

Chapter 4

Migrants' Access to Social Protection in Bulgaria



Zvezda Vankova and Dragomir Kolev Draganov

4.1 Overview of the National Social Security System and Main Migration Features in Bulgaria

This chapter aims to discuss the link between migration and welfare in Bulgaria by closely examining the access of resident and non-resident nationals, and resident non-nationals to different types of social benefits in the areas of unemployment, health care, family benefits, pensions, and guaranteed minimum resources.

4.1.1 *Main Characteristics of the National Social Security System*

The welfare regime in Bulgaria has undergone significant changes since the late 1990s and early 2000s as a result of social, economic, political and cultural processes following the collapse of Bulgaria's communist regime and centralized planned economy (Nenovsky and Milev 2014). One of the fundamental changes in this period was the profound reform of Bulgaria's pension system. The existing at that time mono-pillar pension system was replaced by the so-called multi-pillar system combining solidarity-based non-funded pension schemes with arrangements stimulating individual savings. The reform introduced a gradual increase in the statutory retirement age, modified the new pension formula in order to match better

Z. Vankova (✉)
Lund University, Lund, Sweden
e-mail: zvezda.vankova@jur.lu.se

D. K. Draganov
National Social Security Institute, Sofia, Bulgaria

contributions and benefits, and tightened access to early retirement schemes (Hristoskov 2000; 2001).

The social protection system covered mainly passive measures such as unemployment benefits and social assistance until 1996 (Mihaylova and Bratoeva-Manoleva 2016). As a response to the severe economic crisis in 1996–1997, however, public authorities undertook a series of macroeconomic stabilization measures such as the introduction of a currency board, stricter fiscal discipline and structural reforms. Thus, active policies to boost labour market participation gained more importance (Tache and Neesham 2011).

Since the beginning of the 2000s, the relative share of social protection benefits as a percentage of Gross Domestic Product (GDP) gradually decreased to reach 12.9% in 2007, compared to 14.1% in 2000 (Mihaylova and Bratoeva-Manoleva 2016, p. 8). Despite the fact that this trend was reversed to some extent in the period 2009–2016, the percentage share of the overall social protection expenditure to GDP is still well below the European Union (EU) average (Eurostat, 2018a).

Bulgaria became an EU Member State in 2007, which required harmonization of the national legislation with the European social regulations. Nevertheless, more than ten years after Bulgaria's EU accession, its social protection system is facing some major challenges such as high levels of poverty and income inequality, limited adequacy and coverage of the minimum income schemes, difficulties in accessing healthcare and low public expenditure on health (European Commission, 2019).

The current Bulgarian social security system is based on the Bismark model (Sredkova 2016, p. 39). Social protection consists of social security based on insurance contributions, social security schemes and non-contributory social assistance, including the social service system funded by the state budget (EMN 2014, p. 18). The social security system based on contributions includes nine standard social risks (Table 4.1) and provides benefits in case of temporary incapacity/reduced capacity to work, maternity (pregnancy, childbirth, and child care), unemployment, invalidity, old age and death. The National Social Security Institute (NSSI) manages the state social security.

The healthcare system is based on two schemes: a compulsory social insurance scheme covering all residents and a state funded scheme covering individuals who do not contribute to the health insurance scheme (such as children and pensioners). Health care is provided by different institutions. The Ministry of Health is responsible for the provision of benefits financed from the state budget (medical aid in emergency cases, examinations of disability, etc.), whereas the National Health Insurance Fund is the competent institution for granting the benefits financed by health insurance contributions (urgent medical care, childbirth and maternity, vaccines, etc.). The Social Assistance Agency under the management of the Ministry of Labour and Social Policy and via the Social Assistance Directorates manages family benefits and social assistance policies. Other institutions responsible for social security in Bulgaria include the Employment Agency, the Agency for Persons with Disabilities, the National Revenue Agency, the Executive Agency "General Labour Inspectorate" and the Financial Supervision Commission (EMN 2014, p. 20).

Table 4.1 Types of social security benefits in Bulgaria and their financing principles

Benefits	Financing principle
1. Sickness and maternity: Benefits in kind	Contributions (employer and insured person) and taxes.
2. Sickness and maternity: Cash benefits	Contributions (employer and insured person). State budget covers deficit.
3. Invalidity	Contributions (employer and insured person). State budget covers deficit.
4. Old-age	Contributions (employer and insured person). State budget covers deficit.
5. Survivors	Contributions (employer and insured person). State budget covers deficit.
6. Accidents at work and occupational diseases	Contributions (employer).
7. Unemployment	Contributions (employer and insured person). State budget covers deficit.
8. Family allowances	Taxes.
9. Healthcare	Contributions and taxes.

