

***The impact of privatisation on women's social-economic rights
in South-Eastern Europe- the Bulgarian case***

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Introduction

Due to the serious political upheavals and deep economic restructuring to free market economy, as well as to the wars and conflict situations endured, the region has been very often marginalized during the last 12 years. The strategic position of the region made out of SEE the arena of global interests which led to the establishment of several international intergovernmental organisations concerned with the development of SEE. Due to the need to tackle the problems of military and ethnic conflicts and the hardships of the political and economic transition, the governments of the region overlooked the impact of these processes on the rights of their citizens, and, more specifically, on women, which affected their fundamental rights. Because, whatever the outcome of the work of organisations such as the Stability Pact is, the main direction of development for each country in the region is further respect of the international instruments and the acceding to the EU principles and policies by achieving stable economic development and respect of human rights standards. In this process, the full participation and contribution of women of this region in shaping the decisions at all levels is crucial.

1. The communist legacy

One major obstacle towards achieving real equality between women and men is rooted in the belief that gender equality had already been achieved during communism. An actual examination of women's participation in the labour force prior to democratisation, however, reveals that this in fact was not the case.

In the initial period of the planned socialist economy, the model of 'emancipated women' was imposed through a variety of economic, legal, and social mechanisms. Women were strongly encouraged to participate in all forms of labour on a par with men, although one major factor in the high employment rate of women was the low salary rates that led families to seek to increase their income. As the legal underpinnings of equality between men and women developed though, at the same time and by virtue of past traditions, women were taking on the double burden of childrearing and housework. Accordingly, there were three major aspects

of women's participation in the socialist economy: work, the socio-political life of the nation, and the family. In order to facilitate women's balanced fulfilment of these different responsibilities, the state created favourable legal and economic conditions: well-paid maternity leave was introduced, women's right to abortion was recognised in most countries, childcare facilities were set up, etc.

As a result of the above-mentioned social policies, women in Eastern Europe enjoyed a much higher rate of labour force participation than women in other European countries. International statistics on the comparative representation of women in the labour force from 1950–2000 confirm this. For example, while the average coefficient of women's labour representation in developed countries was 31.8, in Eastern European countries it was approximately 40. The figures for 1985 were as follows: 36.1 in developed countries; 38.4 in North America; 43.8 in Eastern Europe and 49.5 in Bulgaria. This coefficient decreased after 1990. *Women in Economic Activity. A Global Statistical Survey 1950–2000*, ILO, ISTRAW, UN (New York, 1985).

It did not automatically guarantee women *de facto* equal status with men. One basic source of discrimination, for example, was the fact that women were defined and understood by society in terms of their role as both mothers and workers. Bearing the burden of the double workday and the accompanying responsibilities was a constant source of stress for many women and the formal benefits of the legislation often had the reverse effect of actually reinforcing stereotypical roles and unequally distributing men and women's family responsibilities.

As a result, many women regarded their right to work more as a duty than an inalienable human right. A notable accomplishment, however, was women's high level of education, an asset that has unfortunately not been effectively utilised in the period of economic transformation due to the inability of the state to sustain full employment.

2 The challenges for newly emerged democracies

The general perception that gender equality had already been achieved under communism continued to prevail during the period of economic, social and political transition. In fact, despite the incontestably positive elements that were introduced, real gender equality was never achieved, and discrimination did occur under the old regimes, although it was largely ignored, and never documented, admitted, or punished.

The issue of gender equality in transition received the attention of governments for the first time in the mid-1990s, in the process of preparation, participation and follow-up to the 4th World Conference on Women in Beijing. The fact that most countries had no explicit legal

provisions and mechanisms on equal pay and equal treatment until very recently illustrates the degree to which this topic was underestimated at that time. In the period of transition, new problems added to these past preconceptions: the challenge of restructuring, of the policies of the international financial institutions, of the international investors, and last, but not least, the neo-liberal trends of global trade.

