



# BroadVoice

Broadening the spectrum of employee voice in workplace innovation

## Implementing Direct Employee Participation in Bulgaria: Current State, Challenges and Prospects

### Bulgaria – National Report

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This report has been prepared in the framework of the BROADVOICE project, co-funded by the European Commission. It is based on a literature review and four case studies in two sectors.

Following the introduction, the first part of the report is devoted to a review of the literature on direct employee involvement in Bulgaria. In general, direct employee participation in Central and Eastern Europe was poorly developed after the fall of the communist regimes in 1989-1990. Bulgaria is one of the former socialist countries where industrial relations were emancipated from the leadership of the Communist party after 1989. While there were attempts to introduce direct employee participation (DEP) during the 1980s, these practices have almost disappeared from the organisational landscape since the 1990s. Trends in direct participation in Bulgaria show a flexible approach to decision-making through general assemblies, which are not vaguely defined in legislation. Although widespread, direct contacts through regular meetings often remain at a basic level. Studies have found that there is no right to employee representation at board level in Bulgaria. It is among the countries characterised by a less favourable attitude towards employee participation. The current literature on direct participation in Bulgaria is scarce and based mainly on theoretical analysis. The limited data available on direct participation comes mainly from large comparative European studies. Although contradictory, this evidence generally supports the assumption that direct participation is rather insignificant and concentrated in a few subsidiaries of multinationals and a few domestic firms.

The following section of the report focuses on the Bulgarian industrial relations system, its structures and trends. National tripartite cooperation takes place within the framework of the National Council for Tripartite Cooperation (since 1993), the Economic and Social Council (since 2001) and various tripartite management or supervisory bodies within the Employment and Social Security Administration. The industrial tripartite model is implemented in sectoral or branch social cooperation councils under the auspices of the relevant ministries (in a total of about 50 councils). These structures enable a multilevel approach to collective bargaining and social dialogue, involving multiple stakeholders to address employment and social security issues comprehensively. Although union density and the impact of collective bargaining have declined since the 1990s, the scope of collective bargaining is still significant in several industries and companies (Kirov 2019). Collective agreements are primarily concluded at the company level, often including provisions that improve

working conditions beyond the statutory minimums. However, at the sectoral and industry levels, agreements generally establish only a baseline, with more specific negotiations occurring at the enterprise level. Direct participation is included in the legal framework or collective agreements, apart from the rarely used General Employees' Meeting. Despite its limited utilization, the General Assembly retains a formal role under Bulgarian labour legislation, allowing employees a platform for collective decision-making, though practical examples of its application remain sparse.

The next part of the report focuses on the reports of the four cases studied. The manufacturing cases studies illustrate the introduction of some forms of direct employee participation in subsidiaries of multinational companies. In one of them there are trade union sections, while in the other there is no trade union representation. In both cases, one of the main objectives of the companies' participation is to improve the production process. These subsidiaries, part of larger multinational networks, often adopt innovative practices like employee suggestion programs and monthly evaluation systems to motivate participation and optimize workflows. Such initiatives aim to enhance efficiency while maintaining high worker engagement through recognition and rewards.

The two public water and sanitation companies have also introduced some direct participation practices, mostly related to health and safety conditions and social benefits. However, these practices remain largely conservative and focus on compliance rather than fostering active engagement from employees. The emphasis on health and safety, while critical, limits the broader potential of direct participation to drive innovation or address labour shortages.

The final section presents the report's overall findings and suggests some directions for future action. The findings reveal that, although industrial relations in Bulgaria have evolved considerably since the transition after 1989, the implementation of direct employee participation remains limited and fragmented. Although direct employee participation practices have been introduced sporadically in some multinational subsidiaries and public-sector companies, they lack consistency across industries. In the manufacturing sector, multinational corporations have integrated employee participation to optimise production processes, whereas public companies tend to focus solely on compliance and safety-related practices. Future action should emphasise developing cohesive state or corporate policies to promote employee participation more broadly, as its absence hinders systemic improvement and employee voice. Additionally, strengthening the role of trade unions in leveraging employee participation mechanisms could enhance workplace quality and drive innovation and productivity.

However, in the absence of state or corporate policies for direct employee participation, it would be difficult to expect spectacular developments in the following years. But Bulgarian trade unions might use these forms in order to positively impact employees' quality of work while companies simultaneously improve their production processes.

