

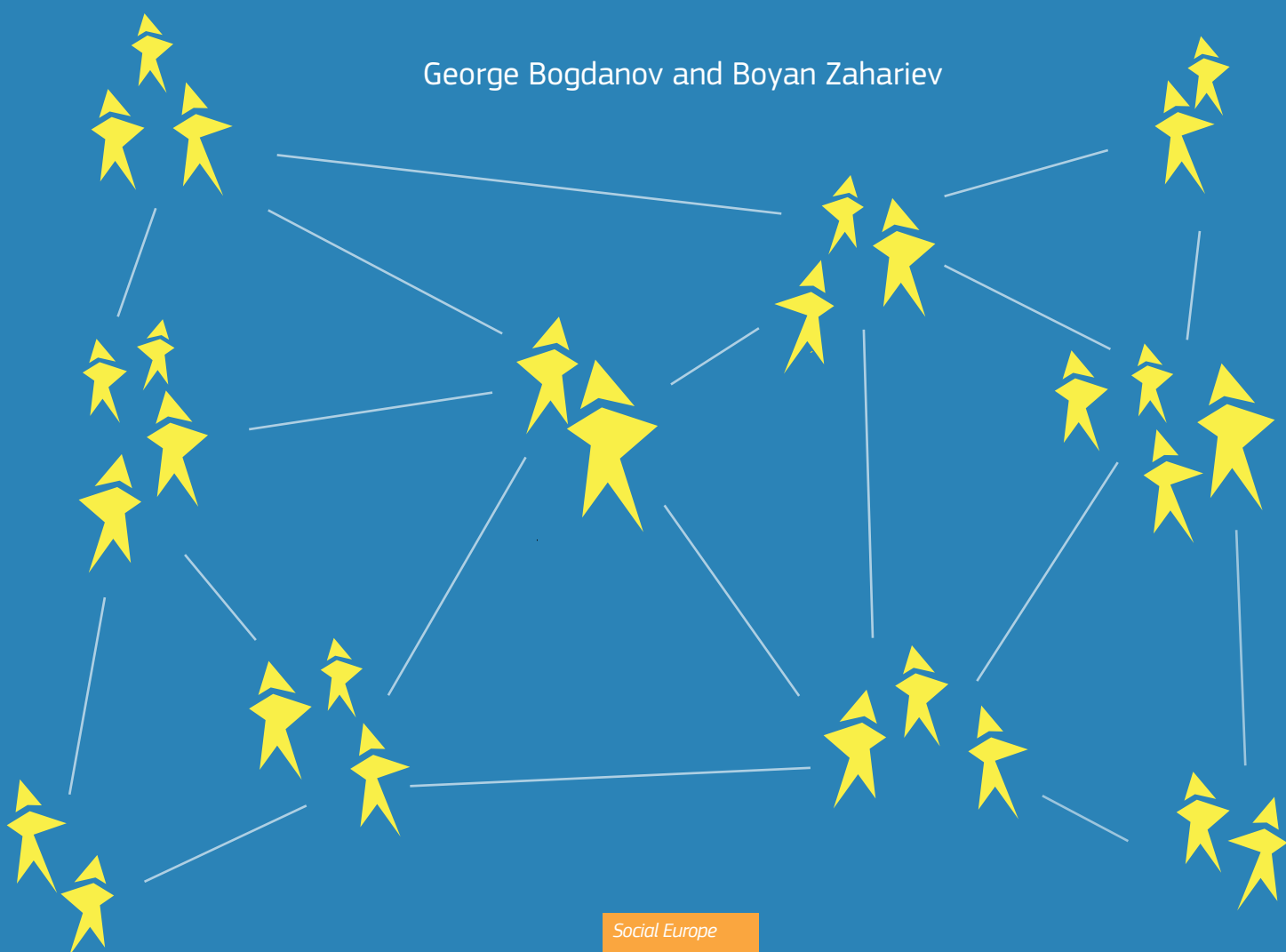


EUROPEAN SOCIAL POLICY NETWORK (ESPN)

Social protection and inclusion policy responses to the COVID-19 crisis

Bulgaria

George Bogdanov and Boyan Zahariev



EUROPEAN COMMISSION

Directorate-General for Employment, Social Affairs and Inclusion
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European Social Policy Network (ESPN)

**ESPN Thematic Report:
Social protection and inclusion
policy responses to the
COVID-19 crisis**

Bulgaria

2021

George Bogdanov and Boyan Zahariev

The European Social Policy Network (ESPN) was established in July 2014 on the initiative of the European Commission to provide high-quality and timely independent information, advice, analysis and expertise on social policy issues in the European Union and neighbouring countries.

The ESPN brings together into a single network the work that used to be carried out by the European Network of Independent Experts on Social Inclusion, the Network for the Analytical Support on the Socio-Economic Impact of Social Protection Reforms (ASISP) and the MISSOC (Mutual Information Systems on Social Protection) secretariat.

The ESPN is managed by the Luxembourg Institute of Socio-Economic Research (LISER) and APPLICA, together with the European Social Observatory (OSE).

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SUMMARY

Between Monday 3 February 2020 and Sunday 18 April 2021, the total number of confirmed COVID-19 cases per 100,000 people was 6,740 for the EU-27 as a whole; in Bulgaria, it was 5,721. The total number of deaths per 100,000 people was 151 for the EU-27, versus 229 in Bulgaria.

This report reviews the COVID-19 social protection and inclusion measures taken by the Bulgarian government. The expected costs of these measures are around 1.52 billion BGN (€776.64 million; 1.28% of 2019 GDP of €60.7 billion). It should be highlighted that the two programmes which are more employment-directed measures than social protection as such (employment for you, and 60/40) constitute three quarters of the costs of all measures. Almost all of the measures are temporary ones and have little chance of becoming permanent.

Most job-protection measures are expected to be withdrawn immediately after the end of the emergency situation related to the pandemic. Some measures, such as the compensation for employees in businesses which are not allowed to operate for a certain period of time by government decree, are tied to the duration of the temporary restrictions imposed on businesses in specific sectors.

The COVID-19 pandemic has spurred the debate on the shortage of medical staff in Bulgarian healthcare (especially nurses), but has not contributed to the discussion on social protection and social inclusion. There has been strikingly little interest in discussing the impact of the health, social and economic crisis caused by COVID-19 on the poorest and most vulnerable members of society, especially on those who have not been directly affected through the labour market.

The main remaining gap in the Bulgarian response to the pandemic is the support for people relying on the guaranteed minimum income (GMI), who are the ones suffering the most from a lack of measures. There has been no specific support package for such people. It could be argued that these people have not been directly affected by the economic shock related to the pandemic, at least the majority of them who are disconnected from the labour market and therefore could not have experienced a loss of employment income. However, this does not mean that their social situation has been not been affected in some ways by the pandemic. Moreover, some of them are connected to the labour market through (for example) temporary periods of employment and informal employment.

Another gap in the healthcare system that has remained unaddressed is the large number of people without health insurance. In 2020, the finance minister said in a statement that the pandemic was expected to further increase again the number of people without health insurance, after some reduction had taken place since 2015.

Furthermore, homeless people and people in need of long-term care have not received any specific support during the pandemic, with the exception of the limited coverage of the "hot lunch" programme. In particular, people suffering from drug addiction, or psychiatric patients, many of whom also face homelessness, have been deeply affected by the COVID-19 pandemic: but this has not triggered any policy response.

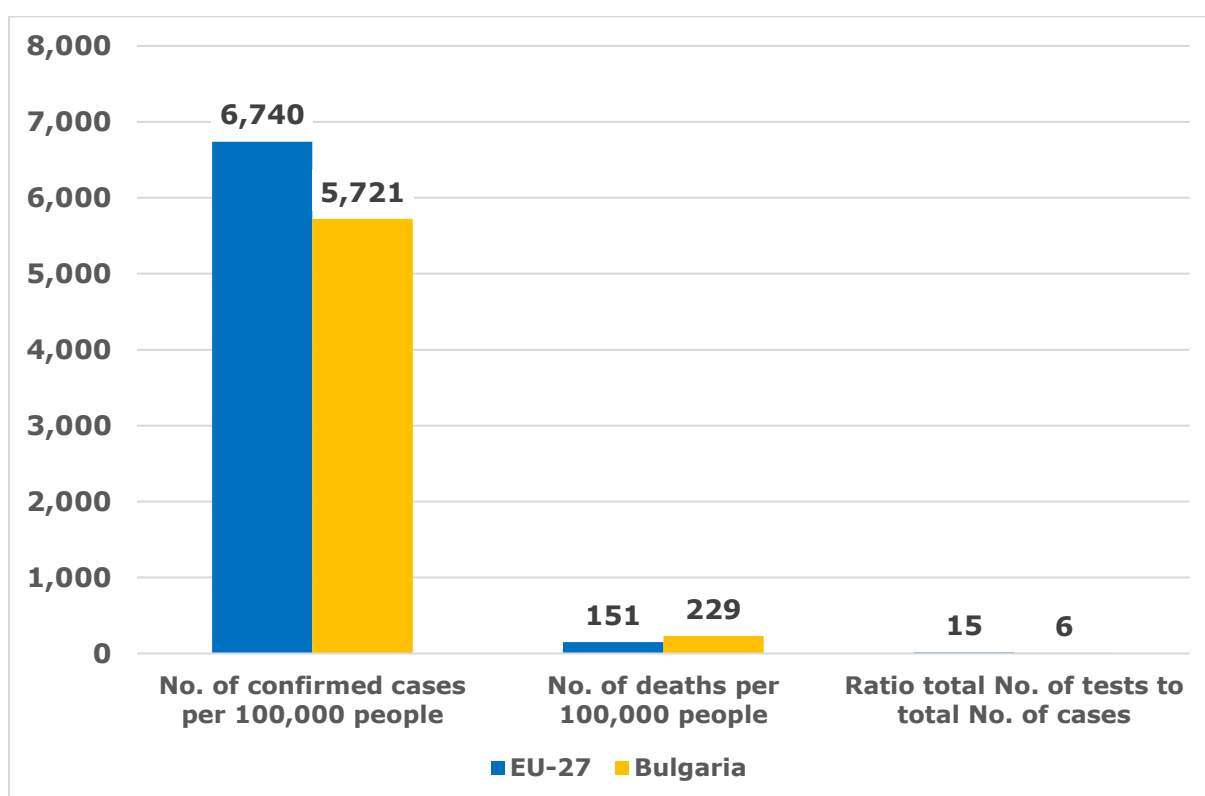
We recommend that the Bulgarian government should review the immediate and possible long-term impact of the pandemic on people and groups who have not necessarily been affected in terms of employment but who are likely to have been affected in other ways: the homeless; those living in precarious housing conditions such as a large proportion of the Roma population; and people relying on long-term care, especially those with chronic conditions and illnesses. There is a need for some measures to last and be implemented beyond the pandemic period in order to address the negative impact of COVID-19 on the groups mentioned.

1 TRENDS OF THE PANDEMIC AND SOCIAL AND ECONOMIC IMPACT¹

1.1 Epidemiological situation

During the 63 weeks considered for these three indicators (from Monday 3 February 2020 to Sunday 18 April 2021), the total number of confirmed COVID-19 cases per 100,000 people was 6,740 for the EU-27 as a whole; in Bulgaria, it was 5,721. The total number of deaths per 100,000 people was 151 for the EU-27 versus 229 in Bulgaria. The ratio of the total number of COVID-19 tests conducted to the total number of confirmed cases was 15.3 for the EU-27 and 6.1 for Bulgaria.

Figure 1: Total number of COVID-19 cases and deaths per 100,000 people & ratio of total number of COVID-19 tests to total number of cases, 3 February 2020 to 18 April 2021 (EU-27 and Bulgaria)

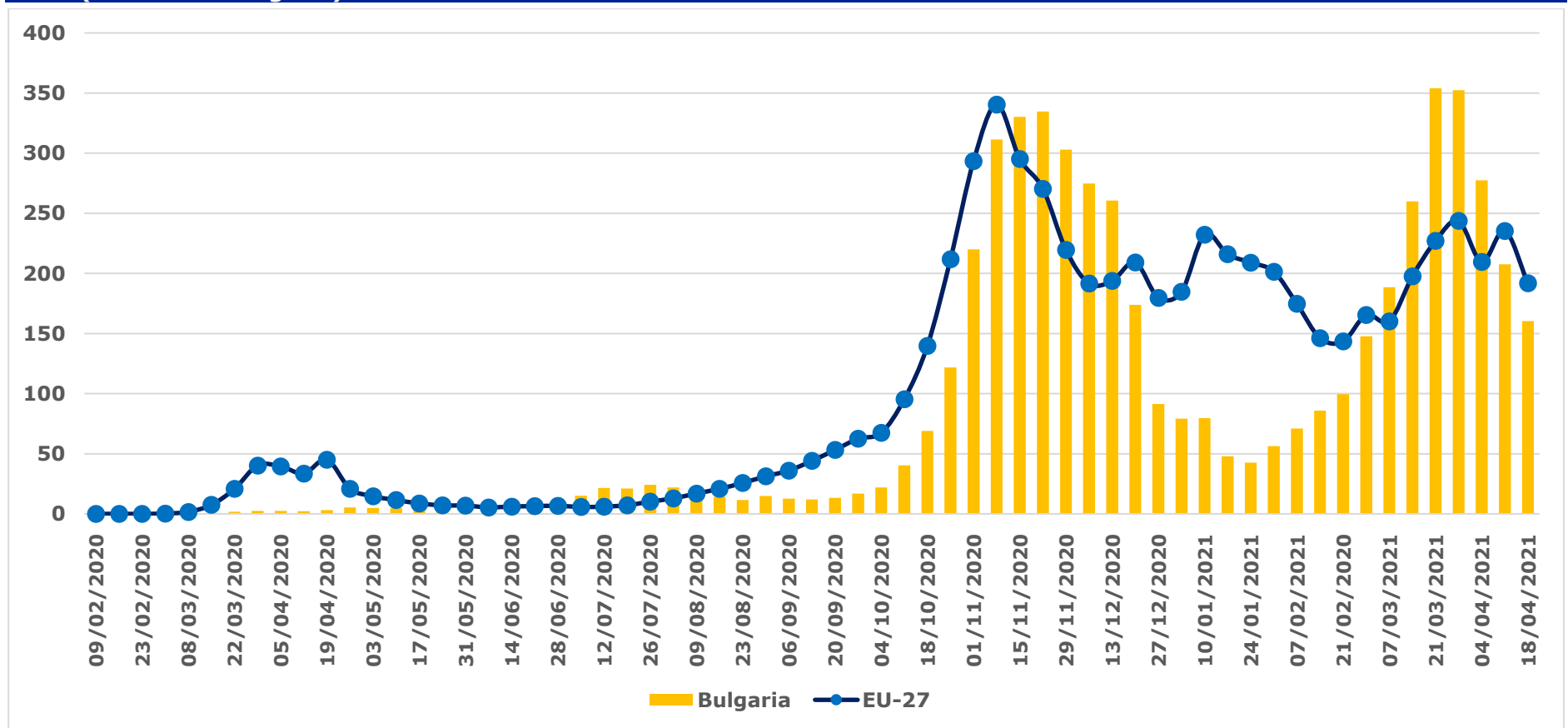


Source: Our World in Data (OWID) online database on COVID-19 - downloaded 26 April 2021