3. Regional trends in social- economic rights of women as a result of privatisation and restructuring.

A common characteristic in all countries in the field of employment is observed, i.e. women are more vulnerable in the labour market during the transition period. The transition to market economy is characterised by economic instability, a high unemployment rate and insufficient financing for the restructuring of the public and private sectors. Some of the causes for this situation are common to all the countries. The collapse of ex-Yugoslavia has affected all the Balkan countries, especially the former republics of the Federation that had wars with Serbia. The wars brought about economic crises to the newly independent states and have had long-term negative effects on their economic development. The economic sanctions imposed on Serbia affected the economic situation in Bulgaria and Albania as well. The refugee waves aggravated the situation. The privatization in the region has not succeeded to restructure the economy in the Balkan countries as expected. The data and analyses show clearly that in all countries high unemployment rates exist, which is the result of a failure to quickly restructure the economy and the financing system and to introduce a sustainable free market economy.

De jure, the right to work, the right to equal employment opportunities, the right to equal remuneration of men and women for the same work, the right to free choice of profession and employment, the right to vocational training and retraining without any discrimination based on sex are guaranteed by all Constitutions. The same rights are regulated by the labour legislation of each country. In fact, there is a division between “female” and “male” jobs and usually “female” and “male” professions and occupations differ in terms of remuneration. The so-called “female” jobs usually involve lower payment in comparison with the “male” ones. In all countries the good educational level and qualification of women cannot prevent their discrimination on the labour market in the transitional period in all the countries under review.

Women are the first to be laid off in the case of restructuring economic sectors and enterprises. Increasing unemployment is a common feature of the transitional economies of Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Macedonia, Serbia and Montenegro. A stable trend of a

prevailing female unemployment could not be denied. The reasons for that, although beneath surface, are gender based. In the situation of general impoverishment of the whole population traditional stereotypes of the role of women as being mothers and keepers of the family and men being economic supporters and bread earners come back to life. Societies in the Balkans are patriarchal, on the whole, have always, even through the socialist times, had a negative attitude to women's emancipation as a work force. That traditional approach has been manifested through the overwhelming protection of female workers and employees during the period of pregnancy and upbringing small children. The national legislations still contain such over-protection that makes women less competitive on the labour market in the new economic situation. Now many private actors on the free market refuse to hire women in childbearing age, being reluctant to comply with the maternity protective legislation in force. In Bosnia and Herzegovina, a phenomenon of hidden unemployment exists in the so-called category of "workers on the waiting lists". These workers virtually increase the number of employees being registered as such, but not working. On the other hand, they have no health and pension insurance and only temporarily receive symbolic compensation for "being employed". On the other hand, in the so-called informal sector women are subjected to severe exploitation with low wages and inhuman working conditions with no right to social security protection and retirement rights. No official statistics exist on the participation of women in this sector. National reports identified the participation of women in the informal sector as a problem for Albania, Bosnia and Herzegovina (according to frequent statements of the labour inspection officials, 80% of those working in the "black" sector are women) and Serbia, while in Montenegro women in this sector suffer from discriminatory practices.

Opening private business is a possibility for self-employment. But in all countries it is hard for women to start even small private business. For example, in Albania the banks that generally extend very few loans even to men, refuse, if the applicant is a woman, to grant a loan or alleviate and extend the terms and conditions of the loan. In Bosnia and Herzegovina, women face obstacles such as: lack of information or insufficient information on sources of financing; long-term loans are not accessible to businesswomen since they are not holders of property rights to secure the loan; the process of registration of companies is long and complicated; the business environment and the legislation in force do not stimulate women to start private businesses. The economic situation affects mostly women between 40 and 60 years of age who do not yet meet the conditions for retirement and the private sector is not interested in their participation in it.

Sexual harassment at the work place is recognized as a widespread phenomenon in Bulgaria, Serbia, Bosnia and Herzegovina (women, particularly self-supporting mothers, neglect sexual abuse just to preserve the job) and Montenegro (The extent of sexual harassment is so overwhelming that it has become standard behaviour, expected and passed by without comment).

