

HomeNet Eastern Europe and Central Asia

Proposals of workers in informal economy during COVID19

INFORMAL WORKERS DURING AN EPIDEMIC

Most people enter the informal economy not by choice, but because of the lack of opportunities in the formal economy and the lack of other means of subsistence.

The decent work deficit - the denial of labor rights, the lack of sufficient employment opportunities, inadequate social protection and the lack of social dialogue - are most pronounced in the informal economy.

Informality has many causes, including governance and structural problems, and public policies can accelerate the transition to a formal economy in the context of social dialogue.

There are several main groups of workers in the informal economy:

Home workers

There are two main categories of home workers. The distinction is important in understanding the challenges these workers face:

- **Self-employed home workers assume all the risks of being independent operators.**

They buy their own raw materials, consumables and equipment and pay for utilities and transportation costs. They sell their finished products mainly to local customers, but sometimes to international markets. Most do not hire others, but may have unpaid family members working with them. They deal with traditional Bulgarian crafts and some modern ones. In Bulgaria they are about 300,000 people over the age of 45 in all cities, even in Sofia.

- **Hired home workers** (called home workers) are hired by individual entrepreneurs or companies, often through an intermediary. They are usually given raw materials and paid in cash, not much cover production costs: workplace, equipment, supplies, utilities and transportation. Usually they do not sell the finished goods themselves and often do not know where or to whom the goods will be sold. This type of workers are about 150,000 people in smaller settlements employed in the clothing and footwear industry.

In both categories, these workers cope with low income, irregular and / or canceled work orders, unreliable raw material delivery, late payment and rejected goods. Larger economic trends, such as fluctuations in demand and rising commodity prices, affect both groups, but the self-employed in particular.

Domestic workers

Like domestic workers, they work entirely in the gray sector without employment contracts and insurance. The exact number of domestic workers is not known for certain, but according to the SNAP, there are somewhere around 80,000 people. They usually work as babysitters and are younger workers. Caregivers, gardeners and teachers are in most cases of or near retirement age. In the context of insufficient recognition and low pay for care workers, caregivers placed in the employer's home go unnoticed by policy makers. Their payment depends entirely on the will of their client.

Unregistered agricultural producers

In many settlements in the country, especially in Southwestern, Northeastern and Central Southern Bulgaria, greenhouse production is highly developed. Many of this type of producers do not have the opportunity to register as agricultural producers due to lack of decares of land and income that

would allow them to work as such. According to data from the USSR, these producers do not receive more than BGN 8,000 annual turnover and are about 25,000 people. Usually, the whole family works in greenhouses and relies on this income to provide for their family and themselves. They are mainly engaged in vegetable production, fruit growing and viticulture.

What do we want for these informal workers NOW?

1. To create a register for MLSP of these workers, thus legalizing their labor. At a certain stage of their development, they can become entrepreneurs, register a small company and more. They are useful because their work creates products or services that are used by companies, by individuals and does not suck up the social assistance system. They are useful because farmers could sell their produce on mobile markets. This will move them to another level of accumulation of funds. And at some point they will want to register themselves under Ordinance 3. Self-employed domestic workers are a wealth for the state. They, with their work, preserve the Bulgarian tradition in handicrafts, but under the current conditions they cannot make more than BGN 5,000 annual turnover. At the same time, they enrich it, using traditional elements in a modern version. Bulgarian handmade souvenirs should be present in our tourist sites, recreating the native traditional culture.
 2. Guaranteeing a minimum wage for each worker, about BGN 320 per month for the period of emergency.
 3. The treatment of all informal workers infected with coronavirus should be fully covered by the state.
 4. Rescheduling loans to informal workers.
 5. Obtaining interest-free loans to recover your products.
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Municipal representative shops

Proposals for a new structure for the development of small producers

Based on the current crisis situation, we offer an appropriate form for organizing and developing self-employed and small producers with economic, political and educational benefits.

1. To establish municipal representative shops at appropriate municipal or state places throughout the country.
2. In these shops to sell goods to self-employed domestic workers, craftsmen, craftsmen and other producers of Bulgarian products - ONLY FROM THE AREA.
3. Producers to be united in a union, in the form of a cooperative or other form.
4. To establish in the municipalities a register with the names and products of the producers of the association.
5. The unions thus created by districts will be served by accountants, lawyers, vehicles, etc. persons and services required for their operation.
6. All municipal stores must have security systems, cash registers and site insurance.
7. Self-employed home-based workers, artisans and small third-party vendors will come to light. Their regular monthly contributions will contribute to increasing budget revenue.
8. All of them will have an interest in organizing and participating in local and national fairs and exhibitions. They will not depend on individual sole proprietors or companies that now suck up their work with high rents for individual events.
9. Exhibitions need to be organized at the local level under the auspices of mayors and district governors, and at the national level - under the auspices of the President or the Prime Minister.
10. Prizes should be awarded at local exhibitions and national prizes should be given once a year to local exhibitors. The masters will train all year long active members who can receive a certificate of mastery at the end of the year.
11. Bulgarian producers will impose traditional Bulgarian crafts and will revive the beauty of

the native products.

12. Small producers will support their family budget on the one hand, and on the other hand will contribute to the local budget's financial revenue.
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BOXES

Proposals based on the case - "shop"

Based on the current crisis situation, as well as the story with the chain "Shop", we offer a new method. It will create opportunities for development of family and small businesses throughout Bulgaria. It can find employment for 500 - 2000 families.

