

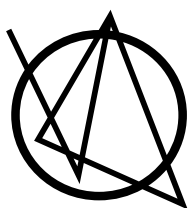
# **EXPLOITATION & RESISTANCE**

## **Labour in Three Subcontracting Industries**

**Georgi Medarov**

**Jana Tsoneva**

**Madlen Nikolova**



**COLLECTIVE  
FOR SOCIAL  
INTERVENTIONS**



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© **Authors:** Georgi Medarov, Jana Tsoneva, Madlen Nikolova

**Translator:** Veronika Stoyanova

**Researchers:** Georgi Medarov, Ina Dimitrova, Jana Tsoneva, Julia Rone, Madlen Nikolova, Ognian Kassabov, Veronika Stoyanova

**Graphic Design:** Filip Panchev

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"Maybe he needs two hunderd men, so he talks to five hunderd, an' they tell other folks, an' when you get to the place, they's a thousan' men. This here fella says, 'I'm payin' twenty cents an hour.' An' maybe half a the men walk off. But they's still five hunderd that's so goddamn hungry they'll work for nothin' but biscuits. Well, this here fella's got a contract to pick them peaches or—chop that cotton. You see now? The more fellas he can get, an' the hungrier, less he's gonna pay. An' he'll get a fella with kids if he can, cause—hell, I says I wasn't gonna fret ya."

John Steinbeck, *The Grapes of Wrath*

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## Introduction

*This book takes a snapshot of labour conditions in three subcontracting sectors in Bulgaria – the garment, security, and call centre industries. Although the analysis does not aim to be comprehensive and representative, it offers a critical introduction and a guide to some of the key problems of labour relations for all of us who seek to know under what conditions an effective social movement for social justice can be built.*

*We turned our attention to subcontracting companies since this is typically where we see some of the worst labour conditions, and it is also where workers' rights to unionise tend to be most limited. Our research is based on semi-structured interviews and conversations with the workers, and we quote these extensively. By rounding up workers' voices in the text, we want to show the everyday perspective on labour relations from the vantage point of the workers themselves, hoping that this would both bring the text to life and also sharpen our grasp of conditions. In this sense, is also a critique of the growing number of elitist and antidemocratic representations of 'the masses' of Bulgarian citizens, who are often disparaged in media as irrational, resigned, easily swayed, whilst also mired in rigid beliefs. As the interviews themselves will show, workers provide immensely fine-tuned analyses that radically depart from the political and media mainstream which tend instead to indulge in neoconservative fantasies about conspiracies and 'gender ideologies'. Our analysis of the interviews also places workers' narratives in the context of the political and economic transformations after 1989.*

*In the first chapter, we examine our principal concerns and presuppositions. We put forward the key themes and problems of the research, that is, the nature of the relationship between inequalities and exploitation, as well as questions about the sort of social and political changes that can lead to the emergence of a democratic and progressive form of social transformation. In this chapter we also outline our reasons for choosing the garment, security, and call centre industries, we spell out our methodological approach, and we sketch out our key findings.*

*The second chapter deals with the garment industry. We first put the sector in the context of global capitalism's history. We also examine briefly the relationship between the transnationalisation of production, the globalisation of value-ex-*



*traction chains (consisting of global brands and local subcontractors) and the exploitation of labour. The chapter then describes some of the most widespread technologies of exploitation used in the sector, such as management by stress, labour intensification, piecework remuneration, as well as excess overtime. We further offer examples of everyday critique and resistance (such as workers' self-organisation through trade unions) and their positive effects.*

*In the third chapter, we deal with subcontracting in the private security business. The growth of subcontracting in this sector is not a product of global value chains, but has instead been generated by politics at the national level. Unlike the garment industry, this sector lacks forms of exploitation such as piecework remuneration or management by stress, but suffers from equally dreadful working conditions, poor pay, and grave breaches of labour legislation. Particularly telling here are the differences we discover between labour conditions for workers hired directly by state institutions and those hired by a private subcontractor working for the same institutions.*

*In the last chapter, we turn our attention to subcontractors in the call centre business as the central player in Bulgaria. We show that in spite of the significantly higher pay, as well as the relatively better working conditions, labour here suffers from problems that are surprisingly similar to those of the garment industry, such as an intensified and despotic labour discipline. Unlike the garment sector, however, call centres appear to attempt to iron out some of the contradictions between management and workers, and to create a corporatist organisation of labour in lieu of trade unionism that is nowhere to be seen in this sector.*

The English translation is an abridged version. The full-length study is available only in Bulgarian at <http://novilevi.org/publications/319-exploitation-resistance-pdf>

# Chapter 1.

## Exploitation and Resistance in the Workplace

### Inequalities and exploitation

Among European Union member-states, Bulgaria has the highest proportion of people who live in severe material deprivation, and it also tops the rankings on income inequality. These disturbing indicators reflect alarming tendencies that in effect annihilate dignified life – and sometimes life itself – for large groups of people. Such poverty undoubtedly erodes the social fabric, and is commonly considered a key factor in the rise of support for far-right ideologies replete with xenophobia and racism. The fight against poverty and inequality then increasingly appears as both a form of moral duty for the betterment of real human lives, and a matter of political urgency, if we were to preserve social cohesion and ‘fight extremism’.

To tackle inequalities, however, we must first identify their root causes, which would enable us to launch radical critique – literally, critique that penetrates the roots of the problem. Neoliberal ideologues, corporate media, technocrats, and politicians of all stripes frequently attribute inequalities to a purported bad investment climate, low-skilled labour, ‘business-unfriendly’ public education, low labour productivity, and slow economic growth. Yet, these claims appear at odds with reality: Bulgaria has had a relatively good economic growth rate (3.5% of GDP for 2017 against an EU average of 2.4%), but continues to see a significant increase in inequalities – the wealthiest 20% are 8 times better off than the poorest 20% (against an EU average difference of 5 times).

It is thus fairly obvious that the enormous inequalities and poverty in Bulgaria do not come from any sort of ‘bad investment climate’, but instead from labour exploitation, an ill-functioning welfare system, low wealth redistribution, and a practically regressive tax system.<sup>1</sup> As Bulgarian trade union activists have frequently noted, the average labour productivity in Bulgaria is two times lower than the average for the EU, but pay is five times lower (and not just twice as low!). The only way we can explain this discrepancy is by accounting for the phe-

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<sup>1</sup> See Kassabov, Ognian, Ivaylo Atanasov, Vanya Grigorova (2018) *Flat Tax or Democracy? Towards a Progressive Tax Reform in Bulgaria*. Sofia: KOI.

nomenon of *unpaid labour*, that is, to admit that what we are witnessing far and wide in Bulgaria is *labour exploitation*. How exploitation occurs is precisely what interests us in this book. Such high inequality rates cannot be – and are not – something ‘natural’; they are instead a direct product precisely of the high levels of exploitation and of unfair pay for workers’ labour.

Our research also aims to show that these trends are not irreversible. There exists an active labour resistance in Bulgaria, which has the potential to grow into a movement for real change. Workers, though often poor and exploited, are not voiceless victims – they resist their subjection and sometimes actively struggle to change the predicament in which they find themselves. These processes are difficult and the levels of wider-scale collective organisation are relatively low, but workers do consistently engage in active efforts aimed at change. This is why this study is also an attempt to overcome the defeatist and apathetic attitude that seems to have gripped a significant part of Bulgarian society. In this sense, this text should also be read as a call for action.

## **The social and political roots of inequalities**

Unfortunately, despite being of absolute urgency, democratic socialist accounts of inequalities in Bulgaria are highly marginalised. The hegemonic account has shifted what passes for ‘normal’ so much to the right, that even reports by the EU Commission – a manifestly neoliberal institution – are significantly more ‘leftist’ than the mainstream in Bulgaria. Undoubtedly, a consensus on the necessity of wealth redistribution and a fair tax policy is a necessary precondition for the fight against inequality. Yet, these are also far from enough. If we reduce inequalities to income inequalities, we would be ignoring a host of other important and entrenched types of inequalities, such as those stemming from the regime of private property ownership, and inequalities based on class, health status, housing, gender and sexuality, ethnicity and religion, cultural and educational disparities.

Thinking in abstract terms only, concepts such as ‘inequality’ and ‘poverty’ can strip the problem of its political charge, presenting it as a matter of morality instead: “Let us take care of those whom Fortune has abandoned!” The category of “poverty” often conjures up explanations that blame the victims, or present them as passive and/or unwilling to escape their predicament. What is more, this makes it easier for us to ignore and forget about the very real

practices of exploitation and coercion which essentially produce 'inequality' and 'poverty' to start with. Inequalities do not emanate mystically from some sort of 'fate' but are a product of the unequal structure of society. And to the extent that the poor are victims, they are victims not of some impersonal force, but of the same forms of exploitation and coercion which have very visible economic and political foundations. **Poverty is not a product of chance** – it is inherited, just like wealth.

We are often told that industry and the economy are the spheres where 'natural inequalities' reside – inequalities that cannot be changed. "There are always winners, and there are losers" – they often say. "It is acceptable," they argue, "for the state to interfere and attempt to reduce inequalities only after economic production and the market have done their job." Yet, such a view turns a blind eye to politics at the workplace – it ignores trade union struggles for collective labour agreements, for improving working conditions, etc.

The practice of ignoring conflicts and embracing formal mechanisms such as *social partnership* and *tripartite cooperation*, also deprive the critique of inequalities of its political charge. It creates the illusion that there exists a singular social, nation-wide interest, rather than a range of contradicting interests (between those of Capital and those of Labour). Or, if there are such differing interests, they can co-exist in harmony and be reconciled via consensus building and rational dialogue. Rejecting conflict in principle (e.g. via the aforementioned 'fight with extremism') obscures the fact that too many societal relationships in our day are fundamentally based on conflict and coercion. And when we ignore social conflict, particularly socio-economic conflict, we miss seeing how ethnic and religious conflicts set off by the far-right, are in reality nothing more than a fake substitute for existing socio-economic conflicts.

