



Republic of Bulgaria
ECONOMIC
AND SOCIAL COUNCIL

OPINION

on

POSSIBILITIES FOR RECONCILING

WORK AND FAMILY LIFE

(own-initiative opinion)

Sofia, 2012

The Economic and Social Council of the Republic of Bulgaria included in its Action Plan for 2012 the elaboration of an opinion on:

Possibilities for reconciling work and family life.

The elaboration of the draft opinion was assigned to the Labour, Income, Living Standards and Industrial Relations Commission.

Pursuant to the decision of the Commission, Senior Assistant Professor Dr. Lyuben Tomov, Member of the ESC Group II – trade unions, was appointed rapporteur.

The following external experts were invited to participate in the realisation of the project: Professor Dr. habil. Maria Sotirova (University of Plovdiv) and Violeta Ivanova (expert researcher at the Institute for Social and Trade Union Research at the Confederation of Independent Trade Unions in Bulgaria).

At its meeting of 05 July 2012 The Commission on Labour, Income, Living Standards and Industrial Relations discussed and adopted the draft opinion.

At its Plenary Session held on 18 July 2012 the Economic and Social Council adopted this opinion.

ABBREVIATIONS USED

GDP – Gross Domestic Product

EESC – European Economic and Social Committee

ETUC – European Trade Union Confederation

EP – European Parliament

EU – European Union

ESC – Economic and Social Council

CPD – Commission for Protection against Discrimination

CITUB – Confederation of Independent Trade Unions in Bulgaria

SSC – Social Security Code

LC – Labour Code

ILO – International Labour Organisation

MLSP – Ministry of Labour and Social Policy

NSSI – National Social Security Institute

NSI – National Statistical Institute

UN – United Nations

OP – Operational Programme

CEEP – The European Centre of Employers and Enterprises providing Public services

UNICE – Abbreviation for the former name of BUSINESSSEUROPE – Union of Industrial Employers' Confederations of Europe

1. SUMMARIES, CONCLUSIONS AND RECOMMENDATIONS

1.1. Reasons and justification

1.1.1. Over the past five years the Economic and Social Council has repeatedly stated its positions, views and suggestions in the search for solutions and the development of national policies for balancing working and family life. All this, however, has been done in the context and through documents dedicated to solving broader social problems. A quick review shows that since 2008 in its analyses, opinions and resolutions ESC has made concrete proposals for combining professional and family commitments.¹ Nevertheless, we will have to address this topic again and again in the near and more distant future because the problems of balancing family and professional life are currently outgrowing their social nature – and start generating economic effects and economic consequences. These problems affect more and more public order and opportunities as well as corporate security and stability.

1.1.2. The demographic crisis decreases the reproduction rate as well as that of the realisation of the labour potential, and thus undermines social stability, generates social risks, threatens the economic dynamics and growth, and casts doubts on the sustainable economic development of modern societies. When the results from these fundamental factors are coupled with the impact of technological modernisation, with its dynamics and its effect on professional competences and professional mobility, it becomes perfectly clear that the problems of combining professional and family commitments transcend the domain of public policies on the realisation of social rights, and "invade" more and more the domain of corporate policies and specifically that of corporate social responsibility.

1.1.3. The effect of the outlined fundamental factors and structural changes poses serious challenges not only to state institutions, but also to corporate structures, the positions and responsibilities of social partners (employer organisations and trade unions), as well as to the civil sector. The identified changes in the social situation motivate the orientation and the priorities of this opinion. ESC's objective is to focus its views and proposals for reconciling work and family life with the corporate level and corporate policies, with the economic

¹ *National Report of the Republic of Bulgaria on Strategies for Social Protection and Social Inclusion 2008-2010 – opinion; Corporate Social Responsibility – Several Approaches and Good Practices – analysis; Application of the ILO Conventions and Recommendations in Bulgaria – analysis; The Family, Good Parenting and Equal Gender Opportunities – opinion; Social Insurance and Social Protection – opinion.*

interests and the social mission of employers, without prejudice to state responsibilities and public policies. Moreover, there are real opportunities, social attitudes and professional potential for corporate policies to emerge as a continuation, upgrade, development, complementation and enrichment of the respective public policies, by relying on a decentralised approach which takes into account sectoral corporate specificities and peculiarities.

1.1.4. ESC defends the understanding that the success of corporate policies for balancing professional and family commitments depends on the balance in the interests of both sides in labour relations – employers and employees. Therefore, in this opinion the expressed views on the formulation of corporate policies and measures for solving employees' family-related problems are based on the assessment of their economic effects. The implementation of such an approach is not only necessary – in order to achieve unification of the interests of the parties – but also possible. The "*cost-benefit*" method already finds wide application in assessing the effects of public investments and policies; it is even applied to the assessment of the implementation of various programmes and the introduction of legislation.

1.1.5. As a result of the "*Study on the costs and benefits of introducing measures for reconciling work and family life*"² social partners already have at their disposal a fully developed model for applying the "cost-benefit" method, adapted for the formulation and assessment of corporate policies for combining professional and family commitments. Integrating social expediency with economic rationality, the application of this approach allows policies to be incorporated into the scope, purpose and content of collective bargaining. Its nature also changes the spirit, style, and rhetoric of social dialogue – verbal suggestions and opinions are replaced with the force of arguments, accounts and facts.

1.1.6. Testing the model with actual corporate information makes its use realistic even in the short term, because the assessment approach is operationalised and technologised – the components of the effects are systematised, i.e. economic benefits and costs, the technology and the information necessary for their valuation are outlined, adequate indicators are introduced to assess the effects of the undertaking of specific policies and measures, technical tools are proposed for calculating the indicators based on a "cost-benefit" basis.