¹ Except if otherwise specified, the indicators presented in Sections 1.1 and 1.2 were calculated by the ESPN Network Core Team on the basis of data coming from two data sources: Our World in Data (OWID: <https://ourworldindata.org/coronavirus-source-data>) and the statistical office of the European Union (Eurostat: <https://ec.europa.eu/eurostat>). These indicators were calculated for all the 35 ESPN countries for which data were available. All of them are presented in Annex B of the following report: Isabel Baptista, Eric Marlier, Slavina Spasova, Ramón Peña-Casas, Boris Fronteddu, Dalila Ghailani, Sebastiano Sabato and Pietro Regazzoni (2021), *Social protection and inclusion policy responses to the COVID-19 crisis. An analysis of policies in 35 countries*, European Social Policy Network (ESPN), Luxembourg: Publications Office of the European Union. This report also provides additional explanations on the data sources used and the calculation of the indicators. In addition, Annex B of the report provides the country results related to all ESPN countries included in the two international data sources used (see Tables B1.1, B2.1 and B3.1 for Figure 1, Table B1.2 for Figure 2, Table B2.2 for Figure 3, Table B3.2 for Figure 4, Tables B4.1, B4.2 and B4.3 for Figure 5, Table B5 for Figure 6, Tables B6.1-3 for Figures 7a-c, and Tables B7.1-3 for Figures 8a-c). The full report and its various annexes can be downloaded [here](#).

In the last week of observations (from Monday 12 April 2021 to Sunday 18 April 2021), the number of confirmed COVID-19 cases per 100,000 people reached 191.8 for the EU-27. In Bulgaria, it was 160.3.

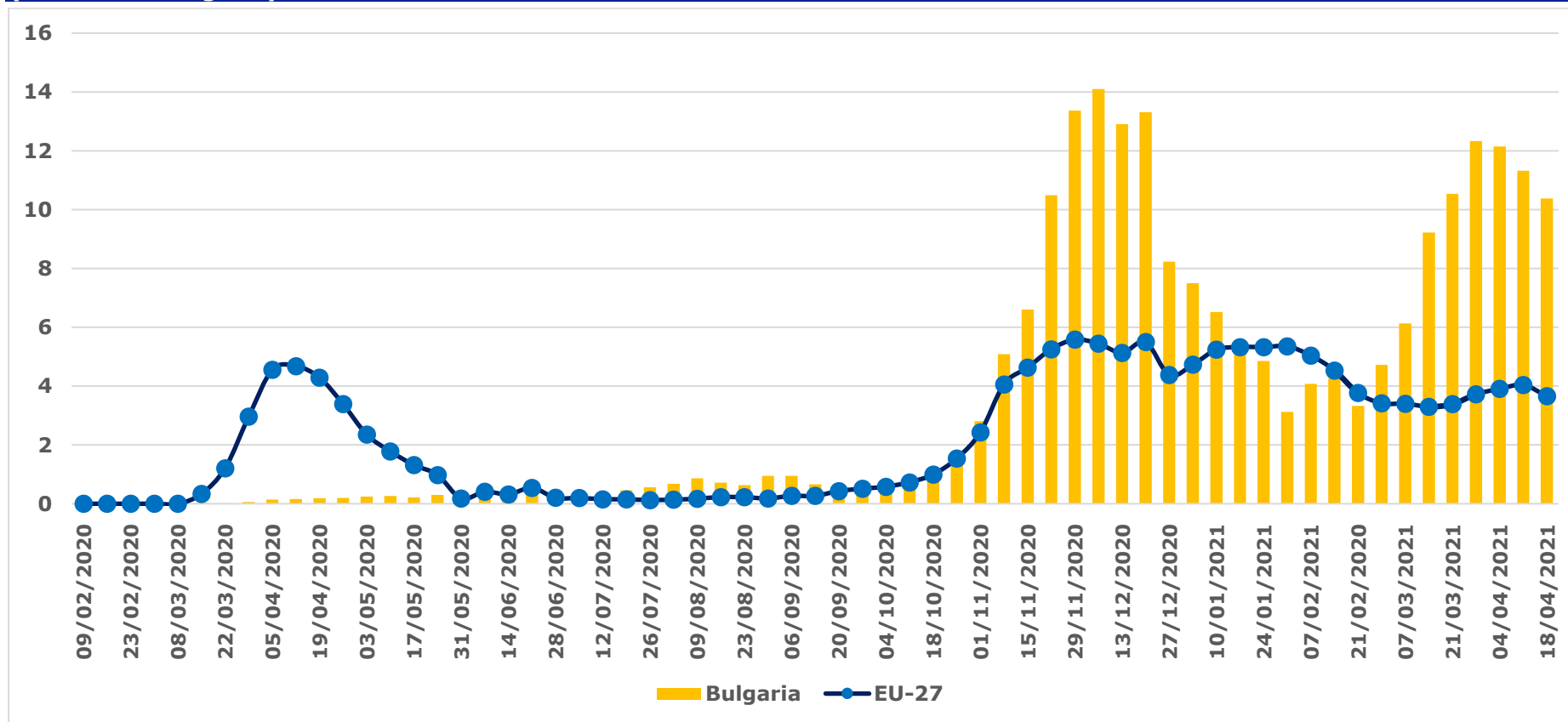
Figure 2: Weekly evolution - Number of confirmed COVID-19 cases per 100,000 people from 3 February 2020 to 18 April 2021 (EU-27 and Bulgaria)



Source: Our World in Data (OWID) online database on COVID-19 - downloaded 26 April 2021.

In the last week of observations (from Monday 12 April 2021 to Sunday 18 April 2021), the number of COVID-19 deaths per 100,000 people reached 3.66 for the EU-27 as a whole. In Bulgaria, it was 10.38.

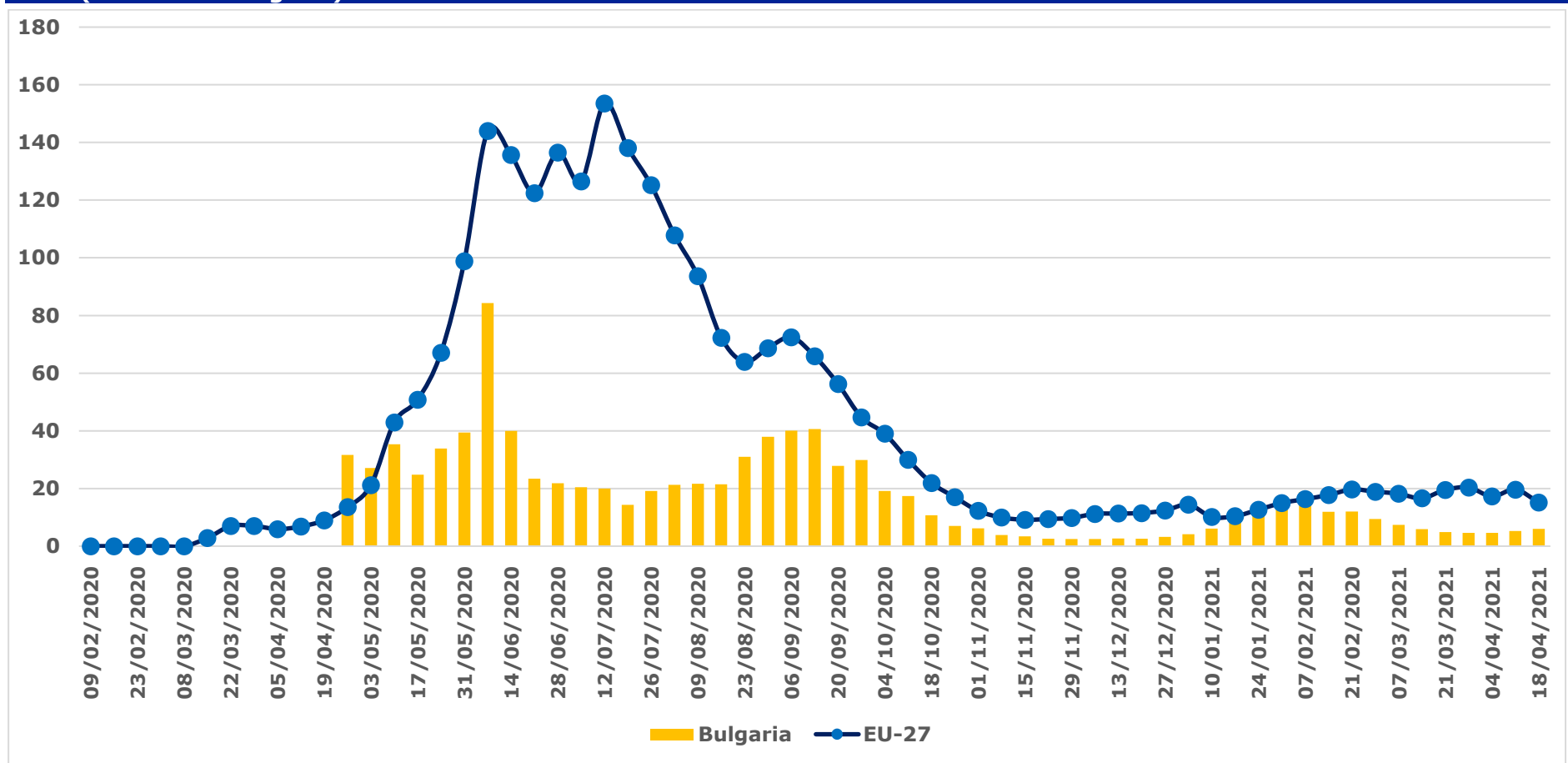
Figure 3: Weekly evolution - Number of COVID-19 deaths per 100,000 people, 3 February 2020 to 18 April 2021 (EU-27 and Bulgaria)



Source: Our World in Data (OWID) online database on COVID-19 - downloaded 26 April 2021.

In the last week of observations (from Monday 12 April 2021 to Sunday 18 April 2021), the number of COVID-19 tests per new confirmed COVID-19 cases was 15.2 for the EU-27. In Bulgaria, it was 6.0.

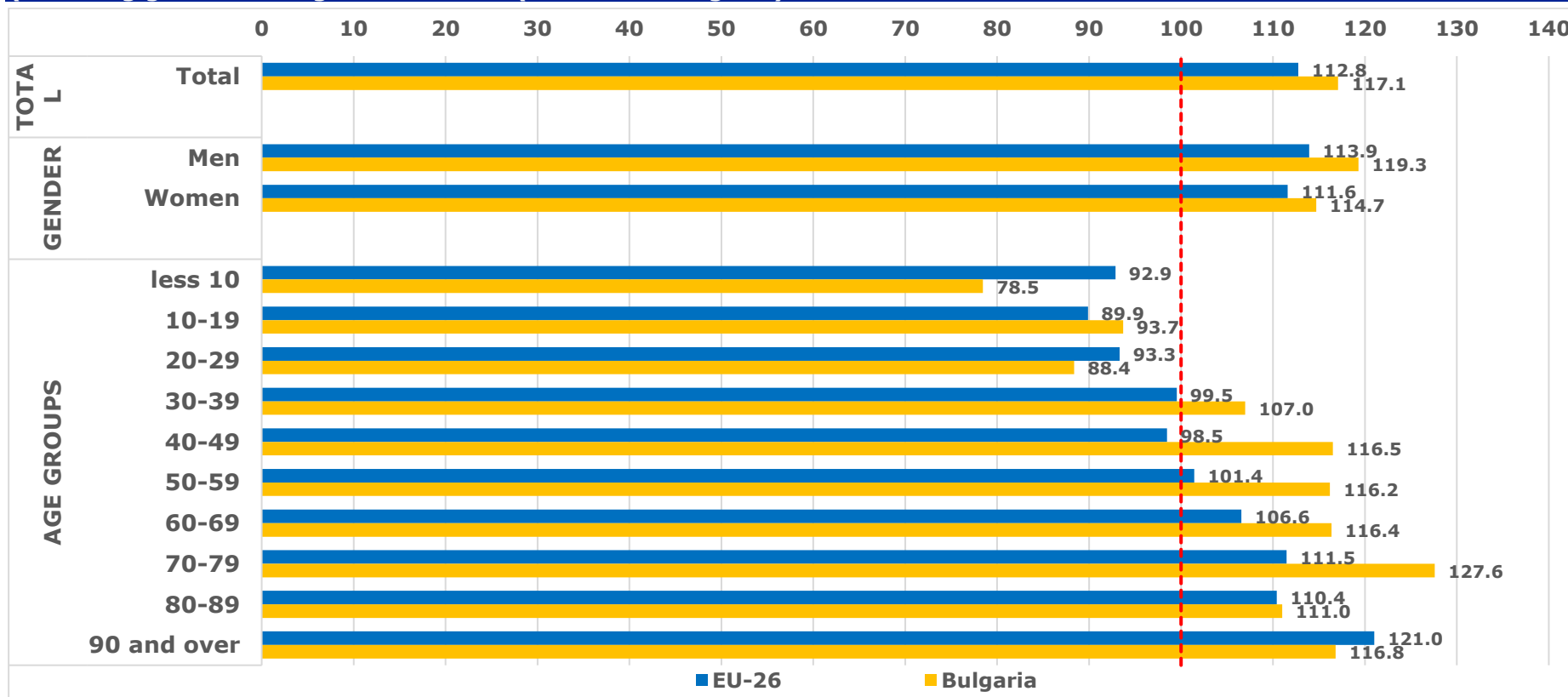
Figure 4: Weekly evolution - Number of COVID-19 tests per new confirmed COVID-19 case, 3 February 2020 to 18 April 2021 (EU-27 and Bulgaria)



Source: Our World in Data (OWID) online database on COVID-19 - downloaded 26 April 2021. Full quote for these testing data: Hasell, J., Mathieu, E., Beltekian, D. et al. (2020). "A cross-country database of COVID-19 testing". *Sci Data* 7, 345 (2020) (<https://www.nature.com/articles/s41597-020-00688-8>).