Conflict and contradiction in society cannot be erased while they still continue to define and shape its foundations. That would be the same as trying to decrease the unwillingness of workers to labour in a certain industry by whitewashing the industry's reputation, rather than improving the working conditions in it. Instead, we need to unpack the socio-economic core of societal conflicts. Only when we manage to face the real problem – structural contradictions between Labour and Capital – will we alleviate and possibly overcome social conflict.

## Exploitation and resistance

Presenting inequalities and poverty as just a side effect of capitalism prevents us from identifying the **possible agents of social change**; and it further fails to explain phenomena such as unpaid labour, exploitation, coercion, wage theft, and time theft. In other words, even if we invent an ideal model for progressive policies which lead to a reduction in inequalities, we would still not know under what political conditions these policies would be possible, and what the roots of these inequalities are. We need to identify those individuals and social groups that are capable of bringing about such social changes. But these conditions cannot at the same time be reduced to persuading 'the masses' because inequalities are also political – so a top-down approach would do nothing but reproduce them. In this sense, we need to see how victims of exploitation and inequalities can become an agent of social change and can break themselves free from exploitative conditions.

The objective fact that certain groups of people are exploited and receive low incomes does not make them a social/political force just yet. What is further required is that they become aware of their common interest and acquire the organisational capacities to defend this interest collectively. This is why our research pays special attention to the different forms of trade union activity, the different forms of collective organisation and self-organisation of labour, as well as to workers' forms of consciousness. Our use of 'consciousness' does not refer to a sort of individual psychology. 'Consciousness' – that is, how people perceive themselves – concerns specific material practices and conditions. These, however, do not simply reflect objective social conditions: we could use 'objective criteria', such as monthly income, to break society into different classes – lower, middle, and higher etc. Yet, this exercise would yield no knowledge of how these groups think of themselves. This is not to claim that self-perception is random; on the contrary – it is embedded in specific social practices – consumer behaviour, lifestyles, social environment, cultural consumption, and of course labour conditions and organisation (e.g. if it is corporatist, i.e. top-down, or syndicalist, i.e. bottom up).

Purely quantitative criteria (such as income levels) cannot explain differences and contradictions between structural positions in economic relations either. We must pose the question of class – not in terms of income levels or consumer choices, but as a position in the relationships of production. We must distinguish between wage labour and capital. Yet, neither Labour, nor Capital are homoge-

nous entities: as mentioned previously, the subcontracting companies are in a subordinate position in relation to their contractors; yet, their subordinate position does not then place them on the side of the workers they hire, but instead sharpens their conflict with workers (because of the pressure to cut costs, as our analysis of the garment industry will show). Also, the fact that both garment workers and call centre workers are wage labourers does not automatically make them part of one political 'class' – we will show that they are far from a unified class subject capable of common struggle. Unless, of course, a sort of collective organisation (for example a confederation or a political movement) and certain conditions which could unite them emerge – for example as a chain of common demands for a progressive tax reform or on the grounds of shared environmental concerns. This is why, in our study we attempt to lay bare at all times the contradictions between the objective position of workers (their wage labour relationship to Capital), their specific labour conditions in the company for which they work, as well as their subjective perceptions ('consciousness') of themselves as workers and of their relationship to management in the workplace.

## **Employers and employees**

The neoliberal *doxa* typically presents economic value in production as generated by the creative force of the capitalist. Even the very word 'rabotodatel' ('employer') in Bulgarian is composed of the words 'work' and 'give' (literally 'jobgiver') – as if businesses simply *give away* jobs because they have the free will and benevolence. Far from this, it is the workers who produce commodities whose sale then brings profit to the 'rabotodatel'. Even if we were to say that the production of economic value would not have been possible without technical resources supplied by Capital, the businesses under scrutiny in our study – subcontractors – generate no technical innovations whatsoever: after all, subcontracting call centres in Bulgaria never invented the telephone or the internet, nor did the garment subcontractors invent the sewing machine. At best, subcontractors buy (or rent) these machines with the profit they have extracted from workers' labour. We say 'at best' because the knotty issue of the mechanisms of primitive accumulation of Capital – a process which has been far from meritocratic in 'transitional' Bulgaria – is a whole separate behemoth with which we won't deal here.

What we shall deal with, however, is what workers see on a daily basis: that there is no economic profit without exploitation. Since any research examining specific economic relationships in the workplace demonstrates that the basic

conflict between management and workers revolves not so much around the products of labour as it does around working time, we shall direct our attention to these **battles for time**. Working time and **time theft** – be it in terms of the length of the working day, or in terms of imposing draconian forms of labour discipline that keeps workers' time under strict control – are an indispensable part of the value which Capital extracts from Labour and turns into profit. The battles for Time go far beyond the confines of the production process and acquire legal and political dimensions – these are the political and trade union disputes over the rates of wages, over the length and scope of labour contracts, against unpaid working hours, against excessive overtime, and over breaks.

Yet, these battles against time theft seem to take place under the radar of public attention. Instead, it is commonly accepted that changes in favour of workers' interests are impossible due to the structure of the world economy: business representatives often block workers' demands for better labour conditions by invoking 'economic crises' and 'globalisation', and by threatening to move production abroad. They often invoke the logic not just of 'unyielding' economics, but even that of a kind of sanctified mathematics – a Bulgarian factory owner recently justified his decision to do away with work benefits in his factory because these, he claimed, threatened to 'blow up the mathematical model'. Such appeals to a mythical immutability of present conditions are often used by the apologists of exploitation in their attempts to deprive workers of choice and of their capacity to fight for better living conditions.

Indeed, many Bulgarian capitalists are in a subordinate position relative to larger Western companies and work for them as subcontractors. Their inability to organise themselves collectively, because of the competitive nature of their relationships to each other, and hence their inability to negotiate realistic deadlines and prices for their production orders, ultimately transforms into pressure exerted on their employees. It is then the workers who have the will to put pressure onto businesses to secure better labour conditions – but it is increasingly rare that this happens with the support of the trade unions or other formal social organisations. Sometimes, these practices of resistance are not organised or even conscious – individual workers often simply quit and leave the country, altogether refusing to participate in labour production in this country. Unsurprisingly, Bulgarian business has recently been voicing loud complaints about the 'insufficient supply of labour power' in the country, and has as of late found itself having to gradually start improving labour conditions and increase pay, or to look for other solutions, such as promoting

competition between workers, as was the case with the latest liberalisation of the non-EU labour migration regulations in 2018.

It turns out that despite claiming to be a different beast, the ‘good investment climate’ in the Bulgarian context effectively means low pay and bad working conditions – that is, precisely the reasons why so many Bulgarian citizens choose to emigrate to the West. The bright weather conditions for business thus pour out as a thunderstorm over the heads of Bulgarian workers, who eventually try to escape from it by emigrating abroad. And because the ‘successful’ Bulgarian emigrants fail to eventually come back, and the country keeps bleeding population (45 000 young people have moved to Germany only in 2017<sup>2</sup>), the government imagines it can resolve the situation by importing workers from non-EU countries<sup>3</sup>.

## Who can become an agent of social change?

We consider naïve the argument that it is enough to offer rational governing strategies without posing the question of power relations in society. It is only by understanding the power dynamics in society that we can begin to devise and implement sensible and progressive policies which work in the interest of majorities rather than only in the interest of elites. It is also not enough to offer expert solutions if these are not backed up by organised collective support which is capable of implementing them.

The attitudes of economic and political elites towards working people in Bulgaria are cynical, to say the least. The commonly rehearsed mantra goes that the wealthy and the strong should be supported first, as eventually their wealth will ‘trickle down’ to the less well-off in society. And so the leading political parties compete in their promises to attract investors, while simultaneously dismissing the ‘masses’ as lazy, unproductive and hence undeserving of state support. Thus, we see in the ruling coalition’s government programme accusations of purported abuse of disability benefits along with promises for more support for hard-pressed entrepreneurs.<sup>4</sup> In the eyes of the ruling political

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**2** Dnevnik. 2018. *Over 300 000 Bulgarians already live in Germany*. 08.08.2018. [https://www.dnevnik.bg/sviat/2018/08/03/3291260\\_nad\\_300\\_hil\\_bulgari\\_veche\\_jiveiat\\_v\\_germanii/](https://www.dnevnik.bg/sviat/2018/08/03/3291260_nad_300_hil_bulgari_veche_jiveiat_v_germanii/).

**3** Bulgarian National Radio. 2018. *Vanya Grigorova: The Import of Workers will Hinder Pay Rise in Bulgaria*. 19.02.2018. [bnr.bg/starazagora/post/100935025/vana-grigorova-vnosat-na-rabotnici-shte-bade-prechka-za-uvlechavane-na-vaznagrajdeniata-u-nas](http://bnr.bg/starazagora/post/100935025/vana-grigorova-vnosat-na-rabotnici-shte-bade-prechka-za-uvlechavane-na-vaznagrajdeniata-u-nas).

**4** Dnevnik. 2017. *GERB and ‘United Patriots’s Government Programme’ (2017- 2021)*. 20.09.2018, [https://www.dnevnik.bg/politika/2017/04/13/2953029\\_upravlenskata\\_programa\\_na\\_gerb\\_i\\_obedineni\\_patrioti/](https://www.dnevnik.bg/politika/2017/04/13/2953029_upravlenskata_programa_na_gerb_i_obedineni_patrioti/).



elites, disabled people are skilled scoundrels, able to mislead all state institutions for pocket money, whereas entrepreneurs who receive all of the state's attention and care, are fragile creatures in need of constant state care. The only promise for 'redistribution' in the coalition's programme is that 'money saved from wrongly given disability pensions', will go for a (dismal) increase in the lowest pension rates. In this way, the function of the state is reduced to pitting some vulnerable groups of society against others for breadcrumbs, while the rich snatch the lion's share. We have recently seen this transpiring as a clash between different organisations of disabled people.<sup>5</sup>

Recently, Bulgarian finance minister Vladislav Goranov claimed that "[j]ustice is a class concept and is unachievable"<sup>6</sup> Indeed it is – justice is not the same for all. This does not mean, however, that we should reject it; on the contrary, we have a duty to choose – on the side of *whose justice* do we want to stand. It is undeniable that for many business owners, paying higher taxes is unjust and discriminatory. The deficits in our social security system generated by the practically regressive tax system we currently have, are also unjust, but this time for the majorities as well as for the most vulnerable of us – and they often pay with their lives.