Source: Own elaboration based on MISSOC data, updated as of June 2018. <https://www.missoc.org/missoc-database/comparative-tables/results/>. Accessed 2 March 2019

4.1.2 Migration History and Key Policy Developments

Communist Bulgaria (1944–1989) was characterised by government regulated labour migration, asylum driven emigration (due to a ban on the free movement of Bulgarian citizens), and movements of the Bulgarian population of Turkish ethnic origin (Markova 2010). The fall of the communist regime in 1989 led to major emigration due to the lifting of the ban on free movement, Bulgaria's deteriorating economic conditions and rising unemployment, as well as its political instability. Currently, the number of Bulgarians residing outside the country is estimated to be close to 1.1 million, living mainly in Spain, Greece, Germany, Turkey and the USA (Angelov and Lessinki 2017, p. 9). At the same time, Bulgaria has also started to show characteristics of a transit country used by migrants as a channel to enter Western Europe and slowly started to shift to a migrant receiving state (Bobeva 1994; Markova and Vankova 2014).

After a long period of transition to democracy, the Bulgarian economy began to stabilise in the first years of the new millennium, thus showing signs of economic growth. This led to a workforce shortage in 2007 and 2008 for the first time in the history of democratic Bulgaria (Angelov and Vankova 2011, p. 47). The economic growth and the new status of Bulgaria as an EU Member State led to an increase in student immigration, attracted EU citizens (OECD 2010, p. 194) and marked a peak in labour immigration of third-country nationals (Angelov and Vankova 2011, p. 47). The onset of the global economic crisis, however, led to another decline in immigration (Markova and Vankova 2014, p. 40). Currently, some sectors of the recovering economy are experiencing workforce shortages. For instance, in 2016 the

majority of work permits were granted to highly qualified specialists in the IT and engineering sectors who could benefit from exemptions from a labour market test on the basis of the 2016 Law on Labour Migration and Labour Mobility (OECD 2018, p. 218).

Net migration still remains negative (OECD 2018, p. 218). According to the latest OECD data from 2016, the stock of foreign-born residents in Bulgaria is 147,000 or 2% of the total population (*ibid*). The main countries of origin of non-EU residents are Russia (18.7% of the total foreign-born population), Syria (8.4%), Turkey (6.9%) and Ukraine (6%) (OECD 2018, p. 218). Foreign-born residents originate also from EU countries such as the United Kingdom, Germany and Greece (*ibid*). EU citizens amount to one third of the total foreign-born population. According to Eurostat data on first residence permits, family-related migration (33%) prevails over employment-related immigration (16.6%) (Eurostat, 2018b). Nevertheless, the majority of permits in 2017 were issued on the basis of residence (e.g. for foreign retirees) and humanitarian reasons (38.8%). After several years of a steady increase in the number of asylum applications, 2017 marked a significant drop to 3700 applications (OECD 2018, p. 218). By contrast, international student enrolment increased to 5.4% of the total student population (*ibid*).

Before Bulgaria's EU accession process commenced, asylum and migration policies were largely neglected. By 2007, the country had fully harmonised its legislation on migration in line with the EU *acquis* (Nedeva 2007, p. 25) and had laid the foundations for the development of Bulgarian migration policy. A national public policy in the field of migration was established, however, only after the accession of Bulgaria to the EU (Krasteva et al. 2011, p. 11). It was developed on the basis of four national migration strategies (for more details, see Vankova 2018a, 387–390). Nevertheless, a comprehensive national migration policy, which goes beyond Bulgaria's long-term aims for accession to the Schengen Area and attracting foreigners of Bulgarian origin, is not a fact yet (Vankova 2018a, pp. 457–458). The country's need for labour migration has still not been officially articulated at either the political or policy level (*ibid*).

4.2 Migration and Social Protection in Bulgaria

The conditions for citizens and foreigners to access social security in Bulgaria vary depending on the type of benefits. In general, Bulgarian nationality and a period of prior residence are not eligibility requirements (with some exceptions) and the general procedures for accessing social security are the same for all individuals. In most cases, the right to social security is linked to individual's employment status. However, the rules on labour migration and employment of foreigners are covered by legislative acts falling out of the scope of the social security legislation, such as the Law on Labour Migration and Labour Mobility and the Law on Foreigners. Therefore, despite the fact that nationality and length of stay are not key factors determining the right to social security, its implementation in reality depends on

complex inter-institutional coordination mechanisms involving not only social security authorities, but also ministries and agencies governing labour market entry and residence permits. On the other hand, Bulgarian nationals residing abroad are entitled to claim benefits from Bulgaria only on the basis of concluded bilateral social security agreements with third countries or under the EU social security framework if they reside in an EU Member State.

The individual's employment status in gaining access to social security has been a decisive feature of the Bulgarian social protection system since the major reform that took place at the beginning of the 2000s. Public authorities have not publicly articulated any intentions to make a shift away from this approach yet. Furthermore, as recent social protection and migration policy developments show, no change in third-country nationals' social protection status has been envisaged as part of the political agenda of the current government.