The excess mortality ratio for 2020 is the total number of deaths (without distinction of causes) in the year 2020 expressed as a percentage of the previous 4-year (2016-2019) annual average of the total number of deaths. For the EU-26 average (no data for Ireland), the ratio of the total population is 112.8% while it is 117.1% in Bulgaria. For the EU-26, it is 113.9% for men and 111.6% for women. In Bulgaria, these gendered ratios are 119.3% and 114.7% respectively. Excess mortality is higher among older age groups. For those aged 90 years and more it reaches 121.0% for EU-26 and 116.8% for Bulgaria.

Figure 5: Excess mortality - Total number of all deaths in 2020 as percentage of the 2016-2019 annual average (including gender and age breakdowns (EU-26 and Bulgaria))

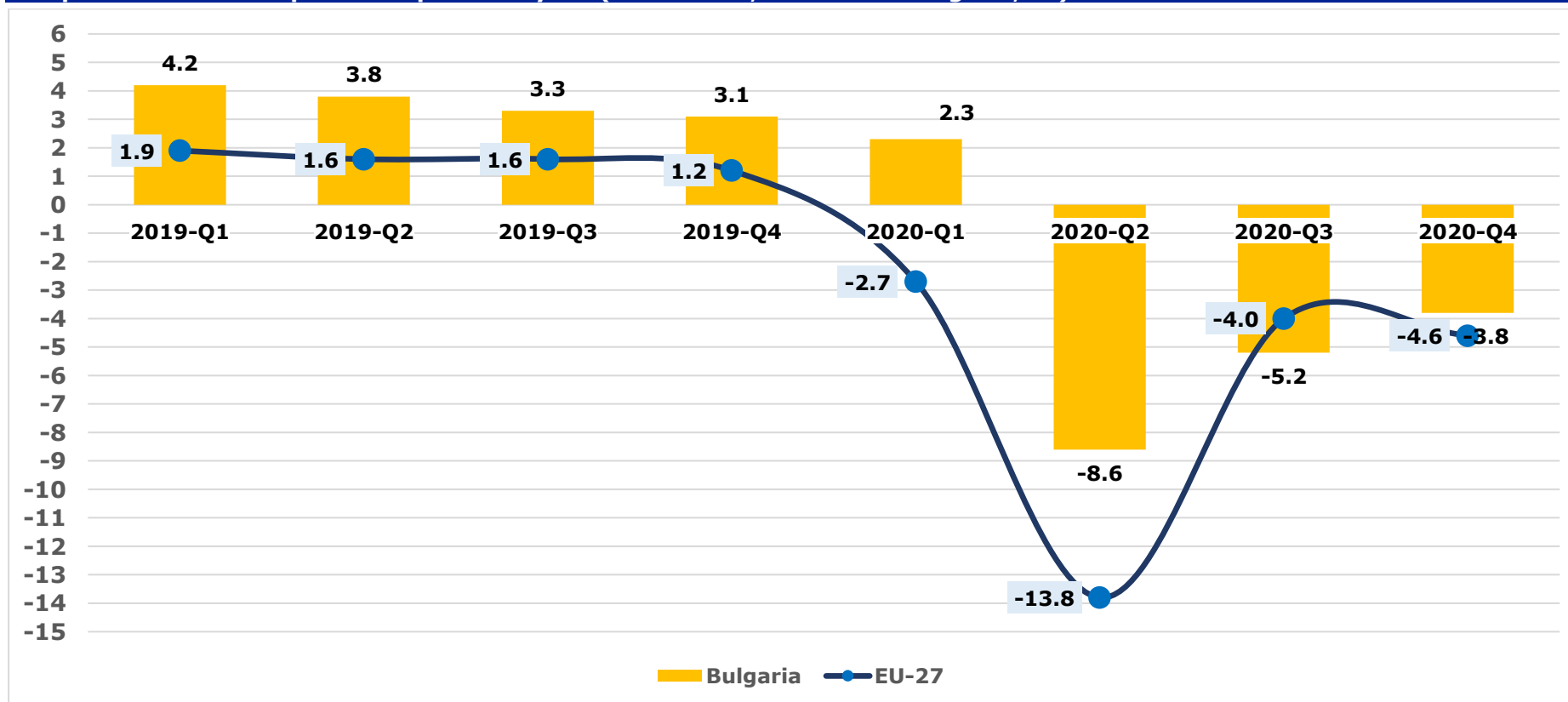


Source: Eurostat - indicator [DEMO_R_MWK_10__custom_560457] Deaths by week, sex and 10-year age groups - downloaded 26 April 2021. For Bosnia and Herzegovina: Agency for statistics of Bosnia and Herzegovina (data received upon request on 19 April 2021).

1.2 Economic and (un)employment situation

In the EU-27, GDP in the fourth quarter (2020-Q4) of 2020 fell by 4.6% compared to the fourth quarter of 2019 (2019-Q4). In Bulgaria, the decrease was 3.8% for the same period.

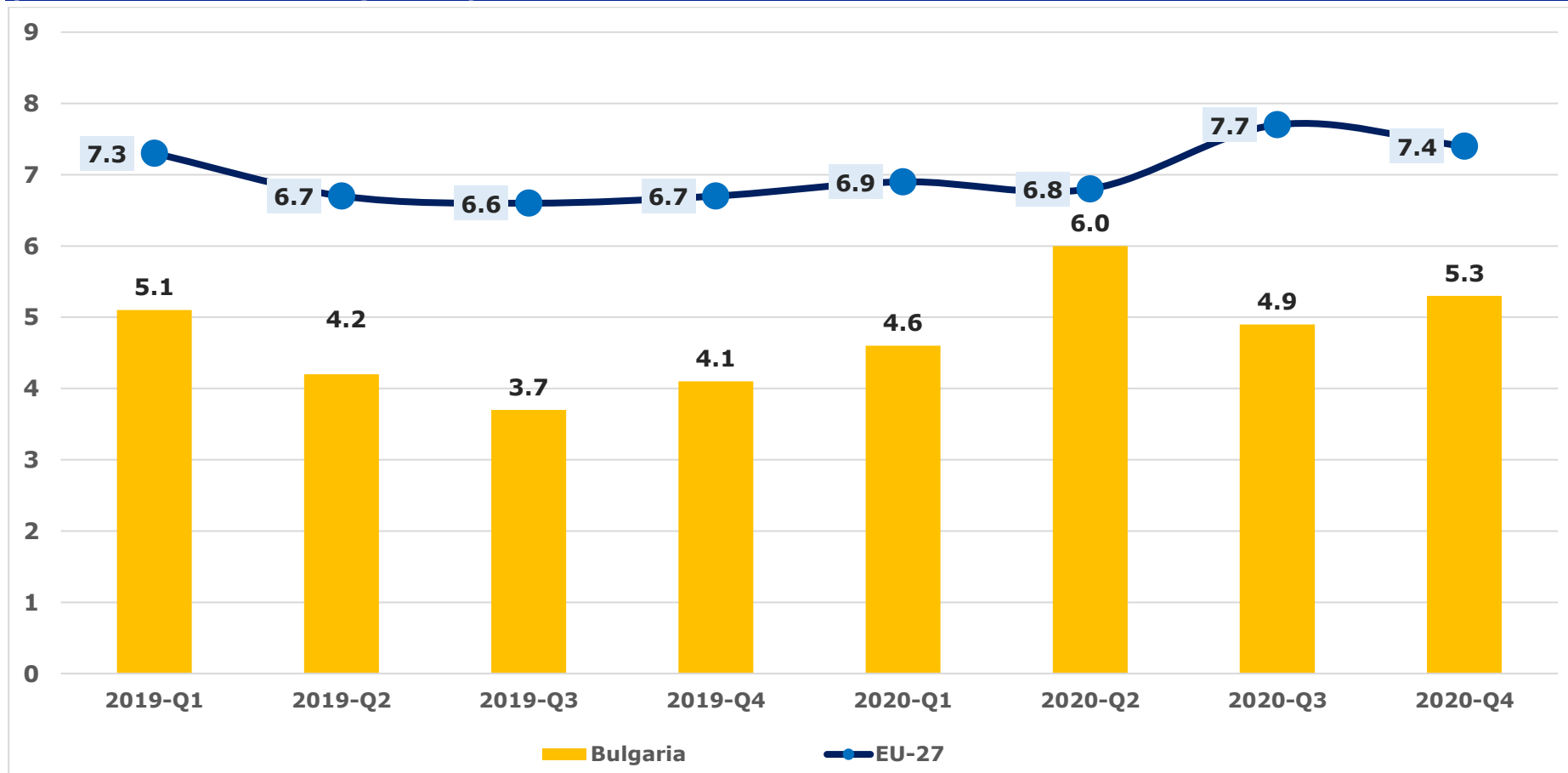
Figure 6: Gross domestic product at market prices, chain-linked volumes prices adjusted, percentage changes in quarter compared with same quarter in previous year (2019-2020, EU-27 and Bulgaria, %)



Source: Eurostat -GDP and main components (output, expenditure and income) - indicator [NAMQ_10_GDP__custom_507806] - downloaded 26 April 2021.

In the fourth quarter of 2020 (2020-Q4), the unemployment rate in the EU-27 for people aged 15-64 years is 7.4%. In Bulgaria, it is 5.3%.

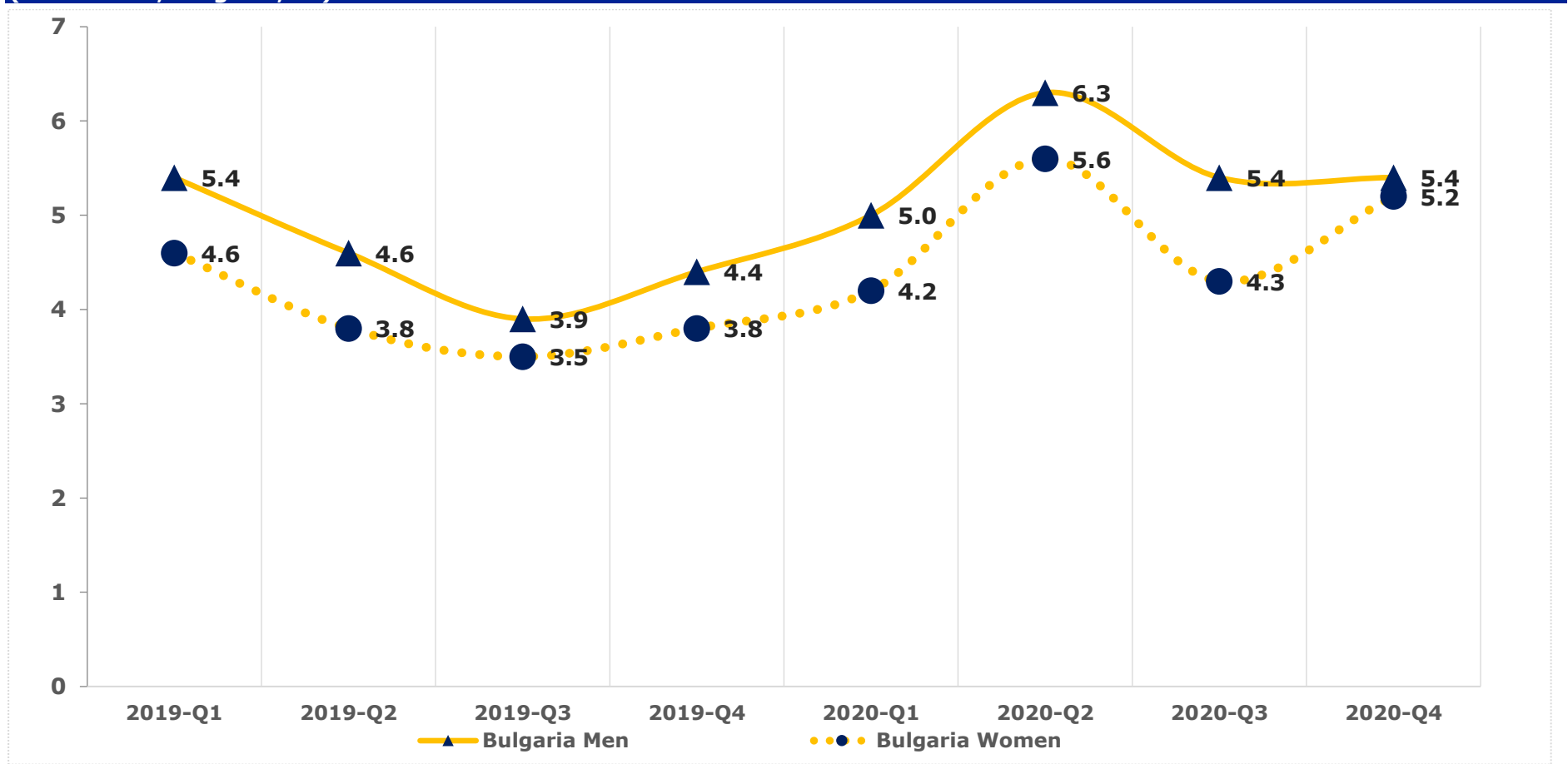
Figure 7a: Seasonally-adjusted unemployment rate, quarterly data, total population aged 15-64 (2019-2020, EU-27 and Bulgaria, %)



Source: Eurostat LFS - indicator [lfsq_urgan] - downloaded 26 April 2021.