There are attempts by oppositional parties to challenge the liberal consensus, but this is usually done at the expense of political and civil rights, effectively without leading to a real challenge to the omnipotence of Capital. Let us take as an example the Bulgarian Socialist Party's latest strategy, which the media presented as a neoconservative turn. Indeed, there are elements of a neoconservative turn in BSP's overall behaviour – for example, their role in the recent 'gender' witch-hunt, or the anti-refugee rhetoric that party activists and officials, including the party leader – Kornelia Ninova – adopted in recent times. But Ninova does not challenge the economic side of the liberal consensus. Even just a cursory look at the party's manifesto helps us find the same promises for more "participation of the business in the development of school curricula and educational policies". Spurious critique against concessions, on the other hand are typically combined with calls for more public-private partnerships – which is practically the same as a concession anyhow. And what they commonly announce as the 'fight against corruption' boils down to a promise for "the state to support business by creating a new business and investment climate, as well as universal mechanisms for tax credit reliefs". Yet,

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**5** Atanasov, Ivaylo. 2018. "The System Kills Us'. But not those of you think." *Baricada*. 20.09.2018, <https://baricada.org/2018/06/26/sistemata/>

**6** Dnevnik. 2017. *Justice is a class concept and is unachievable*. 20.09.2018, [https://www.dnevnik.bg/citat\\_na\\_denia/2017/04/12/2952201\\_citat\\_na\\_denia\\_spravedlivostta\\_e\\_klasovo\\_poniatie\\_i\\_e/](https://www.dnevnik.bg/citat_na_denia/2017/04/12/2952201_citat_na_denia_spravedlivostta_e_klasovo_poniatie_i_e/).

isn't what people identify as corruption precisely the political actors' loyalty and patronage enjoyed by businesses?

The state now consistently subsidises, supports, and nurtures successful entrepreneurs, who are often incapable of complying with even the most basic laws and regulations, as our research here will illustrate. In this sense, the choice we need to make is not between a bigger or a smaller state. We already have a state that takes from the poor and gives to the rich, and in this sense it is already too big. At the same time, the state we have is too small – in that it is inadequate in its capacity to fulfil its key social functions. The state we currently have in Bulgaria has turned into a social fund for the support of Capital. As we will demonstrate in our chapter on security companies, the government passes laws which require even state institutions to use the services of private security firms. Yet, it is in these subcontracting security firms that labour conditions are significantly worse, there are systemic violations of labour laws and regulations, and the quality of the service offered is poorer.

The fragmented remains of the 1990s rightwing parties in Bulgaria argue that there is no need for social reform. To them, there is no need for additional support mechanism for social protection. All that is necessary for the country to work well is to ensure compliance with the rules that already exist. We just need to fight corruption and non-compliance with the laws, and to fight for an 'independent judicial system'. These measures, however, cannot uproot injustices stemming from the rules themselves. Even the limited ways in which these liberal fighters for 'the rule of law' perceive their own struggle/cause, is illustrative of the struggle's narrow class character – this struggle seeks to protect the right to property of those who own capital and as a whole ignores the labour and social rights of those who work. But employers consistently violate even the limited protection that Bulgarian laws offer to workers – and that is in itself undoubtedly a form of breaking the 'rule of the law', too. This is why, articulated in this manner, the liberals' struggle does not, and will not, receive wide public support.

But the problem is even deeper. Rules and laws reflect power relations within society. Capital frequently manages to compose laws in ways that suit it, but laws and rules aren't just a product of existing social inequalities, they reinforce them further. The worker who sues her employer is alone – she can (and often does) lose her job, she often can't afford the hefty legal costs associated with a legal battle. The time and resources that the company has at its disposal, on the other hand, are incomparably greater. Hence, it does not matter that both sides

enjoy equal formal rights to a legal process. One side has entered the race with their legs tied, whilst the other has long sped forward in their shiny car. Between equal rights, force decides.

None of the hegemonic powers today looks capable of offering a genuine form of *progressive social change* – neither the so-called ‘stability’ of the ruling coalition between the centre-right and the far-right, nor the increasingly right-wing, conservative, and business-friendly Bulgarian Socialist Party. The powerlessness and the unwillingness of today’s political elites to stand up to the omnipotence of business means that the only source of a genuine progressive social alternative is the organisation of new social forces against the neoliberal status quo.

This is the reason why we are turning to the concrete spaces where exploitation takes place and inequalities are forged – the workplaces where the majority of citizens spend most of their lives. Our aim was to acquire a general understanding of the specific problems they face and the forms of resistance they use. What we do then is offer snapshots of separate cases. We do not claim to be comprehensive, we hope that by offering a series of lucid images of exploitation and of resistance against it, we would direct readers’ attention to problems which are not only critical for the social fabric, but also long ignored in the Bulgarian public sphere. We are convinced that we can begin to work for future large-scale social-democratic change only by understanding and building solidarity with the everyday battles of the working people in Bulgaria.

### **The crisis of trade unions and the crisis of the welfare state**

The welfare state and traditional trade union activism, as well as the consensus-based model for social dialogue and tripartite cooperation on which they are based, are in a state of crisis not only in Bulgaria. The practice of stripping workers of their social and labour rights, of cutting welfare budgets, of demonising and dismantling the welfare support system, are all part of this process. We see a steep decrease in the numbers of people signing up with unions everywhere. According to intellectual, political, and economic elites, we are to seek the reasons for this in technological changes: new ‘flexible’ professions have emerged, telecommunications have ‘globalised’ the economy, putting trade unions – which are ‘stuck’ and tied in with the national context – in crisis. These narratives present socio-economic contradictions and unequal relations of power as a product of an almost natural and required march of history – as

if it is not people who direct technological change and as if it does not entail the clash of a range of different groups' interests. What get further ignored are also the purely political decisions which lead to the weakening of the power of working people and their representatives.

After 1989, Bulgaria saw the importation of Western mechanisms for negotiation between business, government, and trade unions – the so-called mechanisms for tripartite cooperation and social dialogue. The problem is that the purely formal import of procedures cannot bring about the effects which state institutions in Western Europe produced – namely the welfare state. The West European welfare state is not the product of some sort of natural evolution of societies, nor of a consensus-building negotiation in which all social groups participated rationally. The welfare state is a historical product of the struggles of working people and of the democratisation and social rights they managed to acquire. Yet, the welfare state is not a victory of Labour over Capital, but rather a class compromise between working-class movements, the state, and representatives of Capital. This unstable contract can collapse, as we see with our own eyes today, when the forces which brought about its stabilisation suddenly (or gradually) disappear.

When in the middle of the 20<sup>th</sup> century, the economic and political elites of Western Europe backed down and agreed to a class compromise and to the establishment of the welfare state, this was not because of some presumed humanitarian or rational motivations, but because of their fear of the socialist bloc and of the local (Western) working class movements. The 'Third Way' social-democratic ideas about a consensus-based relationship between Labour and Capital claim that all sides can protect their interests and no one needs to lose in the process. In practice, however, it turned out that the Third Way is effectively about working class movements' surrendering their own interests. The 'class compromise' idea, on the other hand, retains the idea of opposing interests and specific power relations. In the compromise building process, the different sides – workers and business – give up part of their demands in the name of a temporary solution to the conflict between them, whilst continuing to re-negotiate the boundaries and conditions of the compromise. The reasons that it is impossible to maintain the class compromise and the welfare state today can be found in the weakening of the trade unions (visible virtually in the entire world) and the depoliticisation of working class movements.

## Towards a broad social movement unionism?

We do not call for the abolition of tripartism, but claim that its mechanisms, in their own right, without accounting for the political and social contradictions and power relations in society, cannot contribute to improving the situation of workers. The moment social dialogue is emptied out of its meaning – not unlike many institutions of the neoliberal state – it begins to appear manipulative. In the social sciences, the current state of affairs is commonly described as *post-democratic* (Colin Crouch) – liberal democracy's institutions are formally there, but they are hollowed out of their contents. The so-called 'social dialogue' is particularly illustrative of such hollowing of meaning. Representatives of business and of state institutions appear to have merged, and workers' organisations seem to have lost their leverage and have instead occupied a defensive position, managing only to slow down the process of relentless loss of rights. All of this leads not only to a collapse of the welfare system, but also to a deep disappointment with the entire political and social system. We have already witnessed how protest movements making social and economic demands quickly turn into generalised critique against political elites, without a clear social-economic project for the future. Such generalising critique typical of 'anti-systemic' movements which fail to distinguish between representatives of Capital, of political parties, of state institutions, and of workers, rather easily degenerates into hollow demands for 'a change of the system', thus losing their potency.

What can labour do to defend itself in the context of such hostility towards social politics? It is precisely where there are real trade union organisations, labour conditions and pay are significantly better. This is also what we witnessed during our fieldwork and we shall show here. This pertains most significantly to the low-paid sectors of the economy – where most of the workers in Bulgaria tend to be employed. There are further factors – such as shortage of labour from the perspective of Capital. This is also the case in the call centre industry (last chapter). This is not to say that the compliance with labour regulations there is thorough, and that there are no problems associated with despotic labour control regimes, and that the relatively higher pay there is a given.

Based on all of these challenges, it is imperative that we revive the sense of urgency for worker self-organisation. It is only the self-defence practices of workers that can guarantee that their rights will be protected. But traditional unionism is in a deep crisis, it is necessary that it finds and builds new alliances (with progressive organisations, social movements, etc.), including transnational collaborators,

since, we should remember, Capital itself is transnational. The traditional syndicalist forms of organisation can exert pressure over national capital. Yet, when Capital is in a subordinate position, as in the case of the subcontracting firms in the garment industry (since they are subordinate to global brands), this pressure has only a limited scope. This is because the real employer (the brand) has evaded its legal obligations by subcontracting to local companies which pose as the formal employers.

