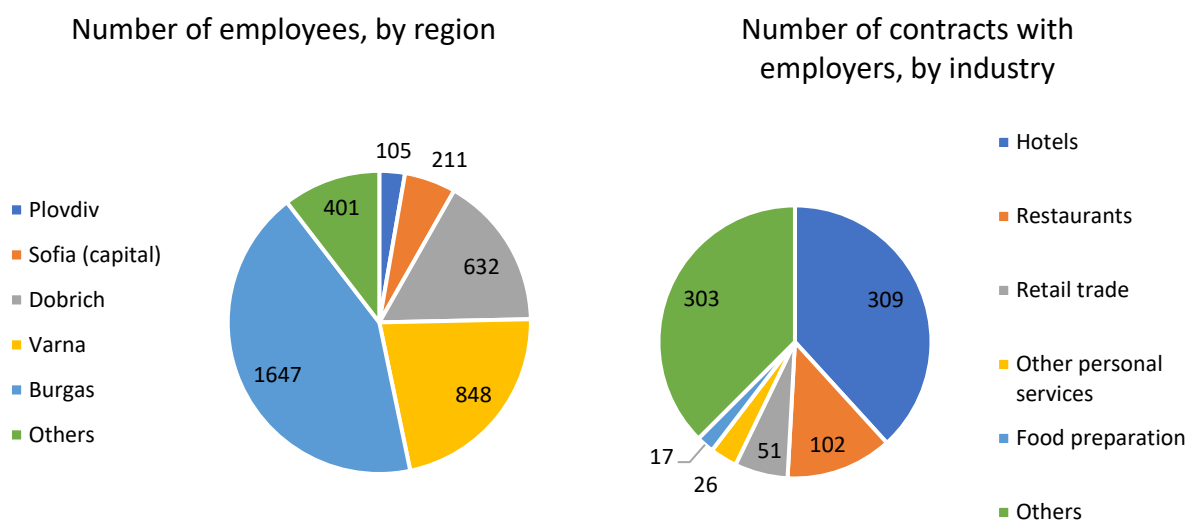
*Chart 10. Number of unemployed people included in the Refugee Training and Employment Program, 2013-2023.*



*Source: Employment Agency under Law on access to public information*

Project "Solidarity" is among the short-term programs of the Employment Agency, which aims to provide subsidized employment to refugees from Ukraine who have received temporary protection. The project finances both remuneration and insurance, as well as mentoring, rent and overheads and incentives for employers, worth a total of BGN 13.5 million. "Solidarity" aims to cover 2,500 refugees; according to the data on the implementation of the program within its framework received by the Ministry of Internal Affairs and Communications are concluded contracts with 736 employers <sup>28</sup>.

Chart 11. Number of employees within the Solidarity project by region and industry, 06.2022 - 07.2023