In the fourth quarter of 2020 (2020-Q4), the unemployment rate in the EU-27 for people aged 15-64 years is 7.1% for men and 7.7% for women. In Bulgaria, these figures are 5.4% and 5.2% respectively.

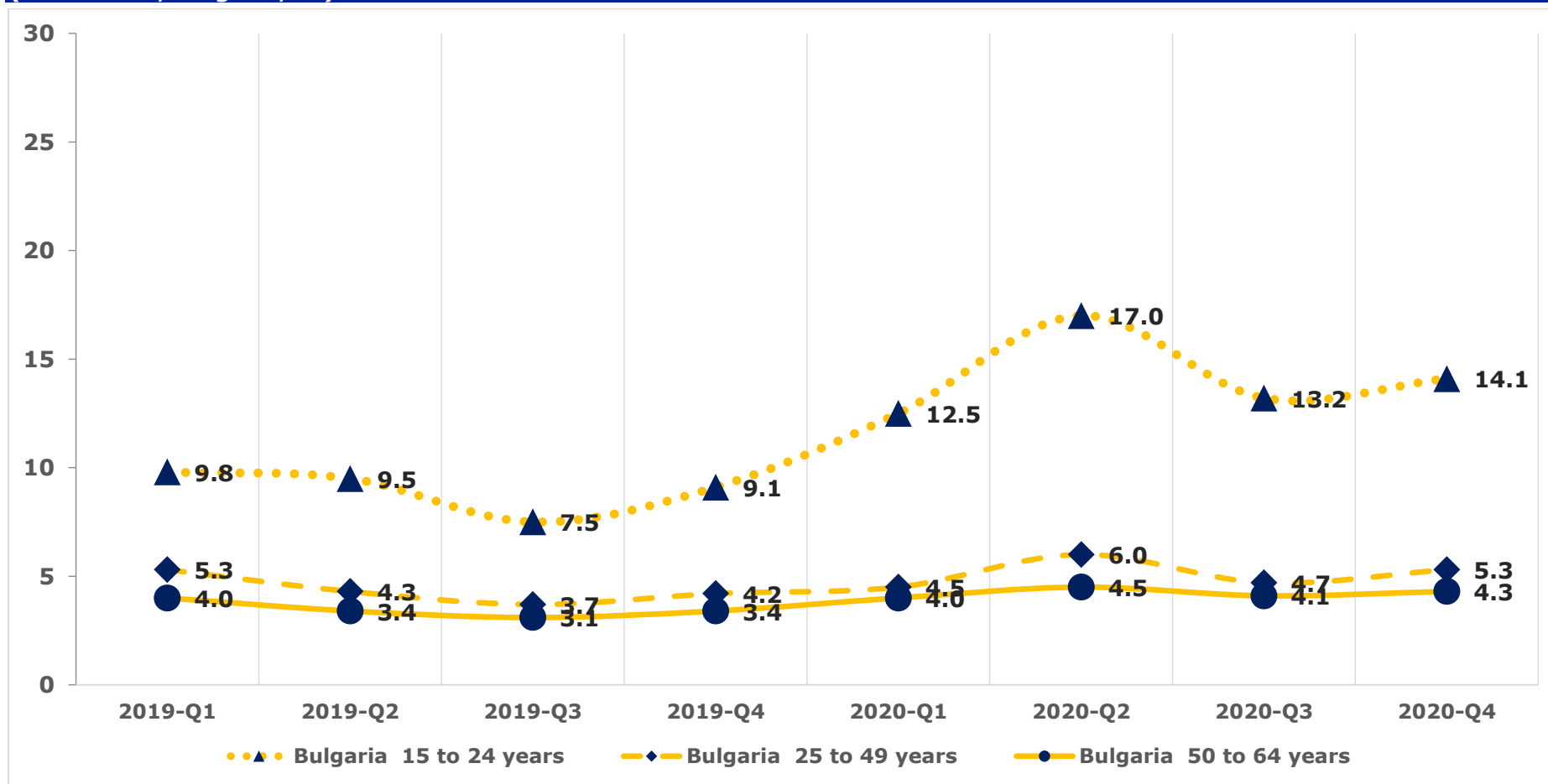
Figure 7b: Seasonally-adjusted unemployment rate, quarterly data, total population aged 15-64 – by gender (2019-2020, Bulgaria, %)



Source: Eurostat LFS - indicator [lfsq_urgan] - downloaded 26 April 2021.

In the fourth quarter of 2020 (2020-Q4), the unemployment rate in the EU-27 is 16.9% for the 15-24 age group. In Bulgaria, it is 14.1%.

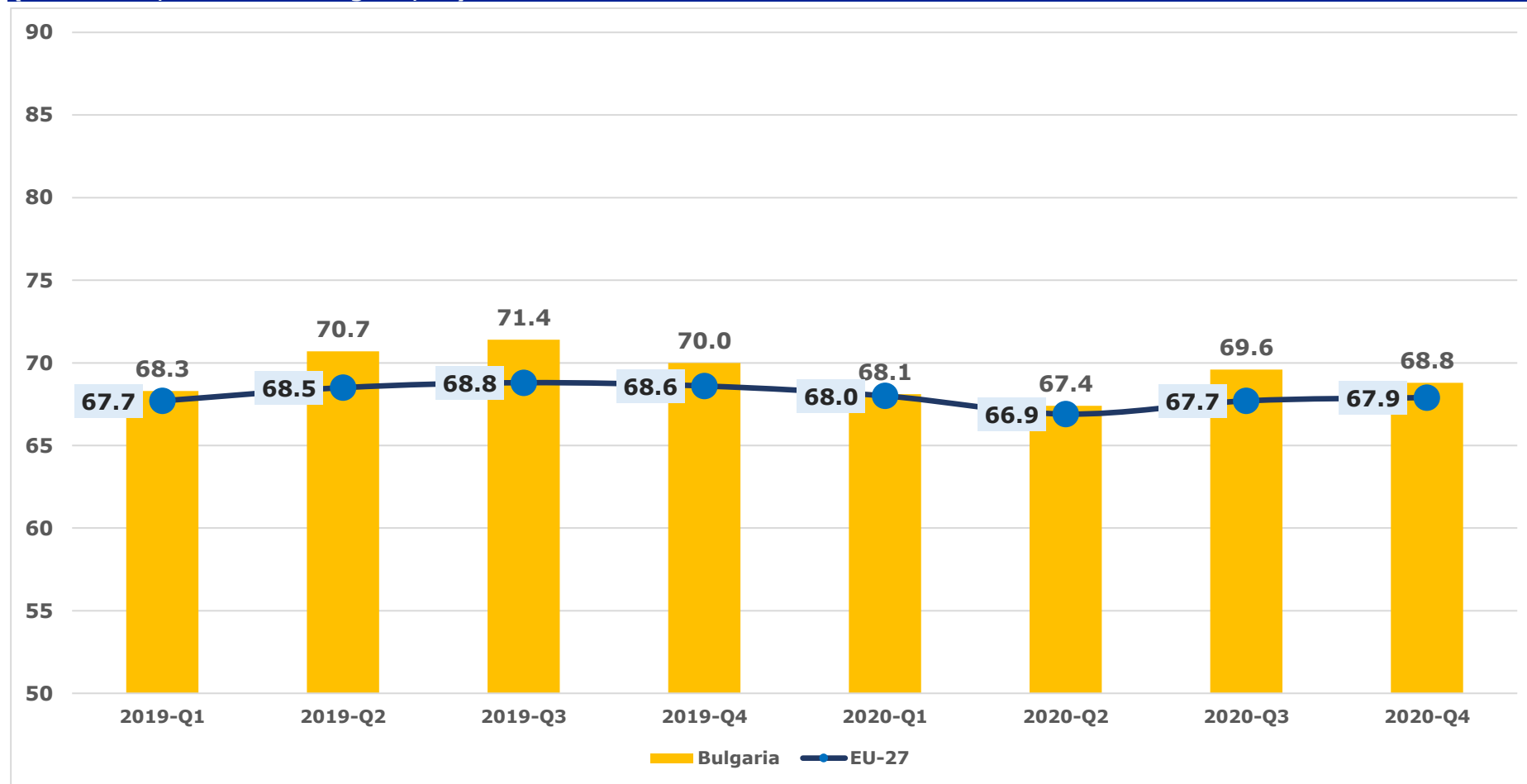
Figure 7c: Seasonally-adjusted unemployment rate, quarterly data, total population aged 15-64 – by age group (2019-2020, Bulgaria, %)



Source: Eurostat LFS - indicator [lfsq_urgan] - downloaded 26 April 2021.

In the fourth quarter of 2020 (2020-Q4), the employment rate for people aged 15-64 in the EU-27 is 67.9%. In Bulgaria, it is 68.8%.

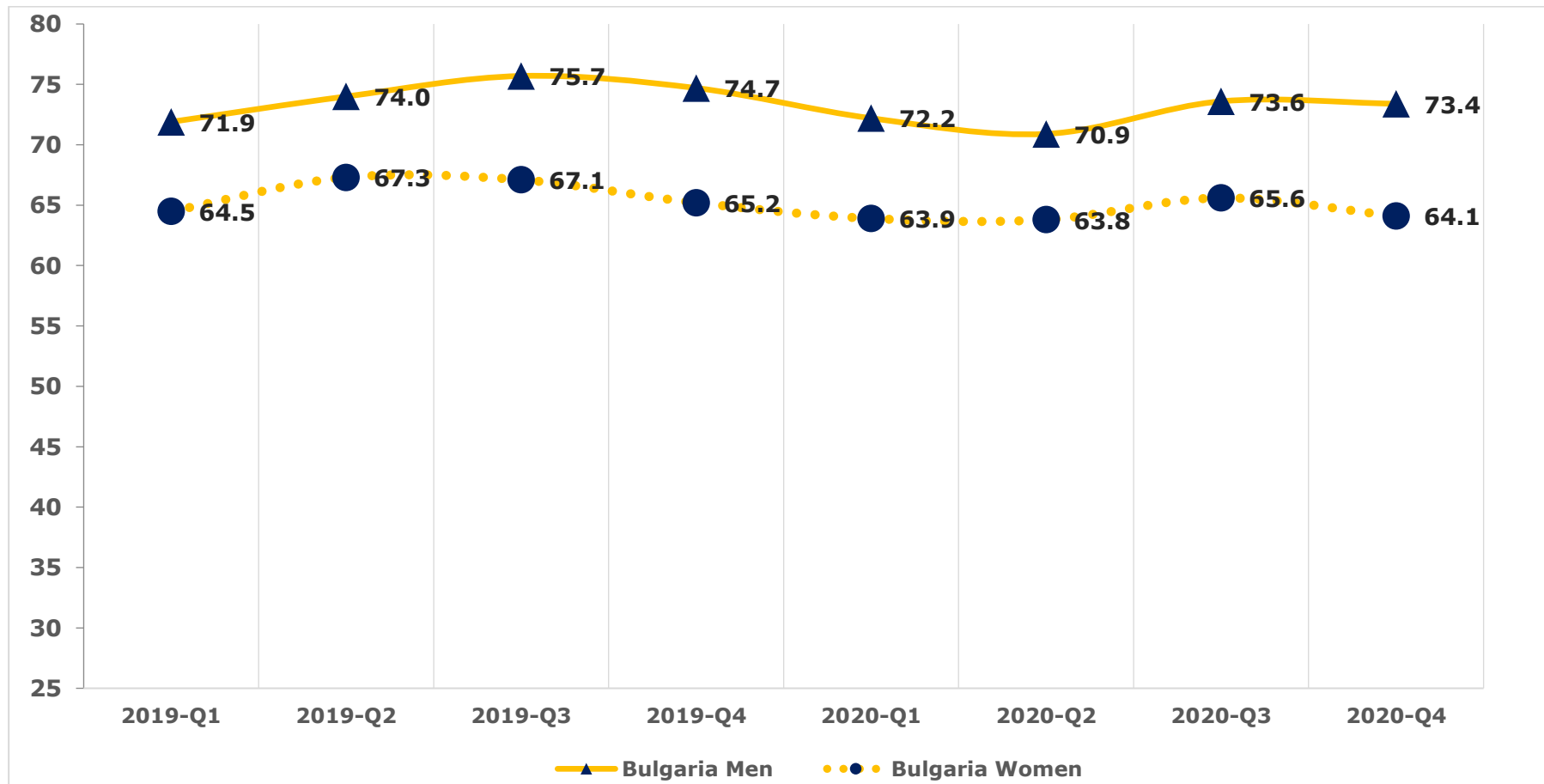
Figure 8a: Seasonally-adjusted employment rate, quarterly data, total population aged 15-64 (2019-2020, EU-27 and Bulgaria, %)



Source: Eurostat LFS - indicator [lfsq_ergan] - downloaded 26 April 2021.

In the fourth quarter of 2020 (2020-Q4), the employment rate in the EU-27 is 73.0% for men and 62.8% for women. In Bulgaria, these figures are 73.4% and 64.1% respectively.