Alliance building between traditional union organisations and social movements – or what has been called *social movement unionism* – has now started to take place in Bulgaria. Social movement unionism tends to also include movements which are not directly concerned with the workplace, but work on social welfare systems and generally the conditions under which labour gets reproduced – schools, nurseries, public services, housing and health, environmental conditions, as well as prices, quality of consumer goods, etc. This practice of alliance building exists in the West but is more explicit in countries suffering from severe socio-economic problems and inequalities – e.g. Southeast Asia and South America. Of course, the fact that there are structural similarities in terms of deep inequalities between these contexts and Bulgaria does not automatically mean that there is a strong possibility for social movement unionism here, too. Yet, such possibility is certainly worth considering seriously.

## **Labour in subcontracting industries: three examples**

In this study, we look into the organisation and conditions of labour in case studies from three sectors of Bulgarian economy: the garment industry, security providers, and call centres. Our choice of these is deliberate. On the one hand, the focus on different types of labour in these sectors promises to produce a varied picture that gives us richer insight: in two of these, labour is considered ‘non-prestigious’ – one of these is predominantly female-based, the second – mostly male-based, whilst the third sector is commonly seen as offering ‘prestigious’ employment. On the other hand, all three sectors work within a subcontracting regime.

## **Why subcontracting?**

At first glance, subcontracting concerns relations between companies, rather than the working conditions of those who labour in them. The subcontractor serves as a mediator between workers and their real employer (the outsource-

ing company). On the one hand, the subcontractor receives part of the pay which would have otherwise gone to the workers. On the other hand, the real employer evades responsibility for ensuring reasonable labour conditions for the production process. Research shows that subcontracting reduces labour costs, fragments workers' organisations, and makes labour more intensive. Subcontracting has a direct effect on labour conditions and, at best, significantly increases rates of exploitation and workers' rights violation.

In the era of 'flexible' *just in time* profit accumulation, subcontracting has mutated from a marginal practice to the dominant form of production in a range of industries. It allows companies to drop previous obligations such as maintaining warehouses and hiring their own workforce. This has allowed them the flexibility to adjust to dynamic market conditions. Instead of organising its own garments production – which requires long-term planning – a large designer brand is better off outsourcing last minute to a subcontracting garment factory; similarly, it is easy to cancel an order last minute, as often happens in practice, whilst safeguarding themselves from potential trouble and conflict with dissatisfied workers.

Yet, what does such corporate freedom and flexibility mean for the workers? We have recently seen an increasing number of media reports revealing abhorrent working conditions and shocking labour discipline in the garment industry. Workers – predominantly women – are allowed few or no breaks (even for visiting the loo), working hours exceed any reasonable legal or indeed biological and rational limitations; and when there are no orders arriving from the contracting companies, workers are forced to take unpaid leave and to find additional temporary employment. The despotism of the sector exists in sharp contrast to consumerist ideology, which celebrates the freedom of the consumer to 'express themselves' and to give their taste free rein. Yet, the flexibility of big business and the liberty of the fashion consumer mean insecurity for subcontracting firms, which on their part transfer this insecurity onto their workers.

The subcontracting regime also dominates the ever so fast growing call centre sector, which we look at in Chapter Four. Big multinational corporations outsource their customer service to subcontractors – call centres. Usually these are in countries that offer low pay to attract investors. As it turns out the so-called 'Europeanisation' of Bulgaria has moved it closer to the economies of Southeast Asia than to the coveted ones of Western Europe. The regime of low pay for labour and business-friendly tax policies, added to the so-called mechanisms of 'financial stability', have turned the Bulgarian economy into one that resembles

those economies where subcontracted garment production and customer service constitute the main employing sectors.

The organisation of labour is a key theme of the study. In short: how is labour in a subcontracting mode organised? Do workers self-organise in unions? What are the distinguishing characteristics of the local union organisations, where those exist? What goals do they pursue and how do they pursue these? What sort of effects does union presence or lack thereof have on pay rates and working conditions in subcontracting companies?

## **Whose organisation of labour?**

By 'organisation of labour' we do not mean just trade union representation or bottom-up self-organisation, but also practices of top-down employer-driven organisation of the labour process and of free time. To take an example from call centres, where labour unionisation seems to have been substituted by practices such as 'team building' activities/outings, obligatory participation in corporate parties, sports, and charity events, etc. Although wrapped in an 'entertaining' package, they can be seen as techniques of control over employees' free time, as well as over their bodies. The 'team building' outing for example, comes to fill in the gap left after the demise of workers' self-organisation, in the same way as the so-called wellness culture today has come in the place of the dismantled welfare state (that is, from welfare to wellness). In other words, the role of union self-organisation has been filled by corporate structures which blur the boundaries between workers and their managers. These new structures are commonly presented as egalitarian, inclusive, and meritocratic, but in reality they hide hierarchies and contradictions within the workplace, making them much more difficult to challenge.

All of this creates the illusion for an ever so shrinking distance between employee and employer, and blurs the distinctions between leisure time and working time. These forms of top-down organisation of labour also block the development of workers' consciousness, as we will show in our chapter on call centres. Call centre workers' relatively good pay, their embrace of corporate culture, their immersion in spaces of luxurious consumption and 'productive active rest', comes to convince them that they are now part of the elites, or of the 'middle classes'. This then serves to tune the interests of workers and those of their employers together in a seemingly congruent direction – workers effectively begin to identify themselves with their managers. This comes up quite clearly in our interviews. Yet, what the inter-



views also demonstrate is that these ideological screens often have cracks – these ideological distortions seem to often coexist with critical reflexive narratives questioning the hierarchical corporate structure, the lack of union organisation, and the despotic forms of labour discipline. In fact, we found that the structure of the labour process in call centres often resembled that in the garment industry (for example, in the intensive labour discipline), irrespective of the relatively milder working conditions and the significantly higher rates of pay.

Indeed, call centres are still a niche sector in terms of employee numbers in comparison to the other economic sectors in Bulgaria. Yet, they are important in as much as their numbers are growing fast. The call centre industry is also highly illustrative of those forms of top-down organisation of labour that work to produce a particular corporatist sort of consciousness in workers. Of course, since the ICT sector – most of which comprises of call centres – provides employment for limited numbers of people and average pay is relatively high, it hardly constitutes the industry with the most pressing problems working people in Bulgaria face. Yet, since it enjoys far more attention and popularity in media and political speech, it is a particularly interesting subject of research.

Wages and labour conditions are not static and fixed; they arise not so much from the character of work itself, as much as they reflect social perceptions of prestige and status, the levels of workers' self-organisation, as well as the demand and supply of labour force. Not all workers have the basic computer literacy and foreign language training required to work in a call centre. Yet, this is changing, especially with educational policy changes in recent years. The moment it is no longer employers competing for workers, but workers competing for jobs, wages and labour conditions are going to start changing. Work in a call centre in Western Europe is far from prestigious and this is namely why this sector, similarly to the garment industry, has been moving to countries which offer lower social and employment standards, such as Bulgaria. When the combination of lack of unionisation and employees' belief in the prestige of the sector stand up face to face with the imminent increase in competition between workers, we expect significant changes in relation to the reputation and conditions of the industry will come about.

### **Methodology for an engaged study**

Our study falls at the intersection of politico-economic analysis, critical sociology of labour, public commentary, and engaged activism. This is why we

have deliberately avoided engaging in detail with the latest scientific debates, theoretical developments and terminological considerations. Instead, this is a piece of engaged research of the sort the Collective for Social Interventions (KOI) has previously conducted and published. That is to say, our goal is not to present neutral diagnoses of the rise of inequalities and exploitation, but instead to seek possible tools and mechanisms for their overcoming. Unlike the engaged research commonly conducted by neoliberal experts – who pretend to do science, but do it straight from the rulebook of politics and lobbyism – ours is a reflexive and openly declared engaged research which still adheres to the rules of doing social science. Our object of analysis and our research objectives arise from our own public/activist engagement, but the research methods we use are scientific – following the rules of the systematic and robust research process. We offer a qualitative analysis of structured in-depth interviews with employees, whilst contextualising their responses with historical analyses of the post-socialist transformations in the economy generally, and in the three sectors – apparel, security, and call centres – respectively.

Apart from interviews, we used analytical techniques from social anthropology; and part of the analysis is based on freeform conversations with workers, activists, employees in state administration. This can also be seen from the ethnographic notes in some of the chapters. Some of the members of the KOI team also have work experience in call centre companies, which helped infuse our analyses of the otherwise smaller numbers of interviews with current call centre workers. The largest number of interviews was conducted with people working in the garment industry in small and mid-size towns. The interviews with call centre workers were conducted in Sofia. All interviewees and companies have been anonymised. We have done this to protect the workers we spoke to and to ensure their jobs are not at risk as a result of the publication of our study. We would like to warmly thank all who agreed to talk to us. In addition to the authors, several other people – Julia Rone, Ognian Kassabov, Veronika Stoyanova, and Ina Dimitrova – also helped conduct interviews, for which we are very grateful.

## **Key findings**

Our text does not claim to provide a comprehensive analysis. It examines working conditions in only three sectors of Bulgarian economy, and it only does this by outlining specific cases, problems, and situations. Yet, we are con-

vinced that the selected examples paint a highly revealing picture of labour conditions in the subcontracting industries in Bulgaria today. We expose a series of mechanisms through which Capital exploits Labour. What comes out as particularly notable is business's **systematic failure to comply with labour regulations**. Unfortunately, such failure is not particularly shocking – research carried out by Bulgarian unions has revealed 200 000 violations of labour laws in 2017 alone.<sup>7</sup> Other research also shows that (particularly in the lower wages sectors of the economy) excess overtime, forced precarity, ignoring labour and health and safety regulations, are particularly common and widespread.<sup>8</sup>

Many of these breaches can be cut down significantly with relatively small reforms. For example, by removing the obligation for state institutions to buy the services of private subcontractors to secure their security needs, which is what the regulation stipulates at the moment. As we show in our chapter on security providers, the labour conditions, the pay, and the ability to join unions (right to association), are all significantly better when employees work on regular, permanent contracts with the institution itself, rather than with a subcontractor. Private companies, we found, not only offered worse service quality and poor working conditions, but they are also entirely incapable of complying with even basic labour regulations. The question arises then, why has the state decided to take the side of subcontractors and directly support them through obliging its own institutions to use their services? Yet, lobbyist politics that supports these companies will not cease unless there appears a powerful and forceful pressure for such reforms.