A possible explanation for keeping the *status quo* is that the social protection system is considered to be already well adapted to the needs of these groups and policy-makers do not see a need for further reforms. For example, the National Strategy in the Field of Migration, Asylum and Integration states that "Republic of Bulgaria has contemporary, well developed and functioning equal opportunities, social inclusion and non-discrimination legislation, which is in full compliance with the European standards" (Council of Ministers, 2015, p. 28). Despite the fact that "ensuring social inclusion and integration of third-country nationals" is listed among the priorities of the Strategy (p. 40), there is no explicit reference to concrete initiatives to adapt current social protection instruments. This demonstrates that the integration of third-country nationals is not among the driving forces that have been shaping social protection policy agenda in Bulgaria.

Other possible explanations for the current social protection policy are that expanding its scope to non-employed third-country nationals is not in line with Bulgaria's migration policy and would not bring any political dividends. Since the need of labour migration is not a politically articulated priority yet, liberalising the social protection regime would run counter to the current migration policy of the country which is based on restrictive general entry conditions and keeping migrant workers in a temporary position (Vankova 2018a, p. 457).

Furthermore, the effectiveness of the national social protection system is still problematic, which has been stressed recently by the European Commission. It was pointed out that Bulgaria "has still one of the highest numbers of people living at risk of poverty or social exclusion as well as high levels of income inequality" and that "social transfers have a low impact on poverty reduction" (European Commission, 2019, p. 35). This concerns in-kind transfers and health benefits in particular. In a context where the level of social protection for the national population is relatively low, any efforts to promote better coverage and adequacy of social protection for foreign residents is not considered a successful political move despite the slowly growing number of third-country nationals residing in Bulgaria.

4.2.1 Unemployment

Unemployment benefits are paid on the basis of a compulsory social insurance scheme financed by contributions covering only employees and providing earnings-related benefits. The scheme is financed by contributions from employers and employees. Bulgaria does not have any unemployment assistance scheme.

The unemployment benefits are granted by the NSSI and regulated via different legislative acts, including the Social Insurance Code,¹ the Labour Code,² and the Law on Employment Promotion.³ Only resident nationals, EU citizens and long-term residents⁴ who are employees in Bulgaria are eligible to claim unemployment benefits. Non-EU foreigners who do not hold the status of long-term residents are not considered as eligible claimants, with the exception of Blue Card holders under certain conditions. Unemployment benefits are granted to individuals who have paid social insurance contributions for at least 12 months in the previous 18 months before becoming unemployed. Prior residence in Bulgaria is not an eligibility requirement for nationals and EU citizens. Applicants, however, must be registered as unemployed at the Labour Bureau Directorates of the Employment Agency and they must regularly prove they are job searching. Their registration (and therefore the unemployment benefits) will be terminated if they refuse to accept an appropriate work offer and/or inclusion in programs and measures for employment and training.

The amount paid for unemployment benefits is dependent on previous earnings and duration of employment. These benefits are paid for maximum 52 weeks. Failing to cooperate with the employment services could lead to the temporary suspension of unemployment benefits (with the possibility of a subsequent registration six months after the termination of the previous registration). Although there is no formal requirement, if Bulgarian citizens, EU nationals or third-country nationals with long-term residence leave the country temporarily, they risk being de-registered from the Employment Agency and hence lose their benefits. Export of unemployment benefits is possible only on the basis of EU law and bilateral agreements on social security coordination. Among the main countries of origin for migrants in Bulgaria (Russia, Turkey and Ukraine) and destinations for Bulgarians (Turkey, USA and Canada), the agreement between Bulgaria and Ukraine is the only one which includes unemployment benefits in its material scope (Vankova 2018b).

¹ *Кодекс за социално осигуряване*, Promulgated in State Gazette (SG) 110/17 December 1999, last amendment in SG 105/18 December 2018.

² *Кодекс на труда*, Promulgated in SG 26/ 1 April 1986, last amendment in SG 92/ 6 November 2018.

³ *Закон за насърчаване на заетостта*, Promulgated in SG 112/ 29 December 2001, last amendment in SG 91/2 November 2018.

⁴ Including permanent residents.

4.2.2 Health Care

The Bulgarian healthcare system is financed through contributions and taxes. It is regulated by several acts including, among others, the Law on Health Insurance⁵ and the Law on Health.⁶

All resident nationals, EU foreigners, and third-country nationals who hold the status of long-term residents⁷ are covered by the healthcare system or social insurance for benefits in kind, independently of their employment status. Their participation in the health insurance system is mandatory. However, non-EU citizens with short-term and continuous (up to one year) residence permits must cover the costs of medical care at prices determined by the medical establishment. In principle, they are not required to pay health insurance contributions.⁸ They are obliged to have a private health insurance or private insurance covering the costs of treatment/hospitalisation during their stay in Bulgaria, unless otherwise stipulated in international treaties. Nevertheless, all individuals have the right to emergency medical aid, including those with permission for short-term and continuous residence, irrespective of whether they are workers, self-employed, unemployed or family members (EMN 2014, p. 7). Dependent family members of an insured national do not automatically derive the right to be co-insured.