² It is part of CITUB's project "*Security through the law, flexibility through the collective bargaining*" under Operational Programme "*Human Resources Development*."

1.1.7. The topic of the present ESC opinion and the adopted approach and method provide a unique opportunity – the problems of balancing working and family life to become a natural environment for reaching consensus and realising effective social partnership in this area of social policy which is crucial for the employees, the employers and society as a whole.

1.2. Recommendations and concrete proposals

1.2.1. The approach to solving the problem is in line with the European legal framework presented in the European Employment Strategy, and especially in the context of the Europe 2020 Strategy³. In response to Europe 2020 target to achieve employment rate of 75% for the population aged 20-64 the European Parliament stresses the need for helping workers to combine their jobs with their responsibilities for raising their children, as well as the need for providing affordable social services for children and incapacitated persons, improving the organisation of labour in order to increase the employment rate.

1.2.2. Despite the modern way of thinking, social policies, measures and initiatives are still seen as too costly activities which absorb too much public funding. In contrast, the theories of human, social, and organisational capital justify the economic benefits from social investment. They make the philosophy and tools of **the "cost-benefit" analytical method** extremely topical because it can be used to assess the corporate benefits of policies for reconciling working and family life.

1.2.3. The effective implementation of corporate policies largely depends on a good understanding of the actual situation, the scale and nature of the problems. Therefore we consider it necessary to negotiate the implementation of enterprise level of information systems for monitoring the real needs of employees, solving their family problems – systems which carry information in both directions and achieve effective communication between employers and employees. This is necessary especially in larger enterprises in which there are specialised administrative structures for the management of human resources. ESC believes that social problems in balancing family and professional life should be separated in an independent category in collective bargaining both at the sectoral and the company level. Collective bargaining – as it is practised in other areas – should be used both to negotiate bilateral business initiatives and to specify, enrich,

³ www.ec.europa.eu/europe2020

complement and build on opportunities provided by the legislation. In this respect, there is already substantial experience and good practices.

1.2.4. The weight that ESC gives to policies at the corporate level should not be understood as an attempt to advocate the state's abdication from dealing with the family problems of employees and transferring such problems to employers. The increased interest in policies at the corporate level is motivated by the relevance of the approach at least for our social practice. What is more, to the solid and lasting commitments and responsibilities of state institutions are added new ones. It is necessary to reconsider the approach and to create mechanisms by which public policies can be developed and enriched by corporate ones. Notwithstanding the social rights guaranteed by the legislation of the Republic Bulgaria, established traditions and social experience, the study contains new messages from employees, officers, trade unionists and managers for increasing the responsibilities of state institutions and proposals for solving or reconsidering specific problems.

1.2.5. The scale and nature of the problems are challenging and engage practically the attention and the efforts of various governmental institutions, social partners and NGOs. As a result of surveys versatile, interesting and specific proposals have been generated, which can be systematised in the following categories:

Firstly, for obvious reasons, we list the proposals to the social partners – employers and trade unions. There is a consensus that the introduction of measures to successfully balance working and family life should become an integral part of the subject area of collective bargaining at the sectoral and especially at the corporate level. To balance the interests of stakeholders, as well as the economic and social effects, we propose:

- *When bargaining at the corporate level, when negotiating concrete measures and policies (organisational, financial, or investment) to apply the "cost-benefit" method as a system of objective criteria for decision making while considering the real economic situation.*
- *It is necessary to create an internal company information system for monitoring the real professional and social needs of employees which should provide accurate information to the social partners when making decisions in the process of negotiation.*

Secondly, very important proposals are addressed to governmental institutions:

The following proposals are made to the Ministry of Finance:

- *Family income taxation should be reintroduced, so that families with children and those caring for dependent incapacitated persons should be stimulated by means of tax credit or tax relief;*
- *Tax relief should be introduced for employers who carry out targeted social investments, aimed at developing social infrastructure (kindergartens, playrooms for children, day care centres, special interest clubs, green schools, children camps, etc.), as well as for employers who provide social packages funding particular social services.*

Demands for changes are addressed to the Ministry of Labour and Social Policy and its executive agencies – the Employment Agency and the Social Assistance Agency – which would broaden and facilitate the access to financing under the following initiatives:

The "Social innovation in enterprises" scheme under Operational Programme "Human Resources Development". The following particular changes are proposed:

- *To reduce the number of required activities in project proposals from 5 to 3 and to require two of these activities to be focused on training, retraining, career development of employees or provision of additional financial incentives to persons working flexible working hours. The third activity in the project proposal should be providing social benefits to workers such as children rooms, kindergartens, dining facilities, etc.*
- *Applying with a joint project by several companies, which combine their efforts, tasks and objectives to create social innovation for their employees, should also be made possible.*

The following proposals are made with regard to the "Assistance at home" scheme:

- *To launch an information campaign about the possibilities of the "Assistance at home" scheme.*
- *While carrying out individual activities to invite representatives of the trade unions' territorial structures because the scheme allows recruitment under employment contract for providing part-time personal assistance services, such as feeding and taking medication at the home of the recipient of such services.*

Thirdly, we propose to the new managements of the National Association of Municipalities in Bulgaria to organise discussions and consultations on the following topics:

- *Creating opportunities to combine the efforts of state and municipal institutions and their commitment to the accelerated development of social infrastructure – childcare, social facilities, long-term care facilities and the like.*
- *Optimising the operation of existing social infrastructure through synchronising the working hours of child-care institutions with the timetables of city and inter-city public transport as well as the working hours of enterprises and public institutions in the respective region, introducing flexible forms of organising the operation of child-care and social institutions and the like.*
- *Introducing incentives and mechanisms to promote public-private partnership in solving the problems of balancing working and family life.*