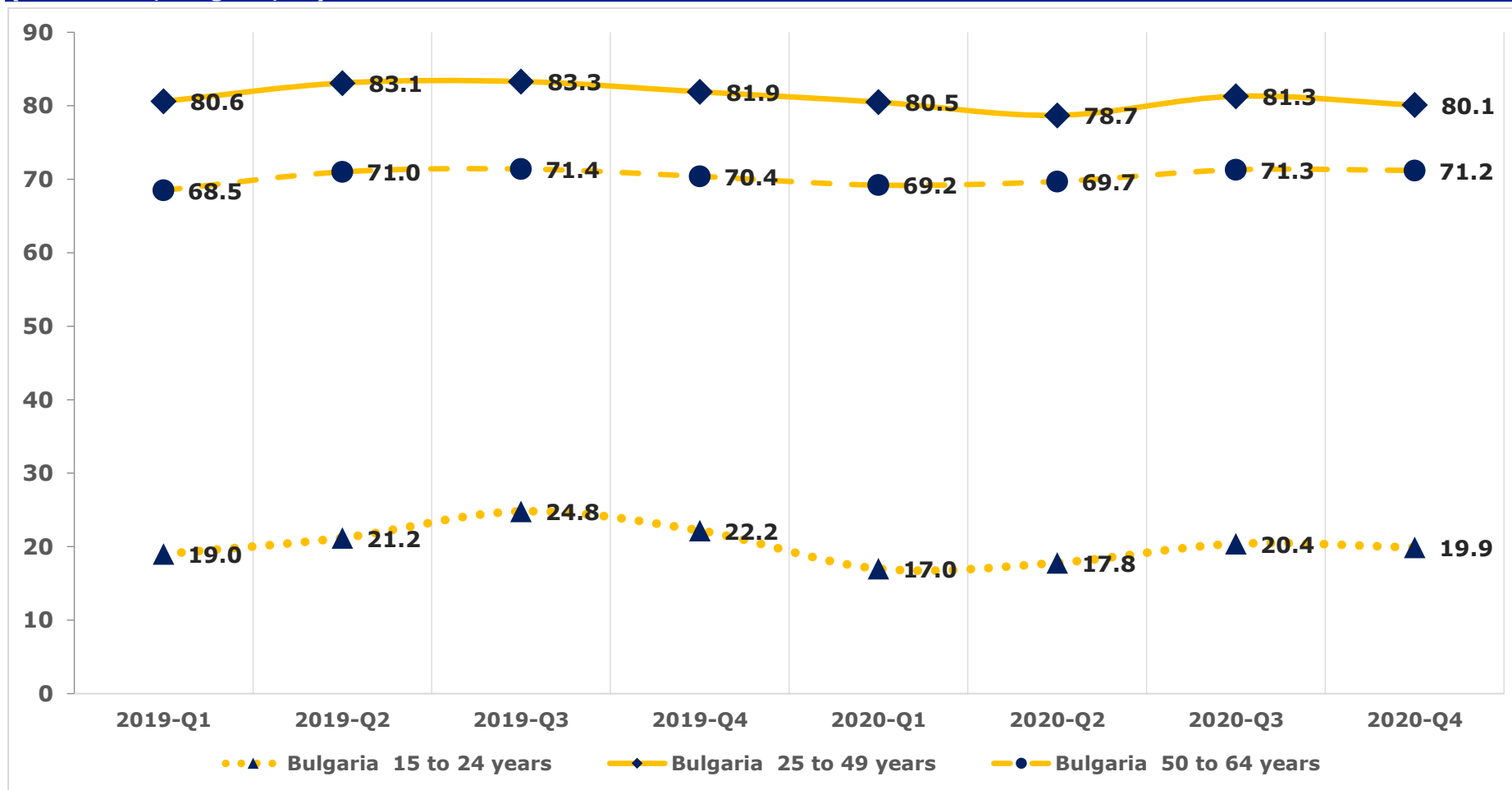
Figure 8b: Seasonally-adjusted employment rate, quarterly data, total population aged 15-64 – by gender (2019-2020, Bulgaria, %)



Source: Eurostat LFS - indicator [lfsq_ergan] - downloaded 26 April 2021.

In the fourth quarter of 2020 (2020-Q4), the employment rate in the EU-27 is 31.1% for the 15-24 age group. In Bulgaria, it is 19.9%.

Figure 8c: Seasonally-adjusted employment rate, quarterly data, total population aged 15-64 – by age group (2019-2020, Bulgaria, %)



Source: Eurostat LFS - indicator [lfsq_ergan] - downloaded 26 April 2021.

1.3 Poverty, inequality and social exclusion situation

A survey carried out in April 2020 showed that since the start of the pandemic the incomes of 45% of the adult population had remained unchanged; for 26% they had fallen, but without seriously endangering the livelihood of households, and 25% had suffered a more dramatic decline. The survey also found that about a quarter of those who had lost their jobs during the pandemic could not register with the employment services: they were not eligible for unemployment benefits,² because they had worked in the informal economy (i.e. without a labour law contract and without paying social security contributions). The survey did not mention people who, despite having legitimate contracts, ended up being ineligible for support due to the (restrictive) rules in place. Most probably those people are a sub-group of the ones who registered with the employment services just in order to get some support in searching for a new job, but did not receive unemployment benefits.

A survey carried out in May 2020 in two of the largest neighbourhoods with large minority communities, situated in Sofia and Plovdiv, found examples of discrimination involving much tougher measures against the COVID-19 pandemic including installation of checkpoints. The survey in the two neighbourhoods also found that median incomes in several sectors had dropped below the poverty line during the pandemic (i.e. incomes in retail, services provided by small businesses, construction and informal waste-picking) (Venkov 2020).

A survey carried out in November and December 2021 in nine Roma neighbourhoods and in one village with a predominantly Roma population found that about 40% of Roma students had their own digital devices during the period of distance education. 10% of Roma students did not have any access to any education during the time schools were closed. Overcrowding and lack of water were among the factors that contributed to an increased epidemic risk for the Roma, and reduced their ability to follow the recommendations of health authorities concerning social distancing and personal hygiene (Grekova et al., 2021).

In the annex, Figure A1 and Tables A1 and A2 present the evolution of expenditure and monetary income per capita in Bulgaria in 2019-2020.

² Retrieved 10 April 2021, from <https://alpharesearch.bg/post/967-otrajenie-na-krizata-s-koronavirusa-vurhu-bulgarskite-grajdani-i-stopanskite-subekti.html>.

2 SOCIAL PROTECTION AND INCLUSION MEASURES IN RESPONSE TO THE PANDEMIC³

This section provides a brief description of the main measures related to social protection and social inclusion that have been put in place to help mitigate the financial and social distress produced by the economic downturn caused by the pandemic. It is based on readily available data and evidence. For each measure, it provides the following information.

- a) Short description of the measure.
- b) Category: Is it a flat benefit, a conditional benefit, both a flat and a conditional benefit, or neither a flat nor a conditional benefit?
- c) Timing: When did the measure start/end? Has it been extended?
- d) Depending on the category:
 - amount and duration (for flat measures); and
 - range (minimum-maximum), duration and conditionality (thresholds) (for conditional measures).

If the measure is neither flat nor conditional, this is indicated by "Not applicable".
- e) Targeted population: what is/are the target(s)? – that is to say, which parts of the population or of the labour force. Where data and evidence are readily available, estimated number of people targeted and/or applicants.
- f) Beneficiaries: What is the number of recipients of the measure (if relevant and available)?
- g) Novelty: Was the measure new or an already existing one that was adjusted?

2.1 Measures related to unemployment benefits

2.1.1 Увеличение на минималното възнаграждение за безработица (Increase in the minimum unemployment benefit)⁴

- a) Short description of the measure: The minimum level of unemployment benefit has been increased; and the period for receiving the benefit has been extended by three months, from four to seven.
- b) Category: Flat benefit.
- c) Timing: From 1 October 2020 onwards; it is a permanent change, not depending on the state of emergency.
- d) Amount and duration: The minimum amount of unemployment benefit has been increased for all unemployed people, from 9 BGN (€4.50) to 12 BGN (€6.10) per day; and the period for receiving the benefit has been extended by three months.
- e) Targeted population: All people eligible for unemployment benefits (the self-employed are not eligible). The unemployed have to meet certain criteria (unemployment benefits are granted to people for whom social security contributions have been paid, or are due, to the unemployment fund for at least 12 of the last 18 months before the termination of the insurance and who are registered as unemployed with the Employment Agency). According to the Ministry of Labour and Social Policy, there were

³ The temporary measures mentioned in this report refer to the situation as of 15 April 2021. Their duration may have been extended since then.

⁴ Минималното обезщетение за безработица се увеличава с над 30% (The minimum unemployment benefit increases by over 30%), official website of the Ministry of Labour and Social Policy, <https://www.mlsp.government.bg/minimalnoto-obezshchetenie-za-bezrobotitsa-se-uvelichava-s-nad-30>.

between 30,000 and 33,000 unemployed people monthly for the period 1 October to 31 December 2020.⁵

- f) Beneficiaries: No readily available information.
- g) Novelty: The measure is an adjustment of an existing unemployment benefits scheme.

2.2 Measures of job protection provided through support to employers, employees and the self-employed

2.2.1 Запази ме (Keep me)⁶

- a) Short description of the measure: The measure is directed to employees from the sectors that have been especially hit by the pandemic. Under it, employees receive compensation for periods when those sectors are unable to function due to the epidemic measures and the employees are on unpaid leave. Employees receive a wage subsidy, aimed at stimulating employers to keep their personnel.
- b) Category: Conditional benefit.
- c) Timing: The measure entered into force on 30 November 2020. However, the period of application of the measure varies according to the type of employment and the end of the epidemic closure in the corresponding sector. All employees concerned were initially entitled to the benefit until 31 January 2021 (except for staff in kindergartens, nurseries and museums staff, who were entitled to it only until 3 January 2021 when those establishments reopened). The measure has been extended until the end of June 2021.
- d) Range, duration and conditionality: The benefit is equal to 75% of monthly insurable income for October 2020 for the respective salary of the employee.
- e) Targeted population: Staff at cinemas, discos, piano bars and nightclubs; people involved in the creation and presentation of live performances (such as operas, operettas and circuses) including stage workers, directors, producers, stage designers, costume designers and lighting/technical specialists; people working in collective and individual sports events of a training and competitive nature; people working in solariums, saunas, weight-loss and massage salons; and staff at private kindergartens, nurseries and museums. The work statuses included are: full-time workers and part-timers under a labour contract with the employer. No readily available information on applicants or estimated people targeted.
- f) Beneficiaries: 51,563 employees from closed businesses have already received compensation.⁷
- g) Novelty: The measure is a new one that has been introduced due to the effects of the anti-pandemic measures, which resulted in the closure of certain establishments.

⁵ Минималното обезщетение за безработица се увеличава с над 30% (The minimum unemployment benefit increases by over 30%), official website of the Ministry of Labour and Social Policy, <https://www.mlsp.government.bg/minimalnoto-obezshchetenie-za-bezrobotitsa-se-uvlichava-s-nad-30>.

⁶ Приети промени в проект „Запази ме“: Работодателите ще могат да подават документи за новия дизайн на мярката (Accepted changes in the "keep me" project: employers will be able to submit documents for the new design of the measure), official website of the Bulgarian government, <https://www.az.government.bg/pages/zapazi-me>.

⁷ Премиерът Борисов: Обезпечаваме с нови 240 млн. лева мерките за запазване на заетостта и за подкрепа на семействата заради пандемията (Prime Minister Borissov: We provide 240 million BGN more for measures to preserve employment and support families due to the pandemic), official government website for information on the coronavirus pandemic, <https://coronavirus.bg/bg/news/1812>.

2.2.2 Проект BG05M9OP001-1.104-001 "Краткосрочна подкрепа за заетост в отговор на пандемията от COVID-19" (Project BG05M9OP001-1.104-001 "Short-term support for employment in response to the COVID-19 pandemic")⁸

- a) Short description of the measure: The aim is to provide support to enterprises and self-employed people whose economic activity is directly hindered by the state of emergency. It is designed to preserve employment in the hospitality, transport and tourism sectors. The programme supports employers, self-insured people and municipal enterprises by providing compensation for part of the salary and tax/social security contributions due on behalf of the insured person. The employees and self-insured people involved are protected against dismissal for the entire period of payment of the compensation and for an additional period equal to half the period for which the compensation was paid.
- b) Category: Flat benefit.
- c) Timing: The financial transactions under the measure started in July 2020 and the programme was initially set to end on 31 December 2021. The measure was extended to 30 May 2021.⁹
- d) Amount and duration: The benefits under the measure are a flat amount of 290 BGN (€148) per month.
- e) Targeted population: The programme will support employers, self-insured people and municipal enterprises in the hospitality, transport and tourism sectors. It was expected that the measure would reach at least 30,000 employees, according to data presented by the government.¹⁰ Under this measure, 33,000 jobs have been preserved, and the funds transferred to companies have been received by 2,936 employers and self-insured people.¹¹
- f) Beneficiaries: 24,575 jobs in companies in the tourism, hotel and restaurant and transport sectors were retained by the Employment Agency's short-term employment measure in 2020, as announced on the official website of the Ministry of Labour and Social Policy.¹²
- g) Novelty: The measure is a new one, created specifically due to the COVID-19 crisis.

2.2.3 Заетост за теб (Employment for you)¹³

- a) Short description of the measure: The aim of the measure is to provide support for reintegration into employment of the unemployed who have lost their jobs as a result of the pandemic and the spread of COVID-19. In response to the challenges associated with the observed rapid growth of unemployment in the country, the aim is to provide timely support to employers for hiring unemployed people by providing employment subsidies. In this way, the implementation of the programme will help to speed up the

⁸ Краткосрочна подкрепа за заетост в отговор на пандемията от COVID-19 (Short-term support for employment in response to the COVID-19 pandemic), official website of the Bulgarian government <https://www.az.government.bg/pages/kratkosrochna-podkrepa-za-zaetost-covid-19>.