Since the Bulgarian health system is universal, there is no minimum period of insurance or residence required for resident citizens (except for citizens returning to Bulgaria after a long-term stay abroad – see details below) and EU nationals to become eligible to claim benefits in kind. Non-EU citizens need to wait at least five years before they can access long-term residence in order to be covered equally as nationals by the healthcare system. Nevertheless, a minimum period of insurance is required in two different cases for non-resident nationals. Firstly, when Bulgarian citizens reside abroad for less than 183 days a year or over 183 days a year and do not declare that they will be insured abroad. In general, Bulgarian citizens who intend to stay abroad for more than 183 days have to submit a declaration for leaving the country. On that basis, individuals are exempted from the obligation to pay health insurance contributions in Bulgaria (Article 40a of the Law on Health Insurance). If they fail to do so, they are treated as compulsory insured and can lose

⁵ *Закон за здравето осигуряване*, Promulgated in SG 70/19 June 1998, last amendment in SG 105/18 December 2018.

⁶ *Закон за здравето*, Promulgated in SG 70/10 August 2004, last amendment in SG 102/ 11 December 2018.

⁷ Including permanent residents.

⁸ With exceptions for some groups (Article 24 (1) 5,7,8,9,10,13,14 and 16 of the Law on Foreigners in the Republic of Bulgaria) which could receive permission for continuous residence if they have visa for up to six months. If they are insured according to the Law on Health Insurance, their treatment shall be covered by the National Health Insurance Fund (Article 6, para 1 of the Ordinance No 2 of 2.07.2005). In some of these cases, they can be insured as employed/ self-employed persons, i.e. have a permission for continuous residence and meet the requirements of the Law on Labour Migration and Labour Mobility (see Article 8 (1) 2).

their health insurance right after not paying more than three monthly mandatory health insurance contributions within the last 36 months. The right can be restored with a one-off payment of all monthly contributions due for the last 60 months has to be made (Article 109 of the Law on Health Insurance).

The second case concerns Bulgarian citizens who live abroad for more than 183 days and declare that they are insured in the country of residence, i.e. have submitted a declaration before leaving the country. They can acquire health insurance rights in Bulgaria in two ways: after a minimum period of insurance of six months after returning to Bulgaria or if they pay a lump sum of 12 monthly health insurance contributions (Article 40a of the Law on Health Insurance). Moreover, they have to submit a declaration that they have returned to Bulgaria. Before they acquire health insurance rights, they are treated as non-EU citizens and need to pay for medical care. If non-resident nationals continue to pay the mandatory health insurance contributions, they do not lose their health insurance rights and can receive treatment from the home country. These requirements do not apply to citizens residing in an EU Member State although in this case, Bulgarian nationals must prove that the national legislation of the respective country was applied to them during their stay abroad. Otherwise, they are treated as individuals who have lost their insurance rights. In order to restore them, a one-off payment of all monthly contributions due for the last 60 months has to be made (Article 109 of the Law on Health Insurance).

The social security system covers partial costs and there is a co-payment from the patient. The social insurance covers the costs in the so-called “main package of healthcare activities” as provided by Ordinance No 3 of 20 March 2018 for determining the package of healthcare activities guaranteed by the National Health Insurance Fund budget. Healthcare costs incurred outside the scope of the main package are covered by patients. Resident nationals, EU citizens and long-term residents contribute towards the costs of their hospital treatment by covering the “hotel costs” and the treatment provided. The cost of pharmaceutical products is only partly covered by the health care scheme. Nationals residing in non-EU countries could receive health benefits in kind from Bulgaria only if there is a bilateral agreement with their host country that covers health care within its material scope.

Sickness cash benefits are available to resident nationals, EU nationals and non-EU foreign residents who are in employment and have a minimum period of insurance of six months (for people aged 18 or above). There is no qualifying period in case of cash benefits for temporary incapacity due to occupational disease or employment-related injury. Prior residence in Bulgaria is not an eligibility requirement, but those receiving sickness benefits cannot leave the country for a temporary stay abroad. The legal framework sets a maximum period for receiving this benefit of six months without an interruption, 12 months with an interruption over a period of three years, including the two years before the year of the sickness plus the year of the sickness. In exceptional cases, the period can be prolonged to a maximum of 18 months without interruption. Employers are obliged to continue paying the wages for employees who are on sickness leave for the first three days of the

incapacity. The agreements that Bulgaria concluded with Ukraine and Russia cover sickness cash benefits.