Fourthly, proposals are being systematised to amend the Bulgarian Labour Code in order to better combine personal, family and work life, some examples include:

➤ *Introducing a new article in the section dedicated to the organisation of working hours with a view to reconciling working and family life along the following lines:*

Article. XZ (1) *Subject to a suggestion on part of a worker or employee and with a view to reconciling working and family life an additional agreement may be appended to the worker or employee's employment contract, which may stipulate:*

the worker or employee's right to be absent from work during certain hours of the working day, week or month, which may be compensated by working longer hours on other days of the week or month, without this affecting in any way the amount of the worker or employee's monthly salary;

the worker or employee's right to be absent from work during certain hours of the working day, week or month, which may be compensated by working longer hours on other days of the week or month, which may lead to reduction in the amount of the worker or employee's monthly salary;

(2) *Similarly, by means of a collective employment contract it can be agreed how working hours may be aggregated and calculated, new standard regimes of organising working hours may be agreed, which may upon request apply to individual employees when necessary, in order to reconcile their working and family life.*

Distribution of working hours

➤ *A new paragraph may be created following paragraph 2. of Article 139 to the effect of introducing the possibility for variable working hour schemes when requested by an employee whenever necessary in order to reconcile their working and family life.*

Shift work

➤ *Creating a new paragraph following paragraph 6. Article 14 which should provide the possibility to include for an agreed period of time a particular employee in daily or other preferred by the employee shift work schemes whenever this is necessary in order to reconcile the employee's working and family life.*

Restrictions on overtime and night work

➤ *Subject to proving the urgent need of applying this measure to reconcile the worker or employee's working and family life, the worker or employee may request that for a limited period of time and subject to further conditions he or she may not be assigned overtime and night work. This is possible to regulate by amending Articles 140 and 147 of the Labour Code.*

Leave

A new form of leave for addressing one's commitments to reconciling work and family life may be introduced by adding a new paragraph to Article 157 of the Labour Code covering short-term leave for addressing civil, public and other commitments, or in a separate section e.g. a new Article 157a.

➤ *Allowing part of the paid annual leave – for example 2 days – to be used exceptionally subject to a reasonable notice to the employer when needed to address issues related to reconciling working and family life.*

➤ *Increasing the period for paid leave for taking care of a sick family member aged above 18 (Article 45, paragraph 1, item 1. LC). Currently this period is 10 calendar days per insured person per calendar year*

➤ *Providing in the Labour Code the possibility for parents working under an employment contract, who have children aged under 18, to be entitled to 6 months of unpaid leave following the expiration of the statutory period of paid maternity leave.*

1.2.6. ESC believes that in order to arrive at a long-term solution of the discussed problem it is necessary: *first*, to undertake focused action on part of the competent state authorities to develop a national strategy for reconciling work and family life; and *second*, to use a systematic information campaign to maintain the urgency of this problem area, to formulate professional understanding and social sensitivity to the problems of workers related to the two pillars of human life – family and work.

2. URGENCY OF THE PROBLEM

2.1. Policies for reconciling family and professional life have several decades of history closely linked to the course of industrial progress. This is largely due to the fact that the industrial development of the world during the second half of the twentieth century, among other things, set two records in employment: *the first one* is the unknown dynamics of the increase in the absolute number of employees – respectively, raising the employment rate; *and the second one* is the massive involvement of women with economic activity. This change, which established itself as a lasting trend, has its own objective economic and social grounds, dimensions and explanations. The sheer scale and dynamics of economic activity unconditionally generated an increased demand for human resources, which made the increase in women's employment both necessary and possible. In turn, the involvement of women with economic activity has become a topical and important social problem in terms of balancing between working and family life on an equal footing – equal opportunities and equal treatment of both sexes in the workplace, in employment and economic activity, as well as in social and family-related commitments. The regulation of these processes historically and currently has been governed predominantly by means of statutory law, rules and procedures – codified in primary and secondary legislation of individual states – formulated under the influence or through the direct effect of ratified international instruments, or through national initiatives and policies.

2.2. Equality in rights, as the decades of social practice show, does not lead automatically to factual gender equality in employment. There are persistent disparities in employment and professional realisation of men and women which cannot be explained by natural differences or specific career choice. Besides covert forms of factual discrimination, a major barrier to the optimal realisation of women both in their professional life and their social commitments to the family and especially childcare and/or caring for dependent family members. Regardless of the legal options for sharing and achieving more equitable distribution of family

commitments, there is a still strong historically established tradition for family commitments (especially childcare) to be the responsibility mainly of women.

2.3. Modern legislation in the countries of the civilized world provides social and employment protection as well as certain prerequisites and conditions for dealing with family commitments. But benefits and social protection guaranteed by legislation can not possibly cover all sorts of social situations arising in various industrial and social conditions. The character, importance, urgency and long-term nature of family commitments in certain types of family and social environment makes it impossible to combine them with professional life and push mostly young families, and more often women, to choose between professional realisation or family and children. This choice is almost inevitably influenced (or rather decided) by the capacity for earning the household's income. But employment is not only a barrier but also a condition for efficient performance of social commitments in the family. Thus, income is another serious financial argument, which in the general case, puts individuals with family commitments in stalemate. Exactly in such cases where a person can not renounce his or her employment, i.e. income, nor to ignore family commitments, requires the implementation of measures and policies for reconciling work and family life.

2.4. The impossibility to perform family commitments without the necessary sources of income requires a redefinition of the problem and looking for a solution different from the alternative choice between professional or family commitments. The correct approach is to identify opportunities to balance working and family life, to combine professional, family and child-raising commitments. Its implementation is impossible without the understanding, positive attitude, social conviction, and correct behaviour of employers encoded in corporate social policies as an integral part of corporate social responsibility.