4. The concrete example of Bulgaria –

It can be stated that during the period of transition and after 1998 the government did not manage to strengthen women's rights in the field of employment and social protection in a way to ensure the women's position in the labour market and to get advantage of their full potential in the field.. Research and analysis show that the failure of the state in this area is the result of the lack of balance between the economic restructuring / SAPs/ and , namely privatization and the respect of social- economic rights , and specifically the rights of women.

4.1. The impact of economic restructuring and privatization

Privatization is one of the central economic policies of the Bulgarian government Although the government was commended by the international financial institutions for its strict implementation of structural reform and financial stabilisation of the country, the privatisation process was notoriously corrupt and non- transparent. About 70% of the state assets (including banking) have been privatised so far. Because of corruption and inconsistent government economic policies, privatisation has not had a strengthening effect on the economy.. According to the National Statistics Institute and the National Employment Office, the level of employment of women has been steadily dropping compared to men's and in 2000 it reached 36%. Women prevail among the unemployed for the last 3 years and made about 53%. An additionally alerting trend is the prevalence of young women/ up to 25/ and of women in young fertility age/ 25-34/ in the low level of employment and among the unemployed. Long- term unemployment is a women's characteristic as well. The economic restructuring caused high unemployment with no effective alternatives. These severe economic conditions create harsh competition in the labour market which makes the basis for gender discriminatory practices. Women with lower education prevail among the long-term unemployed and they cannot get enough advantage from training and retraining activities proposed. It is not surprising that despite the fact that women get advantage of the retraining programmes for unemployed more that men/ their share is more than 60% according to the NEO/, they are less "attractive" for employment. The

social benefits their reproductive role entails, is regarded as a “burden” for the employers and represent another obstacle to their realisation.

In this context in the period 1998-1999 the Bulgarian Gender Research Foundation conducted a sociological and legal research on the specific impact of privatisation on socio-economic rights of women. Through the combined qualitative/ 25 in-depth interviews and 19 focus- groups/ and quantitative/ 325 standardised interviews with employers in different sectors/ sociological methods / the following trends, related to the implementation of art.11 were identified:

- Women had an uneven starting position in privatization and no real access and impact to the most spread forms of privatization- workers-managerial privatization and negotiations with potential buyers.

-Privatization affects the labour and social rights of citizens and, in particular, of certain groups of women, and specifically young women, women during and after maternity leave, women with small children and women over 40 years of age. To work without a labour contract or any contract at all is a widely spread phenomenon, which is also a violation of the right to social security and to unemployment benefits. The research revealed the existence of discriminatory practices in the process of hiring-women are very often asked additional questions not connected with their professional qualification-about their availability, their family and personal obligations. Sexual harassment in the workplace emerged as a serious problem .

- Many highly qualified women cannot find a job or have to accept lower positions as the quality and the professional requirements to the employment available is under their qualifications, which directly impacts the conditions of work and gender segregation of labour

- Foreign investors in Bulgaria require from the state restriction of guarantees for citizens' labour and social rights in the transition to market economy, which as well endangers women and their so-called “privileges” as extended maternity and child care leave. Some foreign investors, especially from Greece and Turkey who are at the end of the subcontracting chains in the garment industry get advantage of the cheap labour force and lowered labour standards. It has direct gender impact.

-In addition to that, there is a decrease in the state control /and namely the Labor Inspection/ for violations of labour and social rights. The trust in trade unions as defenders of the workers in the process of privatization has dramatically dropped.. Both institutions

are not effective in monitoring discriminatory practices and

providing defense for women. Women do not make use of their rights to seek protection in court, the attitude to the judicial system is distrust.

- *There is a lack of affirmative actions ensuring the equal participation of women in the labour market, and namely in entrepreneurship. Women entrepreneurs are almost twice as less as men, but there are no incentives for them to start new business.*

The research initiated in 2001 in the garment industry in Bulgaria by the Clean Clothes Campaign –Bulgaria confirmed the high risk for women employed in the garment industry with entrepreneurs foreign investors/ in their factories women make more than 80%.