Resident citizens, EU nationals and non-EU foreigners are eligible for invalidity benefits in Bulgaria independently of their employment status. The analysed legislation defines “invalidity” as any loss or disruption in the anatomical structure, physiology or psyche of an individual. In general, social security benefits and allowances are provided to people with the so-called permanent disability, i.e. those who have permanently reduced opportunities to perform activities in a manner that is possible for a healthy person and for which the medical expertise has established a degree of reduced capacity or a type and degree of disability of at least 50%. The qualifying period varies depending on employment, age, conditions of insurance, etc. Residence is not an eligibility requirement. Nationals residing abroad are not entitled to claim invalidity benefits from Bulgaria unless they reside in a country that has concluded a bilateral agreement covering the export of invalidity benefits. Among the agreements analysed, only those concluded with Ukraine and Russia cover sickness cash benefits and invalidity pensions (Vankova 2018b).

4.2.3 Pensions

Public old-age pensions in Bulgaria include the contributory pension for insurance and old-age (*Пенсия за осигурителен стаж и възраст*) and the non-contributory social old-age pension (*Социална пенсия за старост*). The pension system has three pillars. The first one covers the mandatory public pension insurance and has universal coverage. The second pillar concerns the mandatory supplementary pension insurance. Contributions are accumulated in individual accounts. There are two types of funds: the Universal Pension Funds covering individuals born after 31 December 1959 and the Professional Pension Funds covering those working under severe and harmful conditions. The funding of the first pillar is characterized by standard pay-as-you-go defined benefit schemes financed through contributions from employers, employees and self-employed. The state covers the deficits. The second pillar is based on fully funded defined contribution schemes financed through contributions from employers, employees and self-employed (Universal Pension Funds) and employers (Professional Pension Funds). The third pillar is a voluntary supplementary pension insurance (privately managed, fully funded, defined contribution pension schemes). There are two types of funds: those for a voluntary supplementary pension insurance and those for a voluntary supplementary pension insurance under occupational pensions schemes.

EU and non-EU citizens, as well as nationals residing in Bulgaria and in other EU countries who are employees or self-employed are eligible for contributory pensions under the same eligibility conditions. There is no possibility to join the pension scheme on a voluntary basis. The minimum period of contribution required to become eligible to claim a contributory pension is 15 years, 12 of which shall be actual, i.e. the so-called “credited” insurance periods, for example maternity or

sickness leave, are excluded (Article 68 (3) of the Social Insurance Code). Insurance periods acquired abroad are taken into account only if there is an international (EU) agreement between Bulgaria and the countries where those periods have been accumulated. In 2018, such a pension can be granted only if the individual has reached 66 years and four months. Individuals receive a pension calculated on the basis of the actual number of contributory years, but not less than 15 years.

The retirement age for the standard public pension scheme is 61 years and four months for women, and 64 years and two months for men. The right to a pension occurs if the insured persons have at least 35 years and 8 months of insurance (women) and 38 years and 8 months (men), with some exceptions. The period of residence is not an eligibility condition for the contributory pension. Credited periods are also taken into account for entitlement to pensions and individuals can also pay contributions retrospectively in certain cases. As of 1 January 2019, only contributory income after 31 December 1999 is taken into account for determining the amount of pensions granted after 31 December 2018 (Article 70 (8) of the Social Insurance Code). However, concerning the pensions granted under a bilateral treaty or under European social security regulations, the reference income is the income acquired under the Bulgarian legislation.

Only those who do not qualify for a contributory pension based on their insurance record are eligible for a social pension. All applicants, including EU and non-EU nationals, who have their permanent address in Bulgaria become eligible for this flat-rate pension at the age of 70. The annual income of all family members is taken into account and it should not exceed the 12-fold amount of the guaranteed minimum income.

While export of contributory pensions to other EU Member States is possible, nationals residing in non-EU countries can access pensions from Bulgaria only if their respective countries of residence have concluded an agreement in this regard with Bulgaria. In some cases, non-contributory pensions fall into the material scope of the concluded bilateral agreements (for example with Russia and Montenegro), but it is explicitly stated that their export is not possible. Several bilateral agreements concluded by Bulgaria cover pensions. The agreements with Ukraine and Russia allow for the export of old-age, invalidity, and survivors pensions, as well as death grants (Vankova 2018b). The agreement with Turkey covers the export of all types of pensions of Bulgarian citizens who moved to Turkey after 1989 as provided by the back then Pensions Law (repealed in 1999). This agreement covers personal and survivors' pensions for "length of service, old age, disability and invalidity due to an accident at work or an occupational disease". The agreement with Canada also covers export of all pensions under the Bulgarian legislation.

4.2.4 Family Benefits

Maternity and parental benefits in Bulgaria are granted on the basis of a social insurance contributory scheme in line with the Social Insurance Code and the Labour Code. It provides earnings-related (pregnancy and childbirth) and flat-rate (raising a child up to two years of age) benefits for economically active persons. Insurance is compulsory except for self-employed persons, who may join voluntarily. Family allowances are regulated mainly by the Law on Family Allowances⁹ and are granted through a tax-financed scheme, access to which does not depend on the insurance or economic status of the person (with the exception of child-raising allowance up to one year for uninsured mothers).