1. At appropriate municipal or state locations throughout the country to be allocated 12 square meters on which to build boxes for sale of different types of goods. Newspapers, magazines and books should be included with them.
 2. To assign to a company to make the same type of booths, in accordance with the development of the activities and the environment.
 3. The land and the booths to be purchased with loans from the Development Bank.
 4. Booths should be loaded directly from the manufacturing companies or their distributors.
 5. For the purpose of this business to be structured as EOOD or OOD. The companies created in this way will be served by accountants, lawyers and others. persons and services required for their operation.
 6. Over 50% Bulgarian goods must be sold in the built booths.
 7. All booths must have security systems, cash registers and site insurance.
 8. The family and small businesses will come to light. Regular monthly contributions from start-ups will help increase budget revenue.
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SOCIAL ENGAGEMENT IN TOURISM AFTER THE CRISIS PERIOD

1. Establishment of mutual cooperation between the Ministry of Tourism, the Municipal Authorities and the Manufacturers of Bulgarian Crafts / Craftsmen and Self-employed Home Workers / for the establishment of training centers, qualifications and exhibition halls. The authors of the traditional professions in these separate professional units will be able to exchange their experience, pass on their knowledge to the younger and inexperienced and realize their products.
2. The Ministry of Tourism, through the municipal and state authorities, as well as the branch organizations, needs to support the Bulgarian craftsmen and self-employed for determining the commercial area near the tourist sites.
3. Under the auspices of the mayors in the country to hold municipal festivals with awards with a one-year cycle. This cycle should end with a national festival under the patronage of the government or the president.
4. To build an online platform with the Ministry of Tourism to reflect and promote traditional crafts.

Why we want it and what are our goals:

1. All craftsmen and self-employed domestic workers from the ethnic groups inhabiting our country will be involved in the development of Bulgarian folk crafts.

2. The centers will help preserve the culture and traditions of the Bulgarian ethnic groups.
3. Strengthening the exchange between municipal cities and the labor of manual, traditional producers will rise on a pedestal.
4. Strengthening the links between local government and producers on the one hand and, on the other hand, local and central government will strengthen Bulgarian patriotism.
5. There are currently many festivals, exhibitions and fairs, but not under the auspices of the state, but of individual companies. No one controls the goods being sold. Very often, these social events are broad-based. The companies do not aim to support artisans and self-employed domestic workers, but to make more profit.
6. When were Bulgarian souvenirs and handicrafts sold on the Chinese or Indian market ??? Why should we do it, even on our national holidays Chinese goods are sold. How to buy local handicrafts in Central Asia, even though they live close to China !!!
7. We must give thousands of producers of tradition and beauty income and dignity.
8. The Ministry of Tourism, the mayors and the branch tourist organizations will be involved in the protection of the Bulgarian

Afterword

Now is the time to sell the items of Bulgarian craftsmen and self-employed workers on the Bulgarian markets and tourist sites. To impose our own production, which reflects the way of life, traditions and culture of our people. In this way we will be able to develop the livelihood of the people who are constantly reviving the cultural values of our homeland. They will regain their self-confidence as artists and will take their rightful place in society. Their well-being can only be a contribution to the budget. While the import of foreign souvenirs only drains the budget and does not contribute to crafts. Units are enriched by trade in foreign goods, especially Chinese and Indian. In Central Asia, presidents support the revival of crafts in various forms, similar to Renaissance politics. This policy not only gives income to the poorest, but also inspires self-esteem and pride that with their craft they glorify their country.

AGRICULTURAL PRODUCERS

Our proposals for the next 3 years

The transformation of our economy after the Crown virus will put the Agriculture and related sectors in the new place - because of our food and national security and the changing demands of citizens and consumers. In a state of pandemic and social exclusion, we must finally acknowledge that in any production process, the role of workers is crucial. Today, however, it is the food chain workers who are redoubling their efforts to provide our food in a crisis.

The new conditions clearly show us that the economy is driven not by large domestic and external concerns, but by small and medium-sized producers.

In view of the above, we propose a change in the current structure of markets and the supply of agricultural produce.

1. All producers / to amend Ordinance №3 of January 29, 1999 / to have permission to sell their products on "mobile markets" in cities within 100 km. Depending on the size of the city, the place and number of markets are determined. It would be good to be in the center of the city or area.
2. Manufacturers who sell must have their own means of transport. It will be equipped so that there is no need for stalls. The state, the Ministry of Economy and the Ministry of Transport to help use the zero lease for a vehicle, because after the crisis this market will be in recession. This will help to overcome the economic crisis.
3. Constant markets should be established in each town and village at the entrance or exit.

Traders can also sell there.

4. To buy only big chains on the stock exchanges, with a list made. They should charge large retail outlets. The size and number of exchanges should be determined according to the population size.
5. Develop an online platform for on-site advertising and procurement from door to door to each city. It should include all productions related to the food chain by region.
6. Ensure the conclusion of individual contracts between manufacturers and individual natural or legal persons.
7. Pay the rent on the mobile markets and the permanent markets directly to the respective municipality.
8. The agricultural producers, who cannot be registered under Ordinance №3, to be kept on a report for purchases and sales to the NRA, without being taxed. Their turnover per year does not exceed BGN 8,000 in a good year. These people do not receive much income and cannot cover the obligations under Regulation №3. If they collect all cost invoices and apply to the NRA, they will be useful as a control unit for the NRA. In this way, they will save a large state resource for the costs of tax audits and market surveillance.

In order to implement these measures, several organizations need to work together:

- Addition of Regulation 3 jointly with MAFG, trade unions and branch organizations;
- the Ministry of the Interior to ensure the protection of the types of markets;
- municipal mayors to draft rules for the use of markets;
- MLSP with trade unions and branch organizations for elaboration of insurance thresholds;
- MI and MT to support the transport of agricultural producers;
- MH and HEI for certificates and permits.