2.5. The effect of new factors should be added to the outlined traditional and familiar reasons. Above all, this is the worsening demographic crisis in European countries, which distorts the demographic structure of the population, threatens the reproduction of the labour potential and stability of social security systems, and questions the dynamics of economic activity. The threats of the demographic situation to social stability and sustainable economic dynamics put some "stress" on responsible politicians and statesmen and provoked their activity in the development and implementation of policies for maintaining a high level of economic activity of the population.

2.6. The observed dynamics of professional competence triggered by technological modernization has had significant impact on the search for

possibilities of combining professional and family commitments. Considering today's technological state of economic activity, a continued absence from employment, from the workplace, which is necessary for the fulfilment of family responsibilities, may pose a serious threat of "depreciation" of the acquired professional qualifications and experience. This threat is particularly serious not only for the respective worker or employee but for the employer as well. Contemporary processes and trends in technological modernisation as well as in professional performance and professional mobility already involve the corporate level in seeking solutions to combine family and professional life. The process of professional and occupational reintegration after a long break from work now has a high price in terms of direct financial costs and/or loss of profit borne not only by the worker but also by the employer.

2.7. The detailed analysis of the problem reveals its extreme urgency, as well as its social and economic importance and methodological complexity. In formulating solutions, especially in the short term, attention should be paid to conflicting interests – individual, corporate, public, and more effective approaches should be sought not only guaranteeing the realisation of social entitlements in the employment process, but also integrating public and corporate policies, which can create conditions and prerequisites for the realisation of individual life and professional strategies in a dynamic, high-tech, and high-risk world.

2.8. In the social practice and the research traditions of our country, unlike in those of other European countries, the problem identified in this text is underestimated or rather its solution is sought in the context of other policies – demographic, family, gender equality on the labour market. It will hardly be far-fetched to claim that balancing family and professional life is not yet formulated as a priority problem, nor is it considered a separate direction in social policy, it is not even discussed by competent institutions or in the media, and employers show even less concern to work towards its solution within their corporate responsibility schemes.

2.9. With the present opinion ESC aims at outlining the general guidelines of a systemic approach and tools for addressing this problem, while attributing the necessary importance to the role of corporations, which can be developed further and increase the effect of public policies so that a specific and effective approach is achieved for combining professional and family commitments in the process of employment. The advocated approach is dominated by the conceptual view that policies (public and corporate) have major effects, not only social but also economic and monetary, which can be measured.

3. SCALE AND NATURE OF THE SOCIAL SITUATION

3.1. The problem of combining family and professional commitments has an unexpected magnitude in terms of the sheer number of the affected economically active people in working age. The data provided by the Bulgarian National Statistical Institute, and collected through a survey of⁴ the balance between family and work life, are impressive. In fact 51% (1,700,700 people) of the economically active population aged 15-64 care for children below 14 years of age and dependent adult family/household members. The unemployed and persons outside the labour force are 34.1 percent (580,600 persons), of which 25.3% are willing but are unable to join the labour market due to lack of appropriate and accessible social service establishments. Another noteworthy thing is the minimization of the gender difference in the implementation of family commitments, especially in raising children. This problem reaches already beyond the narrow confines of the gender approach in solving it.

3.2. This picture is also supported by the data provided by the Bulgarian National Social Security Institute for the period 2009-2011.⁵ The total number of insured men, who cared of children under the age of one year, increased from 242 in 2009 to 301 in 2011 (an increase of nearly 25%). A similar situation is observed among the fathers who take the responsibility to care for children aged between 1 to 2 years. For the same three-year period the number of men who have obtained leave on these grounds increased by 34% – in 2009 they were 831 while in the end of 2011 they were already 1113.

3.3. Regardless of the policies and actions undertaken by the competent state institutions, statistics reveal that current government policies do not meet the real needs of the society. According to the NSI data⁶ in 2001 the intake of children in nurseries (up to 3 years of age) is about 11% while in 2010 it used to be 13.1%. The situation with kindergartens is similar. The intake of children aged 3-6 in kindergartens is increasing slowly – from 66.8% in 2000/2001 to 74.9% in 2010/2011.⁷ Ultimately, the recommendation of the Lisbon Strategy⁸ that 90% of

⁴ www.nsi.bg *Combining working and family life - Ad hoc module to the labour force survey in 2010*

⁵ www.noi.bg

⁶ www.nsi.bg, *NSI data for the number of nurseries and the places for children in them 31 December 2001 and 2010 and additional calculations by the authors.*

⁷ www.nsi.bg, *NSI data for the number of children in kindergartens and the number of kindergartens between 2000/2001 and 2010/2011, and additional calculations by the authors.*

the children aged 3 should be covered by the educational system has not yet been achieved. This is the main reason for families to care for their children themselves or pay to someone for this kind of social service. As it is well known, such services are expensive and their financial costs are prohibitive for many Bulgarians.

3.4. The situation with the institutions for elderly people is similar. The capacity of this kind of social institutions is too small to cover the needs of the population while the procedures are slow and cumbersome. The results of the NSI survey⁹ show that 437,600 people aged 15-64 care for sick, elderly, disabled and other persons aged 15 and above who need care. From the persons caring for the elderly 59.8% are employed, 8.5% – unemployed and 31.7% are persons outside the labour force. 25.3% (or 44,600) of the unemployed persons caring for adults say they would work if there were appropriate care services for the sick and the elderly. The major obstacle for joining the workforce for 41.7 % of the unemployed is the high price they will have to pay in this case for someone to care for their elderly relatives, 22.6% point to the lack of facilities or other related services, 9.6% note that the quality of existing services is unsatisfactory, 26% provide other reasons related to the lack of appropriate care services for adults.