Source: Employment Agency under Law on access to public information

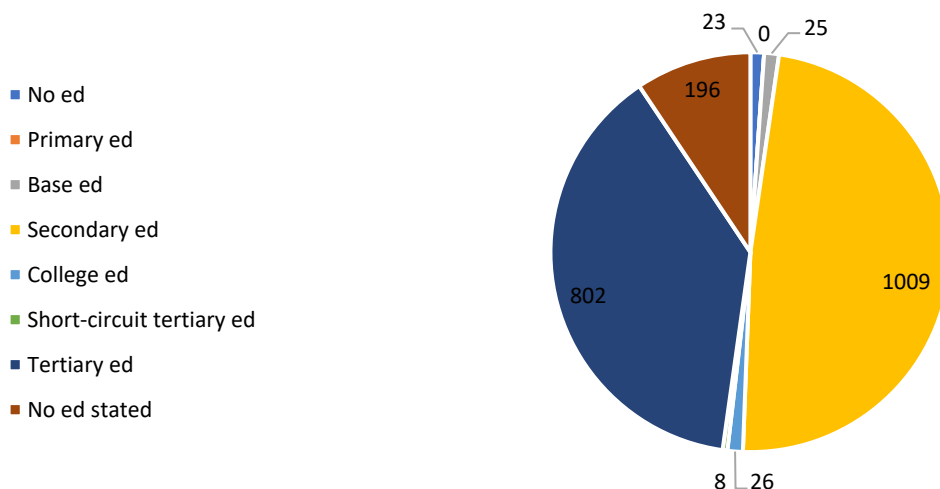
The activity of the "Solidarity" project is extremely concentrated in the three maritime districts of Burgas, Varna and Dobrich, with more than ¾ of all included are from these regions. This is result as from the geographical distribution of Ukrainian refugees, significant part from who were originally settled in these areas, as well as from the very high demand for labor there, especially in hotels and restaurants. The tourism industry is attractive on the one hand because of the small barrier in terms of skills or regulatory educational requirements, and on the other - because of the large shortage of workers after the shock to the tourism industry in the pandemic. The rest of the industries in which the Ukrainian refugees involved in the project have worked are similar – trade, personal services, food industry.

<sup>28</sup>The present presentation of the data is imposed by the structure of the response under ZODI provided by the Employment Agency.

There is every reason to define "Solidarity" as a successful but highly limited attempt at labor integration of refugees - the project exceeds its target number, provides jobs in the appropriate regions of the country and in industries with high unsatisfied demand. A significant part of the reason for this is probably in the multi-layered approach, which also supports other refugee costs and provides mentoring outside of employment. However, the lower cultural and language barrier, which facilitates the inclusion of Ukrainians, should not be overlooked.

For the integration of refugees in the labor market, their education and qualifications are essential. A partial insight into this is provided by the EA data on refugees registered in the labor offices with the right to temporary protection.

*Chart 12. Distribution of refugees with temporary protection registered in the labor offices according to the highest completed education, 2023.*



*Source: Employment Agency under Law on access to public information*

The educational distribution by 2023 is favourable – over ½ from all registered in the desks by labor refugees are with average education, almost 40% - with high. Conversely, the share on the refugees with basic and lower education, for whom it would be hard to find inclusion in the Bulgarian labor market, is a negligibly small part from all those who sought work through the state agency. This means that the potential challenges to employment are more along the lines of professional qualifications and the appropriate level of proficiency in the Bulgarian language.

# MAIN CONCLUSIONS

The Bulgarian labor market has a significant shortage of workers, which domestic supply cannot currently satisfy with a shrinking working-age population.

According to employers, the registered shortage is both in sectors with a relatively low need for education and qualification (hotels and restaurants, construction, agriculture) and in those with high requirements (health care, education). Demand is extremely unevenly distributed territorially.

Post-covid-19 migration trends are reversing, with Bulgaria turning from a net donor to a net recipient of population.

The profile of the immigrant population from third countries in Bulgaria is very favorable - people with higher and secondary education predominate, and their realization on the labor market, with some exceptions, is successful.

The importance of third-country workers has increased in recent years, but they remain a very small share of total employment.

Refugees remain an almost completely untapped labor resource, despite the demonstrated success of targeted labor integration projects.

# RECOMMENDATIONS FOR REFORM

Here we present only the necessary reforms to improve the integration of migrants and refugees in the Bulgarian labor market, without affecting those relating to the inactive population of working age in the country in general. The recommendations are based both on the legal and economic part of the present analysis.

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**Raising awareness among both migrants and employers.** The analysis clearly indicates that the opportunities for working under specialized programs and, accordingly, for hiring migrants are not sufficiently well communicated and popularized. Investing in better awareness would help the success of labor integration programs and the achievement of the set goals for higher employment and inclusion of migrants and refugees in the labor market.