The research which was conducted recently by the Women' a Alliance for development and ASA Agency, called "Women, labour, globalization" confirms these trends and reflects the opinion of women about the work for MNC and towards the new technologies. It shows that they see the challenge for new employment, but they are not informed enough about the potential dangers in terms of quality of employment and conditions of work. The advantages of the new technologies are still an unexplored challenge.

Another problem is ***the lack of balance between the social protection and special protection of women and their opportunities for participation in the labour market.*** For example, women after maternity leave are discriminated against in the labour market because of the higher social price and benefits the employer has to pay in case of their appointment and the need for additional training and qualification after the leave. This is because social security contributions are a considerably high/ about 40% on gross income divided between the employer and the employee/ additional tax burden for both the employers and the employees and evasion is often practiced at the detriment of the security of women. Since women are the major consumers of social security during maternity leave, child upbringing and sick child care, they are most affected by ongoing processes and their rights are being infringed to the greatest extent. The legislation lacks incentive measures for the employers and affirmative action for women in the field.

4.2. One major consequence- women in the informal sector

The incidence of work in the informal sector in Bulgaria for the year 2001 has been assessed to have been more than 1/3 of that in the formal economy, according to expert estimations of trade unions, private researchers, as well as the research report of the Clean Clothes Campaign - Bulgaria/ “Social environment and standards at the workplace in the garment industry in Bulgaria”/. The work in the informal sector is also called “non-regulated” work and according to an ILO National survey for Bulgaria 2001 those involved in this area account for between 500 000 and up to 800 000 people. This high percentage and numbers, that are very close to the presumable critical ratio of 36% for a national economy, are the result of an economic restructuring and the inability of the new emerging private businesses to absorb the generated unemployment. It is also due, to a large extent, to the low level of salaries, pensions and social assistance, hence to the pervasive impoverishment. In addition to that, the transition to market economy is characterized by lower demand for the more and more excessive labour force. This makes the potential workers and employees very dependent and with weaker bargaining opportunities.

The official statistics at present do not offer any indicators for measuring the extent and characteristics of the informal sector. Instead the phenomenon is shyly perceived as some illegal activities in an area of a “gray” economy.

As a result, there are no reliable gender indicators, and namely, no data on the percentage of women’s involvement in the informal sector.

As a matter of fact, the results of the first research on the trends of home working in Bulgaria show that unemployment and low salaries and pensions are one of the main reason pushing people to attempt earning income from working at home. The research was conducted jointly by the BGRF and the Bulgarian-European Partnership Association and finalised by the end of 2002.

Although the most recent data from the Employment Agency /EA/ under the Ministry of Labour and Social Policy /MLSP/ indicate that the processes of restructuring and privatisation have almost been completed, and that the consequence is the decrease of unemployment, the informal sector remains more or less stable and has to be tackled with by special measures.

Some statistical indicators show that women are more vulnerable to unemployment. In October 2002 the level of officially registered unemployment is 17,39%, slightly lower than for the same period of 2001. It is indicative that due to the restrictive requirements for eligibility, only 16.9% of the officially registered unemployed have the right to compensation. Furthermore, the Bulletin of the EA of October 2002 puts women among the most disadvantaged groups - the share of women in unemployment being stable for the last three years, by October 2002 it is 53.7 %. Unemployed women prevail in the group of over 45 years of age and even over 55 because of extending the age of retirement for women. Under the new Code for Obligatory Social Security /COSI/, that entered into force in 2000, the retirement age for women is going up every year by 6 months – by January 2003 it shall be 57 years and by January 2004 it will be 57 years and 6 months. Despite these alerting trends, no policies and programmes for tackling female unemployment have been adopted so far.

In this respect, our hope lies in the EU accession process – in the course of negotiations the Bulgarian government will be pressed to adopt special legislation, policies and programmes ensuring gender equality and women' s right. We hope this pressure will finally bring to the adoption by the parliament of a law on equal opportunities between women and men.