This is also why we are further interested in the different forms of resistance through which workers claim and sometimes manage to secure better labour conditions. Our research here confirms that the presence of union self-organisation improves working conditions significantly, albeit requiring often tremendous efforts and sacrifices on the part of workers. With this focus, we also remind the reader that rights cannot be taken for granted – they are the result of long, strenuous, and collective struggles. After the liberal media celebrated the struggle of the 'active citizens' for 'the rule of law' during the summer protests in 2013, it is high time we paid attention to the struggles of ordinary working people for dignified labour conditions and dignified pay. Their strug-

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**7** Draganov, Nikolay. KNSB Report of 200 000 Labour Code Violations. *Baricada*. 11.06.2018 <https://baricada.org/2018/06/11/knsb-doklad/>

**8** Cf. Kirov, Vasil, Ekaterina Markova, Darina Peycheva. 2014. *Forced flexibility and job insecurity: Sociological analysis of the quality of labor in construction and waste disposal in Bulgaria*. Sofia: Iztok-Zapad.

gle is probably harder, but certainly directly related to the problem of 'the rule of law'. It is also part of the wider struggle for rights and for justice, and in this, it is of significance for us all.

Although we attempted to limit its scope and scale, our research turned out to be significantly more ambitious than we initially planned. There remain a range of unanswered, as well as not yet posed but critical questions. Nonetheless, we hope that with this research we provide the foundations for a conversation yet to take place in full force.

## **Chapter 2.**

# **Tolling Production [ishleme]: Unacknowledged Outsourcing in the Garment Industry**

### **The garment industry in context**

The garment industry occupies a prominent role in the history of capitalism from its very beginnings. The industry is at the core of the so-called industrial revolution in England. We say 'so-called' since the role of technology is commonly overemphasised at the expense of an account of the role of the political and social conditions facilitating these changes. Indeed, certain innovations in spinning and weaving, as well as the invention of the steam engine and its introduction to the sector led to a production revolution in the English textile industry; and the first modern factories which make use of the first systems of machines are precisely the textile and garment ones. The innovations, however, are not only of a technological nature – they concern also the organisation of labour and its extension into transnational forms of division of labour. In the 18<sup>th</sup> and 19<sup>th</sup> century the English textile industry became dependent on the import of cotton produced in overseas slave plantations) while it exported the manufactured clothing to the whole world (especially to the lands ruled by the British Empire).

The introduction of machine production in the 19th century enabled a new division of labour, both globally and at individual factories. This applies with even greater

force to the use of machines powered by fossil fuels – oil, coal. The steam engine not only concentrates many workers. It also allows for an unmatched higher level of control over the production process. The latter can now be broken down into a number of simple operations. Unlike the steam engine, water-driven production depends on the instantaneous power of the river and can not be adjusted. With the steam engine, on the other hand, capital gains higher control over production – it can produce constantly without being dependent on the whims of the water flow. The relatively simple acquisition of the necessary skills in large industrial factories (as opposed to artisan manufacturing) makes workers easily replaceable. Monopoly on machines, along with the disappearance of non-industrial ways of subsistence, in turn, furthers workers' dependence on factories.

The fact that high productivity reduces the value of labour sounds counterintuitive. Yet the more productive a worker is, the bigger part of her working time remains unpaid and she still gets enough to recover (at least relatively) her bodily strength, i.e. to eat, to rest so that she can go to work the next day. In contrast to what television 'economic experts' say, pay does not automatically reflect labour productivity. Salaries reflect neither the quality nor the qualification of labour, but the contextual balance of forces – the ability of workers to self-organise and demand better conditions; pay also reflects public perceptions of the relative prestige of individual professions; political conjunctions; unemployment rates; access to a workforce for business, etc.

The textile and garment sector is also particularly key to the birth of Bulgarian capitalism in the last years of the Ottoman Empire. The modernisation of the Ottoman army gave rise to the demand for uniforms. The orders for their production were allocated to the emerging commercial bourgeoisie on the territory of contemporary Bulgaria. "The spear and the mace gave way to the needle and the archine" [Ottoman unit (and a tool) for measurement of length used in textile] wrote the Bulgarian sociologist Ivan Hadjiiski when narrating the history of early Ottoman capitalism and factory production.

After the emergence of the Bulgarian nation state out of the Ottoman Empire, more and more tradesmen and artisans began to use these new technologies. The technology most commonly used was the 'braiding machine' – which was invented in Central Europe in order to supply the Ottoman army with braids which were widely used to decorate civil and military clothing in the 19<sup>th</sup> century. At the time, the braiding machine, however, was still using the water wheel engine, and workers were still based in small production houses, rather than in

large factories where machines were propelled by steam power and were operated by large numbers of workers. In spite of the isolated cases of industrial and proto-industrial production, the bulk of Bulgarian economy stayed non-monetary and the majority of people's subsistence was based on small family agricultural farms. Mass industrialisation only took place during the state socialist period after 1944, not without the push of the forced collectivisation of land which turned peasants into workers. The first years of the state socialist period saw the development mainly of the heavy industry, but after the 1960s, the light and mass consumption industry, including the garment industry, took shape. At that point, garment factories developed their own brands, only to be superseded by the global big brands after 1989.

'Fast fashion' and the global hegemony of a handful of global brands is a product of the political changes after 1989. Small Bulgarian brands got pushed out by the large players in the industry, who outsourced their production to subcontractors while only retaining their business management functions, such as marketing and distribution. The high-street brands targeted mostly young people who were keen on following fashion trends, but had typically not entered employment yet and so had at their disposal a limited, yet stable, budget. Of course, there are other types of marketing strategies, but fast fashion – based on cheap materials and cheap labour – has dominated the sector, and has in some ways set the standards by which the rest of the players in the industry operated.

## **A despotic regime of labour management**

The devaluation of labour (engendered by its risen production capacity and the substitutability of workers) deprives workers of their ability to influence the production process in any way. Employers begin to pay wages that reflect the cost of the bare minimum necessary for the physical survival of workers. And when social regulations are missing, business starts to pay wages even below this minimum, severely threatening the health and life of workers and their families. Low pay, the lack of limitations on working hours, and the hard working conditions of industry in the 19<sup>th</sup> century led to large-scale workers movements and to the emergence of unions by way of which workers' collectively stood up to their employers and claimed their rights. Along with the unions, all sorts of other forms of new institutions (labour inspection authorities, philanthropic associations, radical and social-democratic political movements, etc.) developed, which struggled for social-legal regulations that would cap working hours, ensure the health and safety of the

workplace, improve working conditions, and increase pay. The self-organisation of labour succeeded in these attempts to a significant extent. However, through trade union activity (as a form of organisation that exerts pressure on employers and the state) and the integration of the unions in liberal governance, workers in practice gave up on the important capacity to determine labour conditions and to manage their workplaces. This effectively means surrendering the opportunity for a democratic organisation of labour, as well as the acceptance of an autocratic rule and discipline in the workplace.

In the 20<sup>th</sup> century, a new approach to managing labour gained popularity – ‘scientific management’, developed by Frederick Taylor, initially applied to the steel industry. Taylor saw workers as well-trained monkeys who obediently carry out tasks as dictated by their supervisors. ‘Taylorism’ thus came to stand for the (grounded in technical sciences) standardisation and rationalisation of production, the fragmentation of the production process into a myriad of simple operations, overseen and disciplined by a small number of professional supervisors. The key principles of Taylorism, however, were practically applied before Taylor’s ‘innovation’ – in the textile factory of the 19<sup>th</sup> century, where they reign supreme to this day.

Taylorism then gained even more significance in relation to the later management system of ‘Fordism’. Fordism reflected the historical coupling of mass production and mass consumption. The application of scientific management and rationalisation in the production of automobiles allowed Henry Ford to increase wages for workers in his factory. Even though this pay increase lagged behind the increase in workers’ productivity, wages did rise enough to allow workers to buy the very products they produced. This class compromise is based on the formula of ‘mass production plus mass consumption’. Yet, by accepting the despotic Taylorist work discipline, workers were expected to also relinquish the goal of democratising the workplace. The conditions under which the production process takes place and the management of labour are now dictated one-sidedly by Capital.

The revolution in the garment industry cannot be reduced to some sort of a ‘natural’, inevitable progress of science and technology. It has its own very specific political conditions: the exploitation of labour and the annihilation of all preceding forms of subsistence practiced by the majority of people. An example of the latter is the lengthy and bloody privatisation or ‘enclosure’ of common land in 16<sup>th</sup>-18<sup>th</sup> century England, which deprived peasants of their source of subsistence and turned them into wage labourers who own nothing but their own labour power and are thus forced to seek employment in the emerging industry. This *land en-*

*closure* (also known as 'primitive accumulation of capital') ensured the concentration of land into a small number of landholders and transformed the old nobility's power into capitalist power. The enclosures were simultaneously accompanied by a rise in the productivity of wool – key material for the British textile hegemony before cotton (produced by slave labour in the US) replaced it in the 19<sup>th</sup> century.

Today, the shocking levels of exploitation in garment factories, is commonly presented as an exception to the 'normal' functioning of capitalism. Capitalism otherwise, this narrative goes, is meant to be technologically innovative, socially engaged, and certainly not reliant on exploitation. It is not surprising then that the most shocking forms of exploitation and direct forms of submission, are pushed afar – to the periphery of the global capitalist system (in sweatshops in Southeast Asia and in Bulgaria): out of sight, out of mind. Yet, they are a fact of life and, as the history of modern capitalism demonstrates, they are no exception or deviation from an 'authentic' capitalism. They are far from being a novel problem brought about by the so-called 'globalisation' after 1989, since capitalism has always been global. We must bear in mind that sometimes it is wrongly assumed that the international division of labour is between a rich North and a poor South. Working conditions in some parts of Europe are not too different from those we see in Southeast Asia, and the Bulgarian garment industry is a typical case in point.