Resident citizens, EU nationals and non-EU foreigners, as well as Bulgarians residing in other EU Member States who are employed (employees and self-employed) and have contributed for 12 months of insurance for this risk are eligible to claim maternity benefits. There are no specific requirements regarding prior residence in Bulgaria or the country of birth or residence of applicants' child. The maximum duration for the maternity leave and benefits is until the 410th day of the child's birth. Upon expiration of this leave, insured persons are entitled to a flat rate parental benefit for raising a child up to two years of age.

Maternity benefits are dependent on previous earnings. The daily cash compensation is set at 90% of the average daily insurable income for the period of 24 calendar months preceding the month of leave due to pregnancy and childbirth. Employers are not legally obliged to pay wages during the maternity leave. Bulgarian citizens and foreign residents who receive maternity benefits can leave the country temporarily (there are no conditions specified in the law). Export of this benefit is possible only if Bulgarian and EU citizens move to an EU Member State or to a country with which Bulgaria has signed a bilateral agreement which covers this risk. The latter is the only option for non-EU foreigners to export such benefit.

The above-mentioned eligibility rules also apply for paternity benefits. All residents (including foreigners) and Bulgarian citizens residing in other EU Member States who are employed can receive the paternity benefit and leave for 15 days.

Child benefits in Bulgaria¹⁰ are conditioned to the residence and citizenship of the child. There is a residency requirement for children of Bulgarian citizens: Article 3 of the Law on Family Allowances requires both residence in Bulgaria and Bulgarian citizenship in case of families in which only one parent is a Bulgarian

⁹ *Закон за семейните помощи за деца*, Promulgated in SG 32/29 March 2002, last amendment in SG 105/ 18 December 2018.

¹⁰ There are one-off and monthly allowances. One-off benefits can be granted for raising twins, for raising of a child by a mother (adoptive mother) who is a full-time university student, for pupils enrolled in first grade, for free railway and bus transport to mothers of multiple children, upon childbirth or adoption of a child. Monthly allowances can be granted for raising a child below the age of 20 until graduation from high school, for raising children under the age of one, for raising a child with a permanent disability, or for a child without a right to survivors pension from a diseased parent.

citizen. Third-country nationals are eligible to apply for such benefits only on the basis of bilateral agreements. For instance, the bilateral agreement with Russia covers maternity and family benefits.¹¹ The agreement with Ukraine covers maternity (in Bulgaria) and maternity and family allowances (in Ukraine).¹²

4.2.5 *Guaranteed Minimum Resources*

Guaranteed minimum resource in Bulgaria is based on a general non-contributory minimum. Individuals who do not have the necessary means to meet their basic needs and require support for their reintegration in the labour market and society can receive monthly social assistance allowances (*Месечни социални помощи*) of a differential amount based on a discretionary entitlement. The allowances are means-tested and the provision is organised centrally. There is also a specific non-contributory minimum: the social old-age pension discussed above.

The Social Assistance Agency (*Агенция за социално подпомагане*) is responsible for granting social assistance allowances. The main provisions regulating these allowances are included in Law on Social Assistance.¹³ Only resident nationals and EU citizens are eligible for social assistance as long as they have exhausted all possibilities for self-support. Non-EU foreigners without long-term or permanent residence cannot claim this benefit in Bulgaria.

The social assistance allowance is granted if the following criteria are met:

- the lodging where the claimant lives is composed of maximum one room for each person living in the household;
- the claimant does not possess immovable property that can be a source of income except for the assets serving the usual needs of the family (determined by a social worker);
- the claimant does not have contracts for the transfer of property in return for the obligation for support and care;
- the claimant has not purchased residential or summer-house property in the last five years;
- the claimant has not received transfers of residential or summer-house property through endowment in the last five years.

The period of prior residence is not an eligibility requirement, but the current address of national and EU citizens must be in Bulgaria. Claimants of working age must seek suitable work. Unemployed persons must have been registered in the Labour Bureau Directorates at least six months before submitting their application

¹¹ See <http://www.nssi.bg/images/bg/regulations/icontrcts/Russia.pdf>

¹² See <http://www.nssi.bg/images/bg/regulations/icontrcts/Ukraine.pdf>

¹³ *Закон за социално подпомагане*, Promulgated in SG 56/ 19 May 1998, last amendment in SG 105/18 December 2018.

for social assistance and must have not refused any offer of employment, inclusion in literacy, and/or vocational training. Unemployed persons of working age who receive social assistance without being included in employment programs (under Article 12b of the Law on Social Assistance) are obliged to provide community work through programs organized by municipal administrations. They are required to work for 14 days, four hours a day and failing to do so could lead to the temporary suspension of the benefit.

The minimum resource benefit is dependent on income, assets and family composition. It can be received as long as the relevant conditions are met, with a reassessment at relatively long intervals of time. Those receiving the benefit can temporarily leave the country if they have received permission from the Ministry of Health for treatment abroad. Apart from that, there are no special provisions on absence but in practice this will be difficult if they need to look for a job or do community work. Export of such benefit in principle is not possible, but this issue is not clearly regulated in existing legislation.