3.5. The problem with hospitals for treating patients after major surgery and diseases that need further attention is also acute. Social Security Code (Art. 45, paragraph 1, item 1) gives the right to obtain cash compensation for caring for an ill family member aged over 18 to each insured person for a period of 10 calendar days per calendar year. This period, however, is too short for patients to recover because their relatives need to return to work too soon. On the other hand, the trends of demographic ageing and the poor health of the nation categorically indicate an increased demand for social and health-related institutions.

3.6. The results of the empirical studies reveal that there are problems with reconciling work and family life, but there are no long-term solutions that have developed into corporate policies. This conclusion is reaffirmed by virtually all studies. For example employers know and apply the provisions of the Labour Code concerning maternity/paternity leave. However, these issues are addressed in the context of gender equality, but not within the corporate policies to reconcile professional and family commitments.¹⁰ Moreover, no company provides childcare

⁸ www.circa.europa.eu/irc/opoce

⁹ www.nsi.bg, *Combining working and family life - Ad hoc module to the labour force survey in 2010*.

¹⁰ *Men Equal, Men Different, Grant of the European Commission, Stanimira Hadjimitova, Lilia Abadjieva, MLSP, National Report* entitled "Policies for gender equality and reconciling work and family life in Bulgaria."

services for the children of its employees. There are no special policies which include schemes for flexible working hours for parents who need to take parental leave.

3.7. Another problem is registered by such surveys.¹¹ It appears that women in fertile age (aged 30-39) very rarely share in their workplace (and applying for a job) their real intentions concerning children – only 14.7% do so. This means that this particular social and age group of women have serious concerns that they will be refused a job because of the possibility for impending motherhood. Women with lower education (up to secondary education) are the most likely to conceal their future intentions of having children – 72% of all women who declared that they will hide their real intentions have secondary or lower education. The remaining 28% in this group are women with semi-higher or higher education.

3.8. According to the opinions of respondents in a cost-benefit survey of the effect of implemented measures for reconciling work and family life, two main approaches stand out.¹² *First*, employers observe the law and provide conditions for the implementation of the labour and social entitlements, indemnification and incentives provided by legislation. An almost widespread practice is to use resources for socio-cultural and domestic services for the staff, to fund various initiatives for the children of the employees. *Secondly*, employers show social sensitivity to the family concerns of employees and try to solve them in an informal way, especially when it comes to highly skilled employees. Usually the issue amounts to the possibility to negotiate more flexible working time arrangements for a reduced working day, where the respective industry permits and subject to agreement with the respective supervisor. There are also deviations from these two typical approaches – in isolated cases there are openly declared managerial attitudes amounting to the conviction that the resolution of employees' family concerns is not a corporate responsibility.

3.9. The outlined situation explains the shortage of corporate information about the number of employees experiencing acute social problems that place them in a situation to choose between family and work. Both the management and trade unionists are aware only of these cases in which the employees themselves complained and sought their understanding and support. The scale and severity of

¹¹ *Final report of a study of gender and discrimination, "Progress Towards Equality: National Effective and Innovative Practices to Combat and Prevent Discrimination" Prof. Dr. Rumyana Stoilova, Institute for the Study of Societies and Knowledge, MLSP, CPD.*

¹² *Problems and Policies for Balancing Family and Work Life, Trade Unions, Friedrich Ebert, Sofia, 2012.*

problems appear quite differently when considered on the basis of the information for the number of employees on maternity leave, the amount of unpaid leave and leave for temporary disability.

3.10. Flexible forms of employment, work organisation and working time as effective organisational solutions are an untapped potential for balancing family and professional life¹³. The collected corporate information reveals definitively the focus and importance of flexibility. At present, flexible employment is dominated by employers' interest and is applied primarily in cases of production necessity. The cases where flexible employment is applied to solve family problems are isolated, and this is primarily done through an informal arrangement between the employee and the employer rather than through official company policy.

3.11. The outlined scale and nature of the problems have diverse negative consequences – they lead to deterioration of the labour market, loss of working capacity and skilled workforce, and generate growth in public and household spending, result in corporate loss and loss of profit. All this justifies the need for the deployment and complementary development of state and corporate policies. Balancing working and family life is not just a problem of the individual employee – a matter of personal life strategy and prospects. It is a crux of interwoven interests – on the one hand, those of the public, challenged by demographic threats to the labour market, to economic dynamics, to the social security systems, to sustainable social development, and on the other, those of the employers connected with stabilising personnel and restricting the fluidity of labour in the context of a dynamic competitive environment and technological modernisation. The continued maintenance of one's qualification becomes a necessary and constructive part of the production process and increasing corporate investment in human capital is expected to return in the form of competitive advantage and sustainable economic development of companies.

4. APPROACHES AND OPPORTUNITIES FOR FORMULATING AND IMPLEMENTING POLICIES

4.1. European context and European perspectives on solving the problem

4.1.1. In today's world national policies and regulations are heavily influenced by international legal acts – at present they are also influenced by

¹³ *Ibid.*

European Union policies and directives for coordination in the social field. Bulgaria is a party to a number of international instruments (of the UN, ILO, etc.) as well as international legal instruments on human rights. Importantly, European dimensions and perspectives are currently experiencing a new impetus and a new meaning thanks to the Europe 2020 Strategy. Among other things it establishes and equal participation of women and men in the professional and family life as a prerequisite for the factual attainment of gender equality; *for mobilising the full potential of the workforce and achieving EU target for 75% employment rate of working-age population aged 20-65; for solving the problem with the shortage of qualified workers engendered by the demographic crisis.*

4.1.2. Our country observes international instruments in the development and implementation of public policies to reconcile family and professional commitments. The general assumptions that dominate this area still prevail and related to the main contemporary principle of labour law – gender equality and providing equal opportunities and equal treatment of workers and employees, such as prohibiting discrimination on a number of grounds including gender and family status.