## **The garment industry and the Bulgarian economy after 1989**

We are accustomed to thinking that 1989 marks the start of the deindustrialisation of the Bulgarian economy. After being privatised, the chemical and metallurgic plants, the processing industry, the electronics factories and the other technological companies, either closed altogether, or saw a drastic decrease of labour force and a severe worsening of working conditions for those workers who were lucky to remain. One of the factors, which played a key role in the deindustrialisation of the 1990s is the loss of the country's old international markets. In addition, Bulgaria slipped into serious debt at the beginning of the 1990s. In 1994, the combined internal and external national debt rose to 188% of GDP, and in 1996 more than a half of the state budget went to pay that off.<sup>9</sup> All of this – together with pressure from international financial institutions such as the IMF and the World Bank to liberalise the economy – put pressure on the country's 1990s governments to launch a hasty privatisation process, which ultimately destroyed the hitherto existing industrial

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<sup>9</sup> Vassilev, Rossen. The „Third-Worldization“ of a „Second-World“ Nation: De-development in Post-Communist Bulgaria. // *New Political Science*, 2003, Vol. 25, Issue 1, pp. 102-4.



base of in the country. Key here were also national elites who took advantage of the situation by acquiring previously publicly owned property, often looking to realise short-term profits derived from the liquidation of significant parts of the privatised assets.

Along with the deindustrialisation, however, the country saw a parallel process of reindustrialisation and specialisation into new sectors: after 2002 and after the initial drastic fall in production, employment in the manufacturing industries began to rise once again. As data from the National Statistics Institute demonstrate, the majority of employed Bulgarian citizens today work precisely in manufacturing. In June this year, these are over 500 000 people or about 22% of the population, and over one fifth of those work in the textile and garment industries. The new industrial base of the country, however, rests on resource-intensive and labour-intensive production (such as that of garments) in low value-added industries, which instead rely on social dumping, on maintaining low labour costs and on a race to the bottom – and the Bulgarian state appears to be complicit in all of this.<sup>1011</sup>

A focus on low added-value production, which is oriented to processing raw resources that are processed and thus valorised elsewhere, is characteristic of the entire Bulgarian economy. The low added-value, however, is also accompanied by high rates of surplus value extraction from the labour provided by workers. The garment industry is a typical example of this: the part of the end price that is left for subcontractors is usually a tiny percentage, and an even smaller part of that goes to the workers. The bulk of the profit remains with the brands, which carry out no direct production, but only manage marketing and design operations.

Low added-value, along with the high levels of inequalities, also explain why elites turn their efforts to extra-market ways of profit-making – what media calls ‘corruption’. What has to be highlighted is that far from being a deviation from ‘normal’, authentic capitalism, ‘corruption’ is simply a function of the country’s position in the global economy and of the power configuration in society. The extra-market mechanisms of profit-making are also far from limited to post-communist ‘oligarchs’, but are practiced by foreign investors (e.g. in public service concessions).

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**10** Kirov, Vassil. 2016. *The State of Industry in Bulgaria. An analysis of strengths and weaknesses, opportunities and threats*. 20.09.2018, [http://www.effat.org/sites/default/files/events/14554/swot\\_analysis\\_for\\_bulgaria\\_bg.pdf](http://www.effat.org/sites/default/files/events/14554/swot_analysis_for_bulgaria_bg.pdf). Medarov, Georgi, Jana Tsoneva. 2016. *Shaping Industry from the Left in Europe: Country Report Bulgaria*. 20.09.2018, [https://de.rosalux.eu/fileadmin/media/user\\_upload/industry-report-bulgaria2016.pdf](https://de.rosalux.eu/fileadmin/media/user_upload/industry-report-bulgaria2016.pdf).

**11** In the international contest to the bottom Bulgaria is getting ahead also because of low income tax rates and profits, which doom the state and its social systems to being underfinanced. Cf. KOI’s study *Flat Tax or Democracy: for a progressive taxation reform, 2018*.

According to data from Eurostat, the garment industry in Europe has the highest numbers of employees relative to the added-value of the industry. It also has the lowest labour costs in Europe.<sup>12</sup> This is why it is the economically developed states' deliberate policy to push this type of manufacturing onto the global periphery (e.g. to East Europe) through agreements for Outward Processing Trade. The dominant liberal economic school of thought sees nothing wrong with this, since in their view, countries should specialise in the sectors where they have a relative competitive advantage. Only, in this case, retaining this 'competitive advantage' ends up fixing poverty and inequality as a permanent characteristic of Bulgarian society (through politics of social dumping – often euphemised by elites as 'stability').

### **'Fast fashion' and 'tolling production' – unacknowledged forms of outsourcing**

At the beginning of the 21<sup>st</sup> century, Bulgaria saw a significant rise in direct foreign investments in its garment sector. Not unlike countries in Southeast Asia, it quickly became central to the economy. The flow of direct foreign investments rose over 7 times for the period between 2000 and 2008. The biggest investors come from Italy, Greece, Germany, France, and Turkey. Typically, the garment factories they work with are of small and medium size. Over 90% of garment factories in the country work as subcontractors and sub-subcontractors producing clothes with materials provided by the client.<sup>13</sup> This form of production arrangement is commonly referred to as 'tolling production' (or *ishleme* in Bulgarian) – a term which seems to distinguish subcontracting from its more 'prestigious' equivalent in the sphere of communications – commonly labelled 'outsourcing'. Business owners and pundits, as well as media, throw a lot of effort into painting subcontracting in an entirely positive light by associating it only with popular and celebrated businesses in the areas of cloud technologies, finance, Artificial Intelligence, big data, etc., whilst detaching it from what we claim is its unacknowledged sister in the garment industry – 'tolling production'. According to its charter, the Bulgarian Outsourcing Association admits as members only those companies which "offer outsourced services based on a high-technology platform".<sup>14</sup>

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**12** Eurostat. Manufacturing statistics - NACE Rev. 2. 20.09.2018, [https://ec.europa.eu/eurostat/statistics-explained/index.php/Manufacturing\\_statistics\\_-\\_NACE\\_Rev.\\_2](https://ec.europa.eu/eurostat/statistics-explained/index.php/Manufacturing_statistics_-_NACE_Rev._2).

**13** SCIAT. Strategy for adapting garment industry's human resources to the changing economic environment. 20.09.2018, <http://www.sciat.eu/files/custom/strategia.pdf>.

**14** Bulgarian Outsourcing Association. Charter. 20.09.2018, [www.outsourcinginbg.com/bg/members/statute](http://www.outsourcinginbg.com/bg/members/statute).

The structure of the work itself cannot justify this distinction. For example, what is high-technological about working as a telephone operator for an Austrian insurance company helping its customers fill out generic administrative forms? And what is low-technological about operating highly complex machinery which produces the most expensive suits for global fashion labels? Qualifying one form of labour as simple and another as high-tech is often a function not so much of the complexity of the labour process, but of wider socio-cultural practices of attributing certain levels prestige and status.

In the garment subcontracting industry, manufacturing is undertaken for popular brands sold on the global markets. Most commonly, big brands get in touch with agencies based in Bulgaria which fish for appropriate subcontractors and participate in price negotiations. The subcontractors themselves sometimes further outsource part of their production to sub-subcontractors or to individual 'home-based workers'. This extension of the supply chain and its integration into global markets leads to tremendous insecurity for workers and to high rates of staff turnover. Media often tell us of protests against unpaid wages and of companies' bankruptcies. Orders are uncertain and 'fast fashion' companies respond to market fluctuations often entirely disregarding the effects of such volatility on labour. Big brands have dumped their obligation for looking after workers – the responsibility to ensure workers' rights are respected now lies entirely with the small garment factories. So whenever the local subcontractors fail to deliver an order, or lose business, they compensate for that by refusing to pay wages, and often ultimately declaring bankruptcy in order to avoid being held accountable. They thus transfer responsibility for the consequences of their economic failure onto workers. The lower you are in this value chain, the more cruel and horrendous the labour discipline and the insecurity, and the more direct the forms of submission become. This is not to say that smaller or national brands would necessarily offer a better alternative. As our interviews with garment workers demonstrate, working conditions in factories owned by Bulgarian clothing brands (producing for their own labels) do not outperform their subcontractor counterparts in terms.

As we argued earlier, the added-value of the manufactured garments is skimmed off by the contracting big brand, some is left for the subcontractor, and a dismal part of it trickles down to the workers. A female garment worker we spoke to offers a good illustration of the scale of the unequal distribution of value among the actual producers of garments on one hand, and the rest of the participants along the value chain (from the local subcontractor to the

designers, the marketing specialists, the accountants, the managers, the administrators, and the label) on the other. There are 20 workers on the vest assembly line of which she is part. They collectively produce an average of 1000 vests per day, that is, an average of 50 vests per day per worker. If we assume they work an average of 21 days per month, each worker's average monthly output amounts to 1050 vests. The average price of this brand's vests is 60 BGN which equals roughly 63,000 BGN for all vests the worker has produced in a month. Yet, she receives a monthly wage of 650 BGN after taxes, which is about 1% of the end price.<sup>15</sup> These calculations are based on the formally contracted working hours (8 hours a day/5 days a week/21 days a month), yet the real working hours are longer.<sup>16</sup>

Of course, there is also other expenditure,<sup>17</sup> such as administrative costs (which appear significantly inflated) for the brand, or for the factory's running costs. So unless we were to admit the presence of brutal exploitation, it is puzzling how and why over 95% of the end price goes to the brand.