⁹ Премиерът Борисов: Обезпечаваме с нови 240 млн. лева мерките за запазване на заетостта и за подкрепа на семействата заради пандемията (Prime Minister Borissov: We provide 240 million BGN more for measures to preserve employment and support families due to the pandemic), official government website for information on the coronavirus pandemic, <https://coronavirus.bg/bg/news/1812>.

¹⁰ Краткосрочна подкрепа за заетост в отговор на пандемията от COVID-19 (Short-term support for employment in response to the COVID-19 pandemic), official website of the Bulgarian government <https://www.az.government.bg/pages/kratkosrochna-podkrepa-za-zaetost-covid-19>.

¹¹ Премиерът Борисов: Обезпечаваме с нови 240 млн. лева мерките за запазване на заетостта и за подкрепа на семействата заради пандемията (Prime Minister Borissov: We provide 240 million BGN more for measures to preserve employment and support families due to the pandemic), official government website for information on the coronavirus pandemic, <https://coronavirus.bg/bg/news/1812>.

¹² <https://www.mfsp.government.bg/nad-24-000-rabotni-mesta-sa-bili-zapazeni-chrez-myarkata-za-podkrepa-s-290-ly>

¹³ Заетост за теб (Employment for you), official website of the Bulgarian government, <https://www.az.government.bg/pages/zaetost-za-teb>.

recovery of economic and production processes in enterprises and, on the other hand, will prevent of long-term unemployment among people registered with employment offices. The programme will provide support for hiring unemployed people full time or part time (at least four hours) for a period of up to six months. In order to ensure sustainability, the employer is obliged to maintain the employment of 75% of the people supported for a period equal to half the period of the subsidised employment. Certain criteria were altered on 20 November 2020 in order for the programme to reach more employers and be more accessible.

- b) Category: Flat benefit.
- c) Timing: The programme period began on 26 June 2020 and the duration of the programme is until 31 December 2022.
- d) Amount and duration: All employers receive the minimum wage and the amount of social security benefits that the employer has to cover.
- e) Targeted population: The implementation of the programme is in response to the economic consequences of the pandemic and the fact that a number of economic entities and employers have had to reduce or completely stop their activities, and the social isolation imposed in order to prevent the transmission of the infection. The measure is expected to provide employment to 70,000 unemployed people, including those who have lost their jobs as a result of the pandemic and the spread of COVID-19.
- f) Beneficiaries: 20,000 people have benefited from new job opportunities.
- g) Novelty: The measure is a new one.

2.2.4 Мярка 60/40 (60/40 measure)¹⁴

- a) Short description of the measure: The measure supports employers to retain jobs during the pandemic. Employers from all economic sectors are entitled to compensation for maintaining employment, except for: agriculture, forestry and fisheries; financial and insurance activities; general government; health and social work; activities of households as employers; activities of households in the production of goods and services for own consumption; and activities of extra-territorial organisations and services. Employers need to meet certain criteria to apply for this measure. They are entitled to receive 60% of the insurable income of employees who are on leave during the official emergency situation. This support is only extended to businesses in which employers have temporarily suspended all work activities due to orders issued by public bodies in the context of an epidemic situation. Businesses must meet the following criteria: to have ceased operations during and after the state of emergency; and to have shifted to part-time work for all or part of their employees. Applications are submitted to the employment office. This is a kind of a short working-time scheme where working time can be reduced to zero. The worker receives the full salary which is covered 60% by the state and 40% by the employer.
- b) Category: Conditional benefit.
- c) Timing: The measure was adopted in March 2020; the period for claiming compensation started from the beginning of the officially announced emergency situation (13 March 2020). The latest extension of the measure covers the period from March until the end of September 2021.
- d) Range, duration and conditionality: Every employer receives a 60% contribution towards the insurable income for each employee to whom the regime is applied. The

¹⁴ Процедурата за кандидатстване на работодатели за изплащане на средства за запазване на заетостта по реда на ПМС 151/03.07.2020 г., изм. и доп. с ПМС 278/12.10.2020 г по мярката 60/40 (The procedure for application of employers for payment of funds for preservation of employment by the order of CMD 151 / 03.07.2020, amended. and ext. with PMS 278 / 12.10.2020 on the measure 60/40), official website of the Bulgarian government, [ПМС 151/2020 изм. и доп. с ПМС 278/2020. | Агенция по заетостта \(government.bg\), https://www.az.government.bg/pages/pms-151-dopolneno-278.](https://www.az.government.bg/pages/pms-151-dopolneno-278)

employer should pay the full remuneration to the employees for whom they have received funding, whether the employees do not work due to termination of employment or work part time. Evaluation and payments are made by the Employment Agency. A company can receive 60% of the insurable income of employees whose jobs have been retained despite a cessation of operations or reduced working hours, using January 2020 as a reference month.

- e) Targeted population: Standard and part-time workers under labour contracts.
- f) Beneficiaries: According to the Prime minister at the time, Mr Boyko Borissov, 300,000 employees had kept their occupation up to May 2021 as a result of the measure.¹⁵ All work contracts are included in this measure.
- g) Novelty: The measure was a newly introduced one.

2.3 Measures related to sickness benefits and sick pay

2.3.1 Болничен лист за карантинирани и болни от COVID-19 (Document granting sick leave for people in quarantine or infected with COVID-19)

- a) Short description of the measure: Sick leave is granted for 14 days when a person is infected with COVID-19. For the extension of such sick leave, if a longer recovery period is required, another document is issued by a medical advisory commission. In addition, the document granting sick leave can be provided for 10 days in all cases where the person is not ill but: has been placed in quarantine with a prescription from the regional health inspector because they have been in contact with a contagious patient with COVID-19; must look after a family member with COVID-19; or must look after a child returned from a quarantined kindergarten or school because of a sick teacher or classmate. The document for sick leave grants the person with temporary incapacity a benefit from the National Social Security institute, as well as justifying their absence from work to the employer. The amount of the benefit for COVID-19-related sick leave does not differ from that paid in the case of ordinary sick leave.
- b) Category: Conditional benefit.
- c) Timing: There are no start and end dates for this measure since the legislative framework had already been set up and it was a matter of application and proper interpretation.
- d) Range, duration and conditionality: The benefit depends on the health condition of the recipient, which determines the number of days for which the document for paid leave is granted. For example, if the employee is a contact person of a person infected with COVID-19, then they will receive 10 days of paid sick leave. However, if the person is infected with COVID-19 themselves, they receive 14 days of paid sick leave.
- e) Targeted population: As described, the measure refers to people in quarantine, infected with COVID-19 or caring for an infected family member or a child in quarantine. It is available for both employees and self-employed people as long as the self-employed have paid their respective insurance.
- f) Beneficiaries: The data of the National Social Security Institute show that the total number of periods of sick leave entered in its system between 13 March 2020 (when the state of emergency was declared) and 11 December was 2,066,641 – an average of 7,597 per day.¹⁶ This was the number of documents granting sick leave for any reason, not just linked to COVID-19.

¹⁵ Премиерът Борисов: Обезпечаваме с нови 240 млн. лева мерките за запазване на заетостта и за подкрепа на семействата заради пандемията (Prime Minister Borissov: We provide 240 million BGN more for measures to preserve employment and support families due to the pandemic), official government website for information on the coronavirus pandemic, <https://coronavirus.bg/bq/news/1812>.

¹⁶ Извадихме по над 7500 болнични на ден (We provided over 7,500 documents for sick leave per day), Monitor Media, <https://www.monitor.bg/bg/a/view/izvadihme-po-nad-7500-bolnichni-na-den-240793>.

- g) Novelty: It is not a newly introduced measure, but rather a new way of implementing certain rights to sick leave in the epidemic situation.

2.4 Measures related to health insurance

There have been no legislative changes or specific measures in the scope and coverage of health insurance in Bulgaria.

Free polymerase chain reaction (PCR) tests have been offered to all people referred for a test by a GP, including those without health insurance. However, people without health insurance do not have free access to a GP so they still might face additional costs in order to get tested for COVID-19.

2.5 Measures related to minimum-income schemes and other forms of social assistance

2.5.1 Патронажна грижа и програмата "Топъл обяд" за хора в нужда (Patronage care and hot lunch programmes for people in need)¹⁷

- a) Short description of the measure: The aim of the patronage care and hot lunch programmes for people in need is the distribution of hot meals to vulnerable citizens who, due to poverty and continuous social isolation under the state of emergency, are facing hardships in providing for themselves. Changes made to the programmes have widened their scope, addressing (for example) low-income people under quarantine. Municipalities can apply for finance under the programmes.
- b) Category: Neither flat nor conditional benefit.
- c) Timing: The patronage care and hot lunch programmes were implemented throughout Bulgaria between 1 May and 31 December 2020. On the official government website dedicated to COVID-19 and the social measures to address its impacts, there were promises that the programmes would be continued for 2021. The additional resource was sufficient for the gradual conclusion and refinancing of about 200 contracts with municipalities, and it allowed the provision of hot lunches to continue from 1 January 2021 without interruption.
- d) Amount and duration/range, duration and conditionality: Not applicable.
- e) Targeted population: The programmes are targeted at vulnerable people with an income below the poverty line: for example, people aged over 65, people who live alone and have no relatives who are able to take care of them, and people who in the state of emergency are unable to provide for themselves. According to the Bulgarian Minister of Labour and Social Policy, over 53,000 people at risk in the pandemic were to be supported.¹⁸ There is a stated expectation that nearly 60,000 people from the most vulnerable groups would continue to receive a hot lunch after 1 January 2021 and more than 42,500 people would receive help under the patronage care programme.
- f) Beneficiaries: As stated on the official website for information on the coronavirus pandemic, as a result of the patronage care programme, 30,000 adults and people with disabilities in 240 municipalities receive food, medicine or assistance for administrative services, and another 12,500 receive social and health services. As a result of the hot

¹⁷ BG05M9OP001-6.002 "Патронажна грижа+" ("Patronage care+", procedure): <https://esf.bg/procedures/patronazhna-grizha>.

¹⁸ Министър Сачева: очакваме да бъдат подкрепени над 53 000 хора в риск с новата мярка по ОПРЧР „Патронажна грижа+" (Minister Satcheva: we expect to support over 53,000 people at risk with the new measure under OPHRD "patronage care+"), official website of the Ministry of Labour and Social Policy, <https://www.mlsp.government.bg/ministr-sacheva-ochakvame-da-bdat-podkrepeni-nad-53-000-khora-v-risk-s-novata-myarka-po-oprchr-patronazhna-grizha>.

lunch programme, more than 60,000 people from the most vulnerable groups receive hot lunches in 215 municipalities and regions in the country.¹⁹

- g) Novelty: The measure is not a newly introduced one; the patronage care programme was already in place under the Fund for European Aid to the Most Deprived (FEAD) in Bulgaria for the period 2014-2020.

2.5.2 Безлихвени заеми за физически лица в неплатен отпуск и самоосигуряващи се (Българска банка за развитие) (Interest-free loans for individuals on unpaid leave and self-insured/self-employed people (Bulgarian Development Bank))²⁰

- a) Short description of the measure: The interest-free credits can be provided of up to 6,900 BGN (€3,591). Changes to the programme were adopted by the Council of Ministers in December 2020, providing an opportunity to support more people.
- b) Category: Both flat and conditional benefit.
- c) Timing: The interest-free credits were introduced in March 2020. Later on, the sum was increased. The deadline for application for the credits is June 2021.
- d) Amount and duration of the flat element: In March 2020, the amount was fixed at 1,000 BGN (€511). It was increased to 4,500 BGN (€2,301) and then to the current 6,500 BGN (€3,323).

Range, duration and conditionality: The money granted depends on the evaluation of the bank distributing the interest-free loan (following a number of criteria differing between target groups²¹).

- e) Targeted population: The programme is aimed at supporting farmers and seasonal workers (employed or self-employed) who have ceased their activities due to the state of emergency and anti-pandemic measures. To be eligible, seasonal workers should have started their employment in 2020, and have at least three months of employment between 1 January 2020 and the date of applying for a loan. The programme is also targeted at people who were once on unpaid leave, were left without an employment contract and were referred to the Labour Bureau offices. Every individual within these groups has to comply with certain criteria, which differ regarding their target group.²²
- f) Beneficiaries: 23,538 people had benefited from the measure according to data at 15 December 2020.²³
- g) Novelty: The measure is a newly introduced one.

2.6 Measures related to housing support

There have been no legislative changes or specific measures related to housing support in Bulgaria.

¹⁹ Социални мерки, Social measures, official government website for information on the coronavirus pandemic, <https://coronavirus.bg/bg/merki/socialni>.

²⁰ Безлихвените заеми за хората в неплатен отпуск се увеличават до 6900 лв (Interest-free loans for people on unpaid leave increase to 6,900 BGN), Mediapool, <https://www.mediapool.bg/bezlihvenite-zaemi-za-horata-v-neplaten-otpusk-se-uvlichavat-do-6900-lv-news315821.html>.

²¹ Criteria for people applying for the loan, <https://bbr.bg/media/uploads/2021/01/18/uslovia-programa-za-fizicheski-litsa.pdf>.

²² Criteria regarding people, <https://bbr.bg/media/uploads/2021/01/18/uslovia-programa-za-fizicheski-litsa.pdf>.

²³ Безлихвените заеми за хората в неплатен отпуск се увеличават до 6900 лв (Interest-free loans for people on unpaid leave increase to 6,900 BGN), Mediapool, <https://www.mediapool.bg/bezlihvenite-zaemi-za-horata-v-neplaten-otpusk-se-uvlichavat-do-6900-lv-news315821.html>.