4.1.3. With respect to gender equality the most important international documents that define the future strategic framework and policies in this area are:

➤ **The Beijing Declaration and Platform for Action on Women's Rights**¹⁴ adopted at the Fourth UN Conference on Women (1995).

➤ ILO conventions are another important tool to achieve balance between family and professional commitments. Bulgaria has ratified by means of an Act of the National Assembly of 18 January 2006 **ILO Convention № 156**¹⁵ concerning Equal Opportunities and Equal Treatment for Men and Women Workers: Workers with Family Responsibilities (1981). This Convention, together with **ILO Recommendation № 165**¹⁶ concerning Equal Opportunities and Equal Treatment for Men and Women Workers: Workers with Family Responsibilities focus on measures to overcome the conflict between the family commitments of workers – both men and women – and their job. A prohibition is instituted for family responsibilities to be legitimate grounds for termination of employment.

¹⁴ <http://www.bgfundforwomen.org>

¹⁵ *International labour conventions in Bulgaria, collection, CITUB, Sofia, 1992*

¹⁶ *Ibid.*

➤ Other ILO acts bear important relation to combining professional and family life: **Convention 183/2000 on maternity protection**¹⁷, ratified by the Republic of Bulgaria in 2001; **Convention 111/1958 preventing discrimination in respect of employment and occupation**¹⁸, ratified in 1960; **Convention 100/1951 on equal remuneration for men and women**¹⁹, ratified by Bulgaria in 1955. These conventions are an important instrument for the elimination of discrimination in terms of payment and jobs to achieve better balance and equal sharing of family responsibilities.

4.1.4. Gender equality is one of the main principles of the EU guaranteed by the **Treaty of the Functioning of the European Union**²⁰ – Art. 8 stipulates that: *"In all its activities, the Union shall aim to eliminate inequalities, and to promote equality, between men and women."* Gender equality is in the groundwork of the **Charter of the Fundamental Rights of the European Union**.²¹ EU institutions and bodies are obliged to work for strengthening policies for equal opportunities for men and women through measures to reconcile professional, family and personal life. According to European social partners reconciling working, family and personal life contributes greatly to economic growth, prosperity and competitiveness in Europe.

4.1.5. There are many instruments which do not have a legally binding effect, but may have indirect legal effect and regulate the implementation of an integrated approach of equal treatment between women and men. These are:

• ***the European Pact for Gender Equality***²² adopted by the European Council in March 2006 It seeks to achieve a qualitative progress by involving all Member States to achieve a common goal – increasing women's participation in the labour market and promoting gender equality.

• ***Roadmap for Equality Between Men and Women***²³ 2006-2010 adopted by the EC in March 2006

4.1.6. With regard to achieving a better balance between work, family and personal life **identifies three priority measures to focus on national action:**

¹⁷ www.europarl.europa.eu

¹⁸ *International labour conventions in Bulgaria, collection, CITUB, Sofia, 1992*

¹⁹ *Ibid.*

²⁰ www.eur-lex.europa.eu/LexUriServ/

²¹ www.eur-lex.europa.eu/

²² www.eur-lex.europa.eu/

²³ www.eur-lex.europa.eu/

flexible working hours for men and women; improving social services such as childcare and care for dependent persons; better policies for reconciling work, family and personal life. EU policies to support the increased participation of women in the labour market are an integral part of ***the European Employment Strategy***²⁴. It gives key priority to the need to provide affordable services for children, improving work organisation to increase the employment rate, and undertaking targeted action in specific areas to achieve balance between work and family life in order to increase women's participation in the labour market.

4.1.7. The European Commission presented its views on the development of the EU for the next 10 years in the **Europe 2020 Strategy**. It underlines the importance of the ageing workforce as a key long-term challenge. The target to achieve smart, sustainable and inclusive growth means that "*access to care facilities for children and caring for other family members will be important ... Equally important will be our ability to assist in developing a healthy and active ageing population*". In its response to the Strategy the European Parliament stresses the need to "help workers combine work with responsibilities for caring."²⁵

4.1.8. EESC takes an active stand on this issue urging in a special opinion that "*The Europe 2020 Strategy set an objective of employment for men and women that can not be achieved unless it is combined with family policy enabling women and men to raise as many children as they wish while working at the same time.*" EESC's recommendation to EU is to create legislative instruments in areas relating to reconciling family and professional life in the area of equal professional opportunities for men and women as well as the protection and development of children.²⁶

4.1.9. In its opinion EESC pays particular attention to key factors for the success of policies to reconcile family and professional life, which can be categorised as follows:²⁷

a) In the area of family life

- Providing good quality structures for childcare, in particular social structures for raising young children;
- Measures to support families who adopt and care for dependent persons, flexibility in the organisation of work, entitlement to special leave;

²⁴ www.ec.europa.eu

²⁵ www.europarl.europa.eu

²⁶ *Ibid.*, p 2, paragraph 1.3.

²⁷ *Ibid.*, p 10, paragraph 7.1

- Encouraging fathers to take paternity leave, even to make paternity leave mandatory and paid.

These proposals are part of the need to update the concept of fatherhood and paternal responsibility. The aim is to improve gender equality and increase women's participation in the labour market. Thus, policies in this area contribute to improving individual welfare and the competitiveness of European economy, as well as to solving the serious demographic challenges.

b) In the prerogatives of corporate social responsibility

Emphasis is placed on the need to summarise the best practices of companies implementing work organisation schemes adapted to parental responsibilities to achieve a good balance between work and family life.