## The fieldwork: a view from below

The top-down "birds' eye" view on the garment industry and the historic and economic context offered so far was necessary for us to understand what general factors influence labour conditions in the subcontracting garment industry. In the following pages we show what things look like from the bottom-up – how workers themselves see and interpret these problems. Garment workers, as we will show, are far from passive victims of their circumstances and often challenge these either through the unions, or through daily forms of resistance. In general, workers' pay is closely related to the presence (or lack) of mechanisms for control over how minimum labour costs are achieved (e.g. unions and labour inspection authorities, whose efficacy depends on whether workers and unions file complaints). When such mechanisms for control are missing, as our research shows, companies often strip workers of vital necessities at the workplace – physical space, light, air, and of her protection against the dangerous aspects of

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**15** Cf. Clean Clothes Campaign. 2013 *How much of the money I spend trickles down to workers? Won't 'clean clothes' be expensive?*. 20.09.2018, <https://cleanclothes.org/issues/faq/price>.

**16** In fact, in this factory workers are obliged to work 2 Saturdays per month, without getting overtime pay.

**17** In the course of our fieldwork we saw sewing machines from the 1960s and this is not an isolated case. All companies, whose employees we interviewed, received public funding (from EU and national funding schemes) for investments in machines, occupational safety measures, transportation, etc., i.e. the investments made by the private entrepreneurs themselves are not so significant.

the productive process; on top of that, forced unpaid overtime, low pay that is insufficient to cover even basic needs, etc. become much more common.

Apart from self-organisation, however, another form of indirect resistance is workers' refusal to work for these companies and to emigrate abroad instead. Bulgarian business likes to talk about competition, but not when concrete entrepreneurs find themselves having to compete for workers since this forces them to improve labour conditions.

It is no coincident that Bulgarian business, as well as its loyal media and politicians, consistently complain about the lack of labour force and call on the state to secure cheap labour. Examples of the readiness with which the state responds are the recent liberalisation of non-EU immigration regulations, as well as the so-called 'dual education', which allows businesses to employ high school students and pay them below the minimum wage. Such reforms serve to increase unemployment and thus force workers to compete with each other for jobs. In this sense, the decision to emigrate to Western Europe – a decision taken daily by many Bulgarians today – can be seen as a form of resistance, albeit desperate and individualised. This motive – seeing migration as a form of resistance – was pointed out by practically all workers we spoke to in the clothing sector.

## **The factories**

We talked to workers from seven subcontracting garment factories in different regions of the country. One of these was state-owned. Since supervisors and managers often used threats, insults, lawsuits, pay cuts, and job dismissals to punish workers for speaking out publically about working conditions, we leave out the names of our interviewees and their workplaces. Even those workers who say they are not afraid to speak, told us that they commonly face negative consequences.

The factories from our fieldwork see significant fluctuations in staff numbers – these can go up or down by as much as one third over the course of a year. This is often because the company cannot secure enough production orders which means that the unchanged targets are too high, but there is no way these can be met. This leads to a very low daily wage, so workers are forced to leave their jobs and look for alternative employment, often abroad. On paper, companies never make redundancies, but simply 'accept' resignation letters and refuse to extend existing contracts in probationary period. This allows them not to pay redundancy compensations.

Outsourcing companies in the garment industry prefer to locate themselves in those regions of the country that suffer highest unemployment rates – where local people have few alternative opportunities for employment. Companies also often head to smaller towns with a larger proportion of ethnic minority populations, who commonly find it harder to seek better working conditions or to migrate to larger towns and cities, due to the discrimination they (expect) to stumble upon there. This also got confirmed in the interviews we conducted. In urban centres where employers compete for workers and where workers are typically ethnic Bulgarians, working conditions tend to be better. And conversely – when companies are located in rural areas with high levels of unemployment and populated predominantly with ethnic minorities, the conditions are significantly worse. This is the case even when employers themselves come from the same ethnic minority as the workers. A female worker from a large city shared with us: “If I don’t like it here, I’ll just move to one of the other factories in the region.” Other workers saw no such options.

## **Piecework production and labour discipline**

All garment workers we spoke to worked on piecework daily rate pay arrangements, and in all cases the daily targets were unreachable within the legal working time set in their contracts (and often exceeded that by far), despite their managers presenting it as especially suited to workers’ capacities, working conditions, and working hours. The daily targets are determined unilaterally by the management of the company, and workers have no say. This is of course, a direct effect of the lack of any sort of democracy at the workplace.

The main problems garment workers face, concern precisely the daily targets. In a large garment factory in Southern Bulgaria, meeting the target turns into a daily wage which is topped up by a ‘presence bonus’. Even though this is illegal, employers attempt to tie even the minimum legal wage to a 100% meeting of the target, despite not securing the conditions under which the target can be met. For example, there are often not enough materials or orders. The unreachable targets are topped by a fixed form of payment (e.g. for attendance or in the form of other bonuses or food vouchers), but this is also a problem, because attendance bonus can be lost if the worker is absent from work even just one day of the month. This practice directly affects parents of young children and workers with recurrent health problems.

Most workers see the target as unachievable, but their employers push them to cut production time by half: a garment worker allocating size labels, for example,

processes 850 dresses today in comparison to 400 in 1998, without there being any technological innovations introduced to help her do her work quicker. On the contrary, her duties today have expanded to include new operations in addition to size allocation. Effectively, her productivity has increased because of the pressure to reach a daily target of 1000 dresses, which has pushed her to work overtime and thus self-exploit. Although she produces much higher quantities today, her pay has not reflected that, and neither have the set targets since these are constantly being moved upwards. In this sense, there is no direct relation between targets and productivity – the target is not measured by productivity, but is arbitrarily set by the manager/owner, and thus only reflects his/her individual power in the workplace.

*There is absolutely no way we can meet the target 100%. We could probably enter the Guinness book of records if we did.*

Staff redundancies also mean that the remaining – already overloaded – workers are required to take on even more. The companies make staff redundant in their attempt to cut costs, but also because they are unable to secure adequate numbers of workers due to the poor working conditions they offer. “There used to be three people working on these three tasks. It’s just me now”, a female worker tells us. Her wage has not been increased threefold to reflect the fact that she is now doing the job of three people. From the perspective of the managers, this constitutes an ‘optimisation’ process that is aimed precisely at cutting labour costs.

One of the most common complaint workers voiced was about management’s constant switching of allocated types of job tasks (such as sewing of buttonholes or of chain-stitches). The pay rate for each task and the time it takes are different for the different tasks, and are determined by management. To get the hang of a certain task and be able to earn an alright wage for it – which usually means meeting about 80% of the target – workers need several days. “When you’re used to your own [task] and reach [an ok wage] they move you to another one where you can’t make as much. They do it on purpose”, another garment worker tells us. The change of tasks slows them down – even changing the colour of a dress when they have mastered the routine operation threatens their ability to meet the target (since change of garment colour means workers need to change the colour of the threads in the bobbins and to insert them in the bobbin winder spindle). The most experienced workers are most hard hit – mastering of a large number of different operations means management rotates them more frequently depending on which part of the garment assembly line lacks enough operators. The rotation of tasks is also

used as a form of punishment for more disobedient workers, especially when they challenge any aspect of the working conditions or their pay rate.

What is more, experienced and more productive workers are penalised by consistently increasing their target for each task: "If you start hitting the target 100%, the supervisor comes the next day with the clock and corrects the time. They steal your time". The minimum required time for the task falls and despite the worker's increased productivity, her wage stays the same. On the other hand, workers who have established more friendly relationships with supervisors receive lower targets, which they can easily hit and even exceed, boosting their wages:

*When you are friends with the supervisor, they'll reduce your target. If you need 5 minutes to produce 2 items, she'll record 1 item and I'll use this time to produce 2 and take money for 2. But if you're not her friend... and if she wants to make life hard for you, she'll overload you to such an extent that you'll work really hard and you won't get any money for it.*

In this sense, it is important to highlight that the alienation from the work process, described and lamented by the intellectual critique of capitalism, seems to actually be sought after by workers in piecework employment. Mastering a specific task to an extent that it ceases to require high levels of cognitive effort allows workers to increase their speed, hit their targets, but also to emancipate themselves from the drab of the job (since they can think of something else, talk among each other, listen to the radio, etc.)

*I was carrying my phone in my apron and would listen to radio in my headphones. And I wouldn't pay attention to them. And at some point I would start singing along and they say "Aah, I know the song!" ... Well, it's 8 hours, how else [can you survive]?*

In some sense then, Taylorist discipline and its typical alienation could also have emancipatory effects, or at least effects that numb the suffering characteristic of this type of work. Of course, when work is part of an invasive and despotic management of the workplace (by unilateral and undemocratic setting of targets for example), this becomes impossible.

Some of the factories have introduced tablets which discipline the workers – they are required to scan the barcodes of each piece of the garment on which they work, and the tablets sum up the remuneration for the fulfilled operations.



These tablets are first and foremost an instrument for control of the work process and workers' breaks: workers are required to enter personal identification codes every time they change their task, the tablet shows the time and how much is left until the end of their shift, it requires clocking in and out of toilet breaks, etc.

*You have to keep track of the time on there, make sure you're not late. It's additional stress. To go to the toilet – [you record] 'personal interruption'. We record everything because we're told off if we don't. This is additional stress. You switch the machine on, but let's say the mechanic isn't paying attention and the machine breaks, but they don't allow you to record this as interruption [if workers don't record the time the machine is not in operation, this time is considered working time during which they've failed to produce any items, and their chance of hitting the target drops]*

On the tablets, workers see how the fulfilled tasks turn into wage in real time, which is particularly demotivating for them: "When I remove the broken threads from 25 units, I get 0.51 leva, 35 chain-stiches turn into 1.05 leva". Workers know very well what the market price of the clothes they produce is, and they can compare that to the price of their own labour.

Paradoxically, when workers try to make the labour process more efficient in order to increase their wage, they face the resistance of management since managers are torn between a desire to see workers produce more in shorter time, on the one hand, and an urge to keep workers' wages as low as possible, on the other. Soon after the introduction of the tablets, workers in this factory started scanning several items at a time – after finishing work on a bunch, they would scan the new ones. This sped up the work process because workers' hands did not have to waste time moving from the machine or the ironing board onto the tablet every 20 or 30 seconds. When the suspecting supervisors noticed the decreased frequency of the scans, they introduced a new requirement for minimum time allocated to each task (so a task could not be recorded as having been completed any quicker than the set minimum). For the quicker employees, this led to a drop in fulfilled targets, and consequently a drop in wages. This example comes to show that workers often innovate, but their innovations might be destroyed by managers who face the dilemma of increasing productivity while cutting labour costs.