4.3 Conclusions

The findings of this chapter demonstrate that EU citizens and Bulgarians residing in the country or in other EU Member States have access to most social benefits granted in Bulgaria. Regarding third-country nationals, only long-term residents are covered for most benefits. Such social protection rights are also granted to beneficiaries of international protection, as well as special categories of migrants such as Blue Card holders on the basis of EU law.

In general, the Bulgarian social security law does not impose nationality requirements with the notable exception of the Law on Social Assistance which extends the rights under this act to several groups of non-EU citizens. Period of residence is not a formal requirement under Bulgarian social security law, but the current address must be in Bulgaria for most benefits. Despite the fact that eligibility differs for the various categories of benefits, the general procedures for national and foreign beneficiaries are the same. The legislative framework does not impose limits to temporarily absences either. However, there might be practical obstacles in some cases if persons leave Bulgaria temporarily. In case of permanent residence abroad (outside the EU), the export of benefits depends on bilateral agreements between Bulgaria and third countries.

There are several factors explaining Bulgaria's policy in this field. Firstly, the social protection expenditure as a percentage of GDP in the country is still below the level of other EU Member States, and the rates of poverty and social exclusion in Bulgaria are very high. In 2017, 39% of the total population lived at a risk of poverty or social exclusion (European Commission, 2019, p. 38). These facts suggest that social policy effectiveness in Bulgaria still comes short of ensuring that all resident nationals enjoy an adequate level of income protection. Therefore, the

current state of play of the national social protection system could be attributed to its overall design and political economy rather than to specific migration policy aims.

Another critical issue is the institutional coordination of the social protection and migration policies. As mentioned above, Bulgaria's social protection legislation generally does not impose limitations on access to cash or in-kind benefits depending on criteria such as nationality or length of stay in the country. Despite that, in some cases access to social benefits of third-country nationals can be hindered by policy designs and institutional arrangements outside the scope of the social protection system. For instance, employment status and history are the most important factors determining foreigners' access to contributory benefits. Notwithstanding that social security laws do not differentiate between beneficiaries of different nationality, in order to become entitled to social security benefits, foreigners have to accumulate necessary periods of contributions. Apart from cases where EU regulations and/or bilateral agreements are applicable, this requires a certain period of employment in Bulgaria and therefore depends on residence and work permits issued sufficiently long before the risk in question occurs. When it comes to social assistance, in order for non-EU citizens to be eligible for continuous residence, they need to have sufficient means of subsistence without recourse to the social assistance system in line with the requirements of Bulgarian migration law. The same is valid for accessing long-term residence status. This means that although the social security law does not limit the rights of non-EU citizens to such benefits, migration law poses restrictions in this regard.

To sum up, Bulgaria, which has a rather small share of foreign population and does not consider attracting immigration as a political priority, has put in place a rather restrictive labour migration policy that has an effect also on the number of foreigners who are eligible for social security benefits.

Acknowledgements This chapter is part of the project “Migration and Transnational Social Protection in (Post)Crisis Europe (MiTSoPro)” that has received funding from the European Research Council (ERC) under the European Union's Horizon 2020 research and innovation programme (Grant agreement No. 680014). In addition to this chapter, readers can find a series of indicators comparing national social protection and diaspora policies across 40 countries on the following website: <http://labos.ulg.ac.be/socialprotection/>. This work has also been partially supported by a Rubicon grant (project number 019.191SG.008) of the Netherlands Organisation of Scientific Research (NWO).

References

- Angelov, G. & Vankova, Z. (2011). Current Trends in Cross-border Workforce Migration from and to Bulgaria According to Other Indicators. In I. Ivanova (ed.), *Trends in Cross-border Workforce Migration and the Free Movement of People – Effects for Bulgaria*. https://osis.bg/wp-content/uploads/2018/04/OSI_Publication_Law_7_en.pdf. Accessed 2 March 2019.
- Angelov, G. & Lessenski, M. (2017). *10 years in the EU. Trends in Bulgarian migration*. Open Society Institute Sofia. <https://osis.bg/?p=392&lang=en>. Accessed 3 March 2019.
- Bobeva, D. (1994). Emigration from and immigration to Bulgaria. In H. Fassmann & R. Münz (Eds.), *European migration in the late twentieth century. Historical patterns, actual trends, and social implications* (pp. 221–238). Hants: Edward Elgar Publishing.