4.1.10. In accordance with its commitments to international organisations the European Council made in August 2011 a Review of the implementation of the Beijing Platform for Action: Reconciliation of Work and Family Life as a precondition for equal participation in the labour market.²⁸ On the basis of the Commission's "**Report on the Equality Between Men and Women – 2010**" an assessment is made which states that "the advancement is slow and veritable equality has not been achieved" and that "the main reason **for the low rate of employment among women is the difficulty of reconciling professional, family and personal life.**" It underlines that in "some Member States" there are no²⁹ suitable childcare institutions which could provide care during parent's working hours or after school, and also services for children and dependent persons." This means that one of the objectives of the EU meeting in Barcelona (March 2002) has not been achieved – namely, to remove disincentives to female participation in the labour market and to make an effort to provide better childcare: aiming to ensure by 2010 childcare for at least 90% of the children aged 3-6: 6 years being the age at which it is compulsory for children to start school – and for at least 33% of the children aged 3 and below.

4.1.11. In the Review of the implementation of the Beijing Platform for Action³⁰ the European Council calls on Member States and the Commission "to *increase their efforts to effectively support the reconciliation of work and family life, including by means of encouraging non-standard forms of employment, such*

²⁸ www.europa.eu, 11930/11, *Review of the implementation of the Beijing Platform for Action: Reconciliation of work and family life as a precondition for equal participation in the labour market*, p 6, paragraph 21.

²⁹ *Ibid*, p 6, paragraph 22.

³⁰ *Ibid*, p 8, paragraphs 29 and 33.

as working part-time, or flexible forms of employment, like flexible working hours, shifts, project-based work, as well as by regulation concerning parental care and parental leave." The other important issue is to realise and monitor the integration of the issue of gender equality in the Europe 2020 Strategy and promote the systematic use of the benchmarks developed in the context of the Beijing Platform for Action, particularly the benchmarks on combining professional and family life, in all related domains and processes of the policy.

4.1.12. In October 2008 the European Commission presented a "reconciliation package" to help parents "reconcile better professional, personal and family life."³¹ This package includes four main documents: Communication with a detailed presentation of the strategy and the conditions for the Commission's influence; Proposal for amendment of the current directive for the protection of pregnant workers, maternity leave, the primary aim of which is to extend the minimal period of the maternity leave; Proposal for a new directive on the rights of self-employed women and assisting female spouses; Report for the advancement in the achievement of the Barcelona targets concerning childcare institutions.

4.1.13. The Commission proposed to the social partners to improve the regimes for all family holidays, such as parental leave, paternity leave, adoption leave, "filial leave" for caring for a dependent family member³². This is the first European sectoral framework agreement signed by the ETUC and European employers, and subsequently adopted by the Council of Ministers and codified in the legally binding form of **Directive 96/34/EC**. This agreement is an initiative of UNICE, CEEP and ETUC to institute minimum requirements on parental leave and absence from work due to force majeure as an important means of reconciling work and family life and promoting equal opportunities and equal treatment of men and women.

4.1.14. The EU membership of the country and the harmonization of labour and social legislation lead to the greater significance of this issue to the activities also of the social partners. In a number of European directives, resolutions of the European Parliament, the European Pact for the Equality between Women and Men, the Charter of the Fundamental Rights of the EU, etc. the attention is focused on the social partners, emphasis is laid on options and solutions, aiming at the creation of equal opportunities for persons with family responsibilities to exercise their right to work, without being subjects to discrimination, and as much as

³¹ *Bulletin "SOCIAL EUROPE" Issue 3, 2009, p 14, ITUSR of CITUB, D. Kircheva, N. Daskalov, Sofia.*

³² *Ibid.*

possible, without points of conflict between their job and their family commitments. All this opens new horizons before collective negotiations, collective bargaining, and social dialogue.

4.2. Modern approaches and methods for implementing policies to balance family and professional life

4.2.1. The analysis of the national legal framework of international and European instruments, information from empirical studies, along with the nature and scale of the problems, reveal the significant place and role of the corporate level, and respectively of company policies, to solve the problems of balancing family and work commitments. Until recently, the understanding in this area was dominated by concepts and approaches dealing with this issue as an exclusive responsibility of the state and government – a responsibility of the competent authorities conducting public policies of legal regulation and ensuring the social rights of employees during the time of their employment. Therefore, the responsibilities of employers (businesses and organisations) are still limited to their compliance with laws and regulations. Contemporary processes and trends in the context of current demographic prospects, the social situation, and technological and economic developments involve and leave a different function of the corporate sector in solving the problems of balancing family and work commitments. It is both necessary and possible to particularise, complement, and enhance public policies by means of company policies and on this basis achieve synergistic twofold effects – both the employees and the employers.

4.2.2. The combination of public policies with a decentralised approach requires the creation of legal opportunities and conditions on a micro-level as well as providing incentives to employers to implement corporate policies and measures for reconciling the professional and social commitments of their workers and employees. And what is most important – through these policies employers must pursue certain social and economic impacts in the short and the long term. In this case, the development of employer policies should not be limited to undertaking philanthropic activities, but be based on economic analyses and estimates of the effects alternative organisational and/or investment decisions which optimise the benefits-costs ratio of both sides. In a market environment both employers and workers seek to maximise the benefits of labour through employment opportunities. Therefore it is principally important to identify and justify employer benefits from the implementation of policies and measures to balance work and

family life. Thus, when social protection rules, introduced through primary and secondary legislation, are supplemented with corporate policies and measures, which are in line with the family needs of workers and employees, and easy to adapt to the production and technological conditions in enterprises, it is possible to achieve the expected diverse long-term and short-term demographic, social, and economic effects.

