

At Focus:

Bulgaria

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Questions for the colleague Petar Abrashev about the results of the crisis for the polish wood and furniture industry and about trade union fields of activity?

➡ **Since 2009, the global economic and financial crisis has also significantly influenced the wood and furniture industry. Which were the economic results had the crisis on the enterprises and the sector in your country and what are the current developments?**

The economic crisis led to a sharp reduction in demand of the construction timber and furniture for hotels, offices, administrative buildings. The shrinking consumption facilitates the realization of cheap Chinese and Asian furniture.

The consequences are as follows: a decrease in production of nearly 50%; drop in sales of production nearly with 50%, lowering prices of the products by 25-30%.

- To this we must add the fact that a significant number, especially small companies stopped their activities. Some of the companies switched to reduced working hours.

The social spending was limited. It comes to the reduction of the wages and their irregular payment. In this situation, producers, especially those from large and medium companies shift their production to higher price range - more expensive and stylish furniture, more efficient pieces of wood (furniture, panelling, and flooring).

There is striving for more effective and efficient use of EU funds under the Competitiveness and Human Resources programme.

➡ **What are the consequences of the crisis for the employment in the sector? What has grown worse – for example for jobs, working hours, salaries or labour standards in the company?**



Petar Abrashev is President of FSOGSDP. Branches of the federation: forestry, wood processing industry, and furniture and cellulose-paper industry

As a result of the crisis in woodworking branch the employed decreased by 2 349 people (14%), while those in the furniture industry decreased with 5 526 people (20%). The social benefits (meal vouchers, extra charge of medical care, vacations and prophylactics for risk occupations) were reduced. Appear "neighbourhood" carpenters and woodworkers, which generally undercut the prices and are mandatory in "informal" sector.

➡ **How have the trade unions handled the crisis? What were your instruments and strategies to protect jobs and employees? How successful were you?**

In this situation, the union is working in several directions:

- jointly with the employers branch chamber we studying and analyzing the situation in woodworking and furniture industries;
- maintain database for development of processes;
- prepared and signed an agreement on anti-crisis measures;

There are indications of positive trends that encourage us in dialogue with employers' structures.

➡ **What should be the further activities of trade unions to support the interests of employees (like secure jobs, good labour standards and wage agreement salaries) even under crisis conditions? What are your approaches on company and sector level?**

Our actions are with priority to the following:

- joint actions with social partners in terms of consultation meetings with the producers of timber,
- introduction of rational modes of sale,
- termination of contracts with intermediaries,
- more expensive production,
- organization of training and retraining of workers,

- attracting young people in enterprises of the branches.

Maximum preservation of the arrangements made at branch level.

➡ The European and international competition in the wood and furniture sector will remain significant in the future even after the crisis. Many companies have to improve their products and qualities. What is the importance of vocational further training of the employees in this context?

In the context of increasing competition in our industries the continuing vocational training is a key issue. In this we see an opportunity for better adaptation and dynamic technological innovation and competition, improving quality and reducing risks at the workplace

➡ How far is qualification a topic of your company and sector activities today? What has improved, where are still deficits?

In woodworking and furniture sector employers and trade unions are convinced that they must go through training and qualification. Lack of resources or reduced resource guide employers and employees towards short-term or without discontinuing work.

The new branch collective agreement, effective from 10 January 2010 we included specific obligations of the employers in companies related to the systematic training of personnel, active involvement of trade unions in the process, additional paid leave of up to 5 working days in one calendar year for qualification. Binding the qualification of the employee with the growth of his wage. Furthermore, we made steps to the Ministry of Labour and Social Policy for the extension of the contract clauses of the Branch agreement in all enterprises of the branches, which would be a good opportunity to cover small businesses.

➡ Do you have trade union or company-based initiatives for a systematic and improved further training for employees of wood/furniture sector?

Thanks to our participation in the project INNO2 we made thorough examination the actual state of continuing vocational training in both branches. We found gaps in cooperation with employers' chamber and other institutions involved in vocational training and we have initiated a systematic training and its improvement over the years.

➡ What do you expect from the European Cooperation in the project INNO2? What results do you expect in the context of further training?

From the cooperation on the project INNO we expect the consolidation of CVT strategies:

- access to CVT, at different levels of knowledge and skills;
- actions on the validation of knowledge and skills in the EU Member States;
- validation of formal and informal learning, its recognition and assessment;
- clarification of methodologies, mechanisms and tools, objectives and responsibilities of the institutions of CVT.

We expect, especially in times of crisis, the acquired knowledge, skills and competences to be recognized (validated) by euro certificate which to facilitate the access to secure jobs in a global world. We hope to continue cooperation, both through the European Network and through other appropriate forms, including a new project.

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