- Council of Ministers. (2015). *National Strategy in the field of migration, asylum and integration (2015–2020)*. Council of Ministers' decision no 437/ (p. 12 June 2015).
- Eurostat (2018a). [tps00098] - Expenditure on social protection - % of GDP. <https://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&language=en&pcode=tps00098&plugin=1>. Accessed 3 March 2019.
- Eurostat (2018b). Residence permits for non-EU citizens. 166/2018. <https://ec.europa.eu/eurostat/documents/2995521/9333446/3-25102018-AP-EN.pdf/3fa5fa53-e076-4a5f-8bb5-a8075f639167>. Accessed 3 March 2019.
- European Commission. (2019). *Country report Bulgaria 2019 including an in-depth review on the prevention and correction of macroeconomic imbalances*. SWD (2019) 1001 final (p. 2019). Brussels, 27.2. https://ec.europa.eu/info/sites/info/files/fileimport/2019-european-semester-country-report-bulgaria_en.pdf. Accessed 2 March 2019.
- Hristoskov, J. (2000). The mandatory public insurance – Changes, characteristic and contents of the code on the mandatory public insurance. In *The Bulgarian pension reform one year after the start* (pp. 10–16). Sofia: Pony Advertising.
- Hristoskov, J. (2001). The Bulgarian pension system one year after the new beginning – A forward-looking assessment. In *The Bulgarian pension reform* (pp. 5–13). Sofia: Pony Advertising.
- Krasteva, A., Otova, I. & Staykova, E. (2011). *Satisfying Labor Demand through Migration in Bulgaria 2004–2009*. European Migration Network. https://ec.europa.eu/home-affairs/sites/homeaffairs/files/what-we-do/networks/european_migration_network/reports/docs/emn-studies/labour-demand/03.bulgaria_national_report_satisfying_labour_demand_through_migration_final_version_28january2011.pdf. Accessed 3 March 2019.
- Markova, E. (2010). Optimising migration effects: A perspective from Bulgaria. In R. Black et al. (Eds.), *A continent moving west?: EU enlargement and labour migration from Central and Eastern Europe* (pp. 207–230). Amsterdam: Amsterdam University Press.
- Markova, E., & Vankova, Z. (2014). Bulgaria. In A. Triandafyllidou & R. Gropas (Eds.), *European migration: A sourcebook* (pp. 41–55). Aldershot: Ashgate.
- Mihaylova, S., & Bratoeva-Manoleva, S. (2016). Social transfers and income inequality in Bulgaria. *Bulgarian economic papers*, 10–2016. Sofia: Center for Economic Theories and Policies.
- National Contact Point to the European Migration Network in Bulgaria (EMN) (2014). *Migrant access to social security and healthcare: Policies and practice. Main study*. https://ec.europa.eu/home-affairs/sites/homeaffairs/files/what-we-do/networks/european_migration_network/reports/docs/emn-studies/illegally-resident/03.bulgaria_national_report_social_security_en_version.pdf. Accessed 2 March 2019.
- Nedeva, D. (2007). *State of preparedness of the Republic of Bulgaria for joining the Schengen Zone*. Open Society Institute Sofia. https://osis.bg/wp-content/uploads/2018/04/OSI_Publication_EU_11_en.pdf. Accessed 2 March 2019.
- Novosky, N. & Milev, J. (2014). *Bulgarian welfare system (1989–2014) during the transition and the crisis*. Munich Personal RePEc Archive. https://mpira.ub.uni-muenchen.de/62039/1/MPRA_paper_62039.pdf. Accessed 2 March 2019.
- OECD. (2010). *Trends in international migration: SOPEMI 2009 edition*. Paris: OECD Publishing. https://doi.org/10.1787/migr_outlook-2009-1-en. Accessed 2 March 2019.
- OECD. (2018). *International migration outlook 2018*. Paris: OECD Publishing. https://doi.org/10.1787/migr_outlook-2018-11-en. Accessed 2 March 2019.
- Sredkova, K. (2016). *Social insurance law* (5th ed.). Sofia: SIBI Publishing.
- Tache, I., & Neesham, C. (2011). The performance of welfare systems in post-communist Europe: The cases of Romania and Bulgaria. *International Journal of Economics and Research*, 2(5), 90–107.
- Vankova, Z. (2018a). *Circular migration from the Eastern neighborhood to the EU: The rights of migrant workers in Bulgaria and Poland*. PhD Dissertation. Oisterwijk: Wolf Legal Publishers.
- Vankova, Z. (2018b). Poland and Bulgaria's bilateral agreements with Eastern partnership countries in the context of circular migration. *European Journal of Social Security*, 20(2), 88–203.

Open Access This chapter is licensed under the terms of the Creative Commons Attribution 4.0 International License (<http://creativecommons.org/licenses/by/4.0/>), which permits use, sharing, adaptation, distribution and reproduction in any medium or format, as long as you give appropriate credit to the original author(s) and the source, provide a link to the Creative Commons license and indicate if changes were made.

The images or other third party material in this chapter are included in the chapter's Creative Commons license, unless indicated otherwise in a credit line to the material. If material is not included in the chapter's Creative Commons license and your intended use is not permitted by statutory regulation or exceeds the permitted use, you will need to obtain permission directly from the copyright holder.