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**Creating more labor integration programs for migrants and refugees.** State measures for the integration of migrants and refugees are relatively limited and underfunded, and as a result do not achieve particularly good results. Their expansion can lead to the activation of the potential of unemployed migrants and refugees in the country, as clearly demonstrated by the targeted integration measures for Ukrainian refugees. It is preferable to apply a comprehensive approach - not only finding suitable jobs, but also support when interacting with the administration, looking for housing, childcare and the like.

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**Establishing a legal mechanism to regulate access to the labor market for integrated and long-term de facto resident undocumented migrants.** It is crucially important that our national policy provides for the integration into the labor market of all de facto foreign citizens of working age living in our country, such as are a certain category of the growing number of undocumented migrants. Provided that a foreigner in an undocumented situation can prove specific integration criteria, he should have the opportunity to go through a legal procedure for access to the labor market, combined or not with access to legalization of his residence. Such legal mechanisms exist in almost all European countries.

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**Investments in improving Bulgarian language skills and professional skills.** Language skills and lack of marketable skills are among the main barriers to hiring migrants, and especially refugees. This, in turn, means that investing in creating a basic knowledge of the language and acquiring relevant skills would facilitate both the initial employment and the long-term retention of migrants in employment. As trainings can target the current unsatisfied demand in the Bulgarian labor market, they have the potential to address existing persistent deficits, instead of the current concentration in just a few economic activities.



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**Facilitating procedures for hiring migrants and refugees.** Among the most commonly shared obstacles to hiring migrants are difficult procedures and long deadlines, as well as a lack of interaction between institutions. This, in turn, means that eliminating part of the additional requirements that put migrants and refugees at a disadvantage compared to Bulgarians would improve competition on the labor market and increase the number of employed migrants and refugees. It is also important to recognize the qualifications and education of immigrants acquired abroad, which is often an obstacle to their employment in jobs for which there are such legally introduced requirements.

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**Creating incentives for employers who hire and train refugees.** Incentivizing employers – through tax relief, funding for Bulgarian language courses or other incentives – can lead to increased interest in hiring and training refugees.

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**Improving opportunities for labor mobility.** Currently, migrants and refugees are concentrated around the points of entry into the country and in the capital, where their employment is not necessarily possible. Facilitating their movement within the country and directing them to the regions where their skills and qualifications meet business needs will improve their integration into the labor market.

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**Introduction of mediation and guidance.** The introduction of mediators to mediate between migrants, employment offices and employers has significant potential to improve integration and inclusion in employment. This model of work has proven its effectiveness with other marginalized groups.

## CONCLUSION

In the most objective and certainly non-exhaustive way possible, the present study presents the main legal and economic aspects of the broad, complex, important and still gaining momentum topic of the role of migration in terms of supplying the growing needs of the labor market in Bulgaria, requiring a multi-layered discussion, democratization of politics and a maximum guarantee for the protection of the rights of migrant workers.

The uniqueness of the study, apart from the combined economic and legal aspect, academic and field research, also comes from the added value of the discussion platform in the context of which it was presented.



On June 3, 2024, in a working meeting with the participation of the main state institutions, the civil sector, experts, employers and the migrant workers themselves, this report was presented for the first time. We are grateful to each of the participants in the working meeting for their active and constructive participation in the discussion on the presentation of this report. At the meeting, important issues were raised related to the difficulties faced by migrants for integration, the need for further liberalization of the overall migration policy, the regimes for access to the labor market, synchronization of statistics between the various state institutions, the construction of a single governing body, and most - already, effective monitoring and protection of the rights of migrant workers, especially the most vulnerable of them. Within a week, each of the participants had the opportunity to send comments and specific recommendations to the initial edition of the report. The present final text is a revised edition in which the discussions at the workshop and additional comments submitted have been reflected. The need for continued discussion on the topics raised is important. We hope this material sets the right direction and builds on what has been achieved.



Photos from the 06/03/24 event were taken by Sultana Abdul Hamid Abdul Habib, a refugee from Afghanistan, photographer

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