4.2.3. To meet the social needs of employees to reconcile work and family life there are various business possibilities – organisational and investment.

a) Organisational decisions. The utilization of organisational capacity depends on the employers' attitudes and efforts for company planning, design and organisation of flexible forms of employment and work as well as flexible working time arrangements. Among them the following flexible forms of employment are the most significant:

- *Working part-time* – such a possibility could be developed in a manner that meets the individual's needs and preferences – working half-day, i.e. 4 hours, or working a reduced working day, e.g. 6 hours.

- *Flexible working hours* – possibility to choose the time for beginning and ending the workday – a practice which used to be very popular more than three decades ago in the form of fluctuating working hours.

- *Functional flexibility* – through which to achieve reconciliation of positions and jobs through redistribution of job duties, responsibilities and rights. This organisational measure has a multifunctional purpose. But it can be applied successfully to ensure a long leave from work of an employee for family reasons – childcare, caring for a sick or dependent family member.

- *Working at home* – the powerful growth of the services sector, including crafts, as well as that of small and medium enterprises, has led to the development of this form of atypical employment, for which ILO adopted Convention 177 as early as 1996, while in Bulgaria this area was regulated by a legislative act adopted in 2011. Besides in the interest of the enterprise (reduction of operating costs) this form of employment may be used to encourage and reconcile work and family life.

- *Telework* – form of employment which emerged thanks to the mass adoption of information technology in businesses. Besides technologically possible and economically efficient for employers, telework can be used successfully in cases where it is necessary to balance professional and social commitments.

b) Investment decisions. Along with the organisational capabilities there is a possibility for other policies and measures of financial nature. They can be applied in cases where production activity and the technology of work exclude flexible

forms and modes of employment, as long as employers understand the social importance of the problem and the possibility for economic assessment and justification of such decisions. This alternative, which has its social grounds and economic effects, does not preclude the need for governmental support and encouragement of employer investment in solving social problems or meeting important social needs.

Employer solutions applied in social practice and focused on reconciling work and family life usually amount to the following sample policies and measures:

- *Financial support of workers and employees* with have family problems by means of monthly allowances for raising young children and/or caring for sick and dependent family members in order to gain access to public childcare institutions or to the market of social services;

- *Development and maintenance of corporate social infrastructure*, such as childcare centres, children's areas/rooms, etc., alone or in partnership with other businesses/organisations and through public-private partnerships;

- *Realising the opportunities provided by the European Social Fund* and specifically the Operational Programme "Human Resources Development", which provides financing for social innovation and allows to lay the foundations for a sustainable development of this kind of employer initiatives.

4.2.4. The science of economics provides to employers various approaches and methods for choosing rationally and optimally suitable corporate policies. The "cost-benefit" method of analysis breaks new ground and can be used for in a variety of cases for the assessment of investments in the public spheres, social causes, initiatives and activities, even for evaluating the effects of the adoption of legislative instruments. Typical of investments in various social spheres and initiatives is to achieve long-term effect on account of their long-term "exploitation." Therefore, with the proposed method (using economic criteria and on the basis of economic indicators for the assessment of benefits) it is possible to evaluate the effect of the invested resources. The essence of the method involves measuring and assessment of nominal values: expenditure/investment, benefits/effects for the time/period of the "exploitation" of the invested resources and accruing the respective benefits, which is necessary to evaluate the change in value over time, i.e. to discount future cash flows to the net present value or vice versa.

4.2.5. The implementation of the method in this case requires adapting its methodology with respect to the evaluation of the benefits, costs, effects and the period of time.

4.2.5.1. The benefits of employers' solutions – policies and measures for reconciling work and family commitments are considered a simple quantity – a set of components that form them. Their evaluation as a philosophy and practical approach is based on the cost of turnover, i.e. the amount of these *alternative costs and lost profits* that the employer has to incur if he or she accepts the alternative of hiring a new worker/employee on a position vacated due to family reasons, when the employer has decided against applying a solution for combining family and work commitments.

4.2.5.2. Costs as components and amounts are strongly influenced by the nature and specifics of employers' solutions – of both organisational and investment nature. The benefits can be accrued in different ways, i.e. through different employers' solutions in terms of production capacity and limitations, corporate social responsibility and last but not least – the diverging economic effects of different employers' solutions. Therefore, the separation of the two groups of solutions (organisational – aimed at the implementation of flexible forms of employment – and investment) has its methodological grounds, as they generate different cost components and suggest a different approach to the implementation of the "cost-benefit" method.

4.2.5.3. The period (short-term, long-term) also affects the implementation of the "cost-benefit" method. Organisational solutions have short duration, which do not require the inclusion of techniques for discounting resource flows of benefits and costs. While investment solutions have a long-term nature, respectively – have long term effects, and therefore their evaluation must take into account the change in the value of the flow of financial resources such as costs and benefits.

4.2.5.4. Effects – depending on the nature of employers' solutions (policies and measures) different indicators can be used to assess economic effects. Organisational and financial solutions and policies that have short-term effect should be evaluated using indicators such as the ratio between benefits and costs. In this sense it is acceptable to use one specific indicator to assess the effects of organisational solutions, which is measuring *the efficiency over time*. By using it one can effectively determine the period for neutralising the costs and benefits of policies and measures to reconcile work and family commitments. While assessing investment decisions that have long-term duration, the popular indicator "net

present value" provides the possibility to assess the effectiveness of social investment.

4.2.6. The methodology of the "cost-benefit" analysis provides a working tool corresponding to the needs of employers for assessing corporate policies and measures for balancing work and family commitments, which encourages employers to include such measures in the social policies of their companies and to implement them effectively. Along with the monetary benefits, the policies and measures for reconciling work and family life have also significant non-monetary benefits, such as motivation for better job performance, more productive job performance, commitment to the development of the company, etc. – which in turn can generate significant long-term monetary effects.

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