2.7 Leave for parents whose children are unable to attend school or a pre-school service by reason of COVID-19

2.7.1 Програма "Родители в заетост" ("Parents in employment" programme)²⁴

- a) Short description of the measure: The objective is to ensure a better reconciliation of professional and private life for parents with children aged 0-12, and to provide unemployed people with opportunities for employment in childcare. Under the "parents in employment" programme, a person can use the service of a babysitter if they are unemployed or need to return to work after the first or second year of maternity leave. Parents of children up to age 5 who are not enrolled in a nursery or kindergarten can use up to 8 hours of a babysitter service. People with three or more children up to age 12 who are enrolled in a kindergarten or school can use up to four hours of a babysitter service. If the parent is unemployed, they must start work within four months after approval of their application. The maximum period for the use of a babysitter is 18 months.
- b) Category: Both flat and conditional benefit.
- c) Timing: The programme started in 2019, and is set to end in 2023.
- d) Amount and duration of the flat element: The service received is the same in every case – either a childminder for the children with parents unable to work from home, or an occupation for an unemployed person who is providing the care.

Range, duration and conditionality: Applicants must be eligible under the criteria set up for the measure.

- e) Targeted population: There are two target groups – parents and unemployed people. Children are also beneficiaries of the programme. Parents include: those of children aged 0-5 not enrolled in a nursery/garden, who are employed on a contract or are self-employed/self-insured, but currently take care of their children and have not returned to work; those with three or more children up to the age of 12 who have returned to their jobs and whose children attend kindergartens or school; and those of children aged 0-5 not enrolled in a nursery, or of children aged 0-5 attending kindergarten and/or school, who are unemployed and registered with the labour office. The second target group are unemployed people: young people under 29 seeking a job, in particular, but also unemployed and inactive people over 30 and other disadvantaged people in the labour market. The programme targeted 6,000 unemployed and inactive people, and 5,340 parents with children.
- f) Beneficiaries: By the end of November 2020, 5,429 families were using the service. In May 2021, 6,888 parents had used or were currently using a babysitter under the measure.²⁵
- g) Novelty: There is no novelty in this programme; it already existed before COVID-19.

2.7.2 Месечна помощ за семейства с деца до 14 г., които учат дистанционно (Monthly assistance for families with children up to age 14 who study remotely)²⁶

- a) Short description of the measure: Working parents of children under 14 are entitled to monthly targeted assistance during the state of emergency in the event that one or

²⁴ Проект "Родители в заетост" ("parents in employment" programme); official website of the government, <https://www.az.government.bg/pages/roditeli-v-zaetost>.

²⁵ Премиерът Борисов: Обезпечаваме с нови 240 млн. лева мерките за запазване на заетостта и за подкрепа на семействата заради пандемията (Prime Minister Borissov: We provide 240 million BGN more for measures to preserve employment and support families due to the pandemic), official government website for information on the coronavirus pandemic, <https://coronavirus.bg/bg/news/1812>.

²⁶ Месечна помощ за семейства с деца по 14 г., които учат дистанционно (Monthly assistance for families with children up to age 14 who study remotely), official website of the Agency for Social Assistance,

both parents cannot work remotely from home and are not able to use paid leave due to, for example, previous lockdowns and pressure on the side of the employer to take all their paid leave. Single parents have the same right.

- b) Category: Conditional benefit.
- c) Timing: The measure was introduced in August 2020. In November 2020 the income limit for access to assistance was raised from the minimum wage to 150% of the minimum wage.
- d) Range, duration and conditionality: The benefit provides a certain amount of money to every family. The determination of the average monthly income of a family member is calculated on the basis of the income in the month for which the restrictions against COVID-19 have been introduced. For families with one child under 14, the assistance is equal to the minimum wage for the country, which in 2020 was 610 BGN (€311). For families with two or more children, the amount is 150% of the minimum wage - 915 BGN (€467). Seventy-three million BGN (€37 million) are provided for the payment of the aid in 2021. The benefit is a monthly one, each month the parent has to apply for the following one, there is no limit for the period of months for which a person can apply.
- e) Targeted population: The aid is granted to families who meet the above-mentioned financial criteria and are unable to work remotely in cases where their children: (i) are educated remotely in an electronic environment, because of school closures; (ii) cannot attend nurseries, kindergartens or pre-school groups due to the restrictions for combating the pandemic; or (iii) are under 14 and are studying remotely, regardless of whether it happens in an electronic environment.
- f) Beneficiaries: Nearly 23,000 families had received assistance for raising children up to age 14 who study at a distance, according to the Social Assistance Agency as of 29 December 2020.²⁷
- g) Novelty: The measure was a new one, introduced due to the need for remote learning by quarantined children and, later on, due to the closure of all schools.

<https://asp.government.bg/bg/deynosti/sotsialno-podpomagane/mesechna-tseleva-pomosht-za-semeystva-s-detsa-do-14-godishna-vazrast-pri-obyaveno-izvanredno-polozhenie-ili-obyavena-izvanredna-epidemichna-obstanovka>.

²⁷ Близо 23 000 семейства получиха помощ за отглеждане на деца в дистанционна форма на обучение, (Nearly 23,000 families received help for raising children in online form of education), <https://www.mlsp.government.bg/blizo-23-000-semeystva-poluchikha-pomoshch-za-otglezhdane-na-detsa-v-distantsionna-forma-na-obuchenie>.

3 SOCIAL PROTECTION AND INCLUSION RESPONSES TO THE CRISIS: OVERALL ASSESSMENT AND POSSIBLE GAPS

This third section briefly considers three aspects: the expected cost of the social protection and inclusion measures put in place by the country (Section 3.1), the impact of these measures on the social protection system and on social inclusion policies (Section 3.2), and the possible remaining gaps in the social protection system and in social inclusion policies (Section 3.3). It concludes with Section 3.4 on debates and recommendations.

3.1 Expected cost of social protection and inclusion measures

Most (around three quarters) of the funding presented in this section has been channelled to two programmes, the main focus of which is to protect employment during the pandemic: this reflects the priorities set by the Bulgarian government. The expected costs of all measures were around 1.52 billion BGN (€776.64 million, 1.28% of 2019 GDP): a breakdown is presented in Table 1. The cost of the increase of the **minimum level of unemployment benefit** is estimated²⁸ for 2020 at 90 million BGN (€46 million, 0.076% of 2019 GDP).²⁹ The overall additional costs within the budgetary item covering maternity, sick leave and unemployment benefits for 2021 are expected to be 297.3 million BGN (€152 million, 0.25% of GDP for 2019). This amount includes expenditure related to the increase in unemployment benefits, but no estimate is available for its contribution to the overall increase. It may look unrealistically low but this depends on the dynamics of the labour market. As unemployment benefits are granted for a period of 7-12 months, depending on the previous insurance record, many of those who lost their jobs in 2020 will no longer be eligible for unemployment benefits in 2021. The overall pressure on the social insurance budget will depend critically on the pace with which further jobs are lost in the economy.

Table 1: Expected cost of social protection and inclusion measures in (Bulgaria, in BGN and €)

Measures related to COVID-19 in Bulgaria	BGN	€
Increased minimum unemployment benefits	90 million	46 million
Keep me	50 million	25.6 million
Short-term support for employment	80 million	40.9 million
Employment for you	160 million	81.81 million
60/40	1 billion	511.3 million
Patronage care and hot lunches	24 million	12.27 million
Parents in employment	50 million	25.56 million
Monthly assistance for families with children up to age 14 who study remotely	65 million	33.2 million
Total	1,519 million	776.64 million

Source: Authors' own calculations based on the official information gathered on expected cost of social protection and inclusion measures for the purposes of this report.

²⁸ As of April 2021, no final report on implementation of the 2020 budget was available, but only an interim report for the first half of 2020; costs for 2020 are still estimates.

²⁹

https://www.capital.bg/politika_i_ikonomika/ikonomika/2020/08/30/4107891_minimalnata_pomosht_za_bezrabotica_shte_se_uvelichi_s

Keep me provided compensation of 24 BGN (€12.30) per day and 12 BGN (€6.10) for half-day employment for a person employed in a business closed due to the pandemic, starting from 30 November 2020. From January 2021, payments under this measure were made more generous: all those who were affected because the business of their employer was closed due to the pandemic were entitled to 75% of their insurable income for October 2020. The initial allocation announced by the government for payments under the scheme was 50 million BGN (€25.6 million) up to the end of 2020. In May 2021, an additional 25 million BGN (€12.8 million) was allocated. The actual spending will depend on the pattern of closing and opening businesses in specific sectors, according to the decisions of health authorities. There was no official information at the time of writing about the expected final cost of the measure, although it is described in detail on the webpage of the Employment Agency. However, we can expect that the cost will be 75 million BGN (€38.3 million).

The total budget allocated to **short-term support for employment in response to the COVID-19 pandemic** for its whole duration from the start in May 2020 to the end of 2021 is 80 million BGN (€40.9 million, 0.06% of 2019 GDP) from the European Social Fund (ESF) through its human resource development operational programme (OP). State aid is 290 BGN (€148) per month per job retained. In May 2021, an additional 22 million BGN (€11.23 million) was allocated.

Employment for you has a budget of 160 million BGN (€81.81 million, 0.135% of 2019 GDP) from 26 June 2020 until the end of 2022. Proportionally about 120 million BGN (€61.36 million, 0.1% of 2019 GDP) should be spent by the end of 2021. In November 2020, the criteria for participation were made less demanding in an effort to boost the utilisation of the funds, which could be a sign that there were fewer applications than expected: the programme is about creating new subsidised jobs and keeping them after the support is withdrawn. In May 2021, an additional 50 million BGN (€25.6 million) was allocated to the measure.

In 2020, **60/40** was budgeted with 1 billion BGN (€511.3 million, 0.84% of 2019 GDP). It is expected to continue until September 2021, with a total budget for 2021 of 600 million BGN (€306.78 million, 0.51% of 2019 GDP). In total, 60/40 is expected to become the most expensive measure for supporting employment, totalling 1.6 billion BGN (€818.1 million, 13.49% of 2019 GDP). In May 2021, 117 million BGN (€59.89 million) were allocated to the 60/40 measure for the upcoming period of its implementation.

There are no statistics available for sick leave disaggregated by diagnosis. It is therefore not possible to estimate the additional costs of sick leave generated by the spread of COVID-19. The total amount of funding budgeted for sick leave, including quarantine, for 2020 is 633 million BGN (€323.65 million, or 0.533% of 2019 GDP)³⁰ compared with 596.7 million BGN (€305.1 million) reported for 2019.³¹ There are still no reports on how much of this amount was spent on COVID-19.

In 2020, the **patronage care and hot lunch programmes** were funded with an additional 45 million BGN (€23 million, 0.038% of 2019 GDP) from the human resources development OP. Specifically, the hot lunch programme will continue in 2021 with funding of 12 million BGN (€6.14 million) from the FEAD.³² The Ministry of Labour has announced new funding for patronage care starting in 2021 and planned to finish in June 2023, of 85 million BGN (€43.46 million, 0.072% of 2019 GDP) from the human resources development OP and REACT EU.³³ It cannot be estimated how much of this will be spent in 2021, as this will depend on projects submitted by municipalities. On the official website dedicated to

³⁰ <https://www.noi.bg/newsbg/5869-ivanovbtv12032020>

³¹ Summary Report for the Implementation of Budget 2019, Ministry of Finance, available at file:///C:/Users/bzahariev/Documents/work/social/social%202021/TR1_2/Otchet_Budget%202019%20-%20na_kratko.pdf.

³² <https://asp.government.bg/bg/deynosti/operativna-Programmemea-za-hrani/operativna-Programmemea-za-hrani-2014-2020/novini-i-aktualni-sabitiya/topal-obvad-shte-ima-i-prez-2021-q-za-blizo-50-000-nuzhdaeshtise>

³³ <https://mlsp.government.bg/patronazhnata-grizha-shche-prodlzhi-i-prez-2021-q>

COVID-19 and the social measures to address its impacts, the programme was continued for 2021 and there was a stated expectation that nearly 50,000 people from the most vulnerable groups would continue to receive a hot lunch after 1 January 2021. The additional resource was sufficient for the gradual conclusion and refinancing of about 200 contracts with municipalities, thus it allowed the provision of hot lunches to continue from 1 January 2021 without interruption for 2021.

The total amount allocated for **interest-free loans for individuals on unpaid leave and self-employed people** within the budget of the Bulgarian Development Bank is 24 million BGN (€12.27 million, 0.02% of 2019 GDP).

The **parents in employment programme** has a budget of 50 million BGN (€25.56 million, 0.042% of 2019 GDP), of which 85% comes from the ESF and the remaining 15% from the state budget. The programme was originally planned to continue until 2023 but preliminary data published by the Employment Agency indicate that, due to the pandemic, implementation is going much faster than expected and the currently available funding is unlikely to last beyond 2021. In May 2021, an additional 23 million BGN (€11.7 million) were allocated to the measure for its further implementation.

Monthly assistance for families with children up to age 14 who study remotely is estimated to cost 65 million BGN (€33.2 million) in 2020 and 73 million BGN (€37.3 million) in 2021, which is 0.116% of 2019 GDP.

3.2 Impact on the social protection system and on social inclusion policies

Almost all of the COVID-19-related measures reviewed in this report are temporary and have little chance of becoming permanent. Most job-protection measures, by design, will be withdrawn immediately after the end of the emergency situation related to the pandemic. Some measures, such as the compensation for employees in businesses that are not allowed to operate for a certain period of time by government decree, are tied to the duration of the temporary restrictions imposed on businesses in specific sectors and are expected to be withdrawn immediately after the government lifts those restrictions.

The increased amount of unemployment benefit currently does not look sustainable from a budgetary perspective, especially in the face of projected budgetary deficits for 2021 and beyond. There are no discussions about making this measure permanent, so it is very likely that unemployment benefits will return to their pre-COVID-19 amount as soon as the official state of emergency ends.

3.3 Remaining gaps in the social protection system and social inclusion policies

The main gap in the Bulgarian response to the pandemic is the support for people relying on GMI, particularly those receiving monthly social benefits. There has been no specific support package for such people. It is true that most people relying on GMI are disconnected from the labour market, so they could not have experienced a loss of income due to losing a job. Those who did lose a job in the formal economy and met the eligibility criteria could rely on some of the job-protection measures or benefit from increased unemployment benefits as long as they had access to them. However, it does not mean that their social situation has not been affected in some ways by the pandemic. Some of them are connected to the labour market through (for example) temporary periods of employment and informal employment. Moreover, the pandemic has imposed some additional costs on households, such as for protective masks, detergents, disinfectants and – most importantly – large costs for medicines in cases of COVID-19 treated at home. Among other effects, lack of money to purchase any prescribed medicine at the early stages of the infection could lead to avoidable complications. In addition, some people relying on GMI may have lost some of the support provided by family, because of their relatives experiencing economic strain as well.

The self-employed have been covered by the job-protection measures introduced by the government for businesses and sectors of the economy that face temporary closures or reduced activity during the pandemic. However, the self-employed remain vulnerable to unemployment as they are not eligible for unemployment benefits: this is a structural issue in the Bulgarian social insurance system which existed before the pandemic.

Some seasonal workers in tourism employed in the formal economy were covered directly by job-protection measures introduced by the government and indirectly by support offered to employers. However, some particularly vulnerable seasonal and occasional workers (working on irregular assignments) may have remained uncovered by the job-protection measures. This could happen if they did not have any contract at the moment the business closed or if their potential employer decided to skip the whole season – many large hotels and other businesses in the tourist industry did not open at all for the summer and winter seasons of 2020. Some seasonal workers in agriculture whose employers cancelled their activities in 2020 altogether must have remained beyond the scope of job-protection measures: but no reliable estimate as to their number is available. In this case they would also have to rely on the largely inadequate GMI support schemes. Seasonal work in agriculture, which employs some of the most vulnerable workers, has not faced any specific restrictions during the pandemic and no major contracting of seasonal agricultural activity has been reported.

The additional cost of COVID-19-related medicines and testing were not covered for people living in poverty, including those who qualify for GMI support in the form of monthly social benefits. Large out-of-pocket payments for healthcare weighing heavily on the budgets of the poorest households were a main gap in Bulgarian social protection before the pandemic. In November 2020 a small step was taken to reduce the burden of costs related to COVID-19 on affected people and households. General practitioners who have a contract with the National Health Insurance Fund were allowed to refer patients for free PCR tests. This was a much needed provision, since PCR tests in Bulgaria cost up to 130 BGN (€66), which is a substantial amount compared with a minimum wage of 640 BGN (€327) per month. Referrals are limited to cases where at least two COVID-19-related symptoms were present. There is no end date for this provision.

Another gap in the healthcare system which has remained unaddressed is the large number of people without health insurance: more than 500,000 at the end of 2019. In 2020, the Bulgarian finance minister said in a statement that the pandemic was expected to increase the number of people without health insurance by some 15%,³⁴ after some reduction had taken place since 2015. There are no recent special surveys that could give a deeper insight into the reasons for non-payment of health insurance. The National Revenue Agency has provided to the media some information on the number of people without health insurance for the period 2015-2018, primarily based on their employment status. This information shows that a bit more than a third are unemployed people, who apparently cannot afford to pay health insurance. Another group of about 10-15% includes self-employed people and people having other sources of income who did not pay health contributions although they declared some income. No further detail is provided on the characteristics of this group but we could reasonably assume that these are low-income people who did not pay their contributions due to economic constraints. Another reason behind this is that many people do not work under a standard labour contract, so their employer could save money by not paying their compulsory insurance. Almost half of the people without health insurance are placed by the National Revenue Agency in a category called 'Other' without further detail on their status.³⁵ Severe emergency conditions were one of the few tracks open to people without health insurance to enter the healthcare system, so non-insured people have not faced additional obstacles in being hospitalised in case of severe sickness caused by COVID-19. But they may have experienced difficulties in getting early treatment

³⁴ Official response of the Minister of Finance to a question raised by a group of Members of Parliament, available at <https://www.minfin.bg/bg/wreply/11149>.

³⁵ <https://www.mediapool.bg/poveche-pari-za-zdrave-bez-vidiqane-na-osigurovkata-news301333.html>

because they are not registered with a GP and cannot get any free medical examinations before they get severely sick to the point of needing emergency care.

In addition, homeless people and people in need of long-term care have not received any specific support during the pandemic, with the exception of the limited coverage of the hot lunch programme. In particular, people suffering from drug addiction, or psychiatric patients, many of whom also face homelessness, have been deeply affected by the COVID-19 pandemic; but this has not triggered any policy response.³⁶ People living in poor and overcrowded housing conditions, including in informal housing, are exposed to a higher risk from infectious diseases and often lack resources to pay for medical care or medicines. During the pandemic, some of the Roma neighbourhoods were selectively locked down without similar measures being imposed in any other part of the same settlement. Movement and opportunities to make a living were temporarily restricted for the inhabitants of those neighbourhoods, but without any specific support being extended.

3.4 Debates and recommendations

The COVID-19 pandemic has spurred the debate on the shortage of medical staff (especially nurses) in Bulgarian healthcare, but did not contribute to the discussion on social protection and social inclusion. There has been strikingly little interest in discussing the impact of the health, social and economic crisis caused by COVID-19 on the poorest and most vulnerable members of society, especially on those who have not been directly affected through the labour market.

By January 2021, there were no measures in Bulgaria specifically related to the pandemic – newly introduced or designed during the pandemic – which have good prospects of becoming permanent apart from the increase of the minimum unemployment benefit. All the measures have been conceived and implemented with a time limit (though deadlines set for some of the measures have been extended several times). The social protection system is set to return to business as usual soon after pandemic restrictions are lifted.

In this context we would suggest the following recommendations.

- a) The Ministry of Labour and Social Policy should make a review of the immediate and possible long-term impact of the pandemic on people and groups who have not necessarily been affected in terms of employment but are likely to have been affected in other ways: the homeless; those living in precarious housing conditions, such as a large proportion of the Roma population; and people relying on long-term care, especially those with chronic conditions and illnesses. There is a need for some measures to last and be implemented beyond the pandemic period in order to address the negative impact of COVID-19 on the groups mentioned.
- b) The Ministry of Labour and Social Policy in consultation with the Agency for Social Assistance and the Ministry of Education and Science should consider extending the implementation of some instruments used during the pandemic to support parents whose children participate in distance education, and possibly extending the scope of the measures to include a greater number of parents. These instruments have the potential to reduce the digital inequalities that surfaced during the pandemic.
- c) A thorough impact evaluation should be carried out of the parents in employment programme, which looks very promising, and ways should be considered to raise the quality of home-based childcare provided under the programme (e.g. by providing more training to unemployed people serving as childminders, or by hiring some professional childminders to support the most vulnerable families). This programme has the potential to combine positive labour market effects with an improvement in parental skills and support for child development.

³⁶ <https://www.dw.com/bq/ковид-и-наркозависими-в-българия-мизерия-и-липса-на-помощ/a-56200719>

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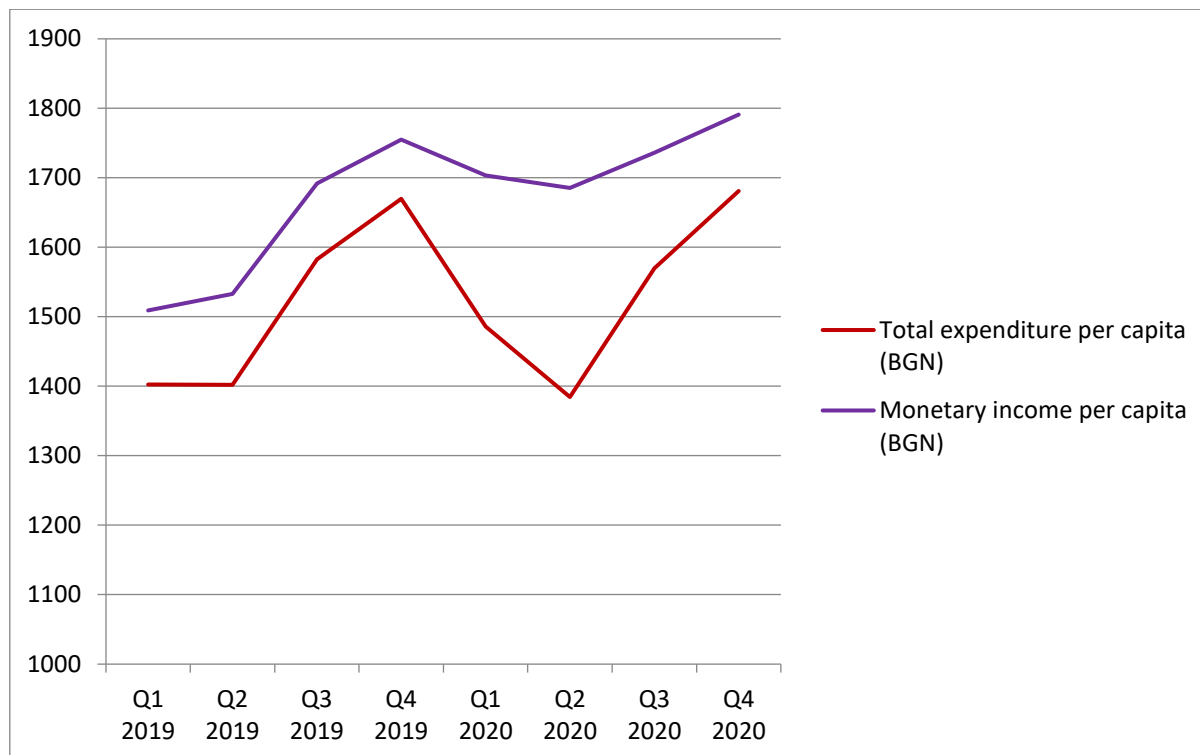
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ANNEX: EVOLUTION OF EXPENDITURE AND MONETARY INCOME PER CAPITA IN 2019-2020

Figure A1: Total expenditure and monetary income per capita by quarter for the period Q1 2019 to Q4 2020 (Bulgaria, BGN)



Source: Household Budget Survey, National Statistical Institute³⁷.

Notes: See Tables A1 and A2 for detailed breakdowns and definitions. 1 BGN = €0.51.

As shown in Figure A1, the decline in income and the much steeper decline in consumption in the first and second quarter of 2020 contain a bit of seasonal downward effect but mostly illustrate the strong economic shock caused by the pandemic. In the second half of 2020 household income and consumption rebounded, driven by seasonal factors as well as by partial economic recovery and relatively few restrictions imposed by the government. The detailed breakdown of expenditure (see Tables A1 and A2) reveals further interesting aspects of the socio-economic behaviour of Bulgarian households during the pandemic: trying to safeguard essential consumption such as on food, saving more out of insecurity and fear for the future, cutting spending on recreation, culture and education as well as on other non-essential consumption due to imposed restrictions and in order to save a larger portion of a contracting income.

Table A1: Expenditure per capita by source (first 2019 quarter to fourth 2020 quarter, Bulgaria, in BGN)

	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020
Total expenditure	1403	1402	1583	1670	1486	1384	1570	1681
Consumer monetary expenditure	1145	1137	1308	1361	1203	1108	1294	1370
Foods and non-alcoholic beverages	423	440	476	495	461	452	472	485
Alcoholic beverages and tobacco	59	61	68	73	65	65	64	71
Clothing and footwear	42	43	49	63	35	31	52	64
Housing, water, electricity, gas and other fuels	199	172	199	223	205	185	222	223
Furnishing and maintenance of the house	56	45	55	63	53	55	57	83
Health	84	96	84	118	102	81	89	117
Transport	107	100	111	123	102	85	106	114
Communication	63	64	67	68	70	67	72	76
Recreation, culture and education	49	57	131	69	47	32	92	61
Miscellaneous goods and services	63	59	68	65	63	55	68	76
Taxes	85	85	86	90	93	89	88	89
Social insurance contributions	110	114	122	126	126	121	126	127
Regular transfers to others households	17	16	12	20	17	10	14	14
Other expenditure	45	50	54	74	46	57	48	81
Saving deposits	76	84	117	105	121	166	117	106
Debt paid out and loan granted	35	34	31	34	33	34	31	36

Note: Household expenditure includes all resources spend by the household and its members during the surveyed period. The expenditures are estimated in total and monetary form. Monetary expenditure includes consumer expenditure on foods and non-alcoholic beverages; alcoholic beverages and tobacco; clothing and footwear; housing, water, electricity, gas and other fuels; furnishing and maintenance of the house; health; transport; communication; recreation, culture and education; miscellaneous goods and services; and taxes, social insurance, regular intro-household transfers and other non-consumer expenditure. Total expenditure includes monetary and valued expenditure in kind. Variables of household expenditure are an estimated averages per household and per person.

Note: 1 BGN = €0.51.

Source: Household Budget Survey, National Statistical Institute.

Table A2: Monetary income per capita by source (first 2019 quarter to fourth 2020 quarter, Bulgaria, in BGN)

	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020
Monetary income	1509	1533	1692	1755	1703	1685	1736	1791
Monetary gross income	1461	1483	1629	1694	1652	1633	1680	1721
Wages and salaries	874	894	969	996	1002	976	969	976
Other earnings	10	11	14	19	10	11	11	12
Self-employment income	90	86	98	103	92	92	101	104
Property income	3	5	12	19	7	5	10	16
Pensions	424	427	467	483	473	481	519	544
Unemployment benefits	5	3	4	5	5	6	10	10
Family allowances	19	19	21	22	20	21	21	19
Other social benefits	9	23	25	26	24	24	18	20
Regular transfers from other households	25	15	19	21	18	17	22	20
Sale receipts	3	4	3	6	2	7	3	7
Miscellaneous	46	46	60	54	50	45	53	63

Note: Household income includes all receipts of the household and its members during the surveyed period. The income is estimated in total and monetary form. Monetary income includes regular receipts from: wages and salaries, other earnings, entrepreneurship, property, pensions, social benefits, regular inter-household transfers, and the sale of property and other irregular receipts. Total income includes monetary and valued income in kind. Further details on the methodology are available on the website of Bulgarian National Statistical Institute.³⁸

Note: 1 BGN = €0.51.

Source: Household Budget Survey, National Statistical Institute.

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