The tablets' function then is not so much to ensure efficiency, as it is to secure workers' submission and to keep their wages low (this is how video cameras

used for observation are used, too). These devices can at any time spur resistance – if workers were to collectively self-organise against the constant and unfair changes to conditions and requirements; or they can prevent resistance – if workers individually threw all their physical and psychological efforts into raising those numbers they see on the tablet's screen to get themselves a higher wage. More often, however, the technologically aided (through tablets) intensification of submission, along with the dismal rates of pay and the forced and unpaid overtime labour, lead to disappointment and demotivation for garment workers.

Not all garment companies have implemented such total control and invasive management practices. Most small-size factories do not use tablets, and in some of the companies workers said they were able to meet their targets 100%. Yet, meeting the target in most cases involved working overtime which is not paid accordingly. "We work on Saturdays and they give us 20 leva in cash"

The workers we spoke to seem to have contradictory attitudes towards their piecework employment. They see it as unfair – if part of their wage is formed on the basis of hitting a target which essentially depends on whether the factory has provided the required materials, or whether the rest of the workers on the garment assembly line are as fast and efficient as them. In their attempts to fight for stable remuneration for workers, garment trade unions call for hourly paid and salaried forms of employment, which are not based on hitting piecework targets. Some workers, however, seem to be unwilling to welcome hourly based and salaried employment since it does not reflect differences in workers' efficiency. For example, this seamstress from a state factory appears very critical of the unions:

*The unions told us to ask for hourly pay. Why would I want that? I'll produce so much today and I'll get 20 leva, and another [garment worker] will produce so much less than me, she'd sit around and smoke all day, but she'll get the 20 leva, too.*

Despite her concerns, the same seamstress commented jealously on the working conditions and fixed salaries of the rest of the company's staff, such as warehouse operatives, mechanics, quality control officers, etc.

In another factory, however, unionised workers insisted on hourly paid employment, seeing it as an opportunity to have stable monthly incomes and not to burn out, and as a gesture of solidarity with those workers who do not succeed in hitting targets. Our interviews showed that when workers are collectively organised, their

demands were for a more egalitarian system of remuneration which provides more security and which reflects workers' average productivity rates. Capital, on the other hand, prefers mechanisms which put workers in competition with each other. This facilitates the management of the labour process and gives Capital flexibility; it also entails significant levels of insecurity for workers, be it in the form of unilateral setting of targets, or in the form of bonuses and vouchers, which can vanish overnight.

## **Management by stress**

Garment workers from all factories we visited complained of varying levels of stress and pressure. They often raise the problem of inadequate appreciation of their labour on part of the management. Supervisors, they told us, often use techniques of management by stress in order to encourage competition between the workers, making them feel unappreciated, disrespected, belittled, and controlled, which, as we show in the next section, serves to make them unwilling to challenge any aspect of their working conditions. Such techniques of management by stress include constant insults, as told by one seamstress: "The supervisor yells: 'are you normal, are you with your mind?'. She tears and throws the clothes. You can go crazy. This is proper psychological harassment"

Supervisors also keep themselves informed about the personal lives of the workers, and try to use this information against them. A garment worker told us she was hospitalised after suffering a nervous breakdown when her supervisor told her husband about an extra-marital love affair of hers.

Supervisors and managers frequently abuse workers verbally, accusing them of being lazy and unproductive, throwing racist insults. They also often make workers blame themselves for the low pay and the poor working conditions, and even insist workers owe managers:

*We were being idle, we've been fiddling around [they say]...They've increased the targets and now it will look like I haven't been doing anything! He [the owner] complains everywhere about how ungrateful we've been, how [we owe him] for giving us our bread. And indeed, there are people who live with this thought in mind – that if it wasn't for him, we'd be dead. He gives me nothing, I produce it myself! 'I give!' [the owner says] What does he give? I produce everything, to the last penny – he 'gives us' [nothing]! I pay for his upkeep.*

Sometimes, the garment workers were telling us about these invasive management techniques with empathy for the supervisors:

*Theirs is not an easy job either – to be caught between a rock and a hard place. They absorb all the pressure...When 20 people challenge you, and you have to yell back at them. This is not a [good] job, to my mind, but there are people who don't care...*

Supervisors also often make use of 'spies' among workers to report to them which worker voices discontent. The conversations between workers during the breaks are eavesdropped in order to prevent unionisation or any potential form of revolt. Whenever a garment worker is found to have complained or to have been talking critically about the management in the company, measures are swiftly taken: she is usually warned, but sometimes her pay is also cut.

The organisation of the labour process which is the same in all factories we visited – i.e. the breaking down of the production of a piece of clothing into an assembly chain of between 10 and 30 people who work on one single element/task each – is also a source of tension. The speed of work, and hence the chance of hitting your target, depends on each and every one of the workers on the assembly chain. "People depend on you, it's a chain. This also adds stress". The introduction of the tablets further exacerbates this problem since even the smallest mistake is traceable back to a specific worker, and this fuels conflict.

The garment workers, however, are very aware that the technique of management by stress is not accidental or a product of any unprofessional behaviour on the part of supervisors, but instead a systematic and intentional strategy: "[I]t all comes from [the owner] – if he was to ban this sort of behaviour of the managers, they'll stop. But he encourages it, for sure. You're psychologically crushed." They also see supervisors as an instrument of the owner to shirk responsibility and to avoid having to deal with concrete problems:

*And the boss doesn't go downstairs to the workers – they wait for him, they want him to come, they have questions. Whenever some sort of conflict occurs, they search for him. But he doesn't come. [He doesn't want to] go down to them, to humiliate himself.*

Our research showed that this sort of management by stress, as well as the excessive targets, seem to be more common in companies which appear to comply

with the legal limitations for the length of the working day (that is, where there is no excessive overtime). It is important to highlight that these are often workplaces where the unions are present and monitor the company's compliance with the law. In these cases, employers seem to aim to increase productivity and tighten discipline since they already have at their disposal less of workers' time. This is why, workers often prefer to work in companies where they get paid in cash and working hours are longer, but the levels of exploitation and management techniques using stress are lower:

*Why would you want to come here [in a unionised factory that offers an 8 hour long day]? Women who have been here before [but left] say, 'we might be working overtime at the new workplaces, but the psychological pressure is much less.'*

## **Intersections of social conflicts**

The conflicts between workers and management are painfully obvious, but they are always mediated by less visible ideological frames, as well as by gender, ethnic, family and personal power relations and dependencies. Personal relations, servile attitude before management and ratting out co-workers are the main ways to secure modest pay rise and a more favourable attitude on the part of overseers. Relatives are used as a pretext to report on other workers, and obedient ones are rewarded with easier operations. The symbolic violence on the part of management over labour, including the previously described techniques of management by stress and normalisation of excessive overtime, intersect with inter-gender and inter-ethnic relations and conflicts. A typical example is punishing mothers taking leave of absence to watch their sick children. Their salary decreases and so do their various bonuses (such as attendance bonus, food vouchers etc). But conservative social structures cannot be challenged in their own right, while leaving economic exploitation untouched. On the contrary – worsening economic exploitation can itself lead to the worsening of such conservative dynamics.

Questions about the intersection between gender, ethnicity, and social class appear in terms of the absolute extension of the boundaries of the working day outside legality.

During interviews, workers spoke about at least two Saturdays of overtime per month. Excessive working hours are often not remunerated according to

legal requirements. There are also legal ways to circumvent the limitations on the length of the working week. For example, through the so-called “summed up working time”, employers can force workers to work extra hours without counting them as overtime. Instead they carry over these hours into the following months as forced unpaid leave. Through summed up working hours, subcontracting companies acquire flexibility allowing them to meet the sharp fluctuations in large brand orders. But the security and flexibility of companies appear as coercive insecurity for workers who do not even know whether a weekend in which they work will be accounted for and paid as overtime.

We found some of the most disturbing conditions in a village predominantly populated by an ethnic minority. The garment factory there does not need to compete for workers – it is the only employer in the area and workers are not unionised. During periods of substantial production orders, shifts last up to 12 (and more) hours over 7 days a week. A female worker told us she was fired after fainting at the workplace, because managers were afraid that the institutions would be alerted to the working conditions in the company. There were cases of shifts of continuous work from 8 AM to 4 AM, after which workers were still expected to turn up for work at 8 AM on the same morning. “You come in, but you don’t know when you’ll come out. Day and Night – that’s what we call them”, a garment worker tells us. They cannot leave the workplace even when they have hit the target for the day because there is no public transport to the nearby villages where they live. The transport is provided by the company, and the buses only leave when the managers decide they will. There are also cases when workers have been locked in so they can’t leave: “They locked us in on the 3<sup>rd</sup> March [Bulgaria’s national holiday], I’ve never felt so bad. This is slavery”.

Such excessive overtime fuels conflicts within the family. Several garment workers told us that their husbands give them a hard time whenever they worked such shifts. Here the family and certain patriarchal relations of domination serve to displace the conflict – instead of being able to challenge excessive working hours and exploitation, garment workers’ energies are thrown into trying to manage conflict with their husbands.

In another case (in a different village), when a seamstress became a particularly vocal and popular union leader at her workplace, and the factory owner failed to convince her to give up, he bribed her husband who on his part ordered his wife to abandon unionism. The rest of the workers got disappointed and the union organisation collapsed.

Even in those garment factories where the trade unions are active, there is pressure to work during the weekend when there is a looming deadline to deliver a production order. Another worker told us she filed a court case against her employer for threatening her with dismissal because she refused to work Saturday night shifts. She said she would not have been bothered if she did not have to look after her two-year old daughter at the time.

The biggest achievement at another factory was won by workers after a long strike. They managed to limit the number of Saturdays they work to 'only' two per month. Liberation of each minute, workers are supposed to be entitled to by law, is achieved with enormous effort and is always followed by the management's reaction. Without such workers' resistances, nevertheless, the conditions would have been substantially worse.

Many of the small wins workers have secured have thus followed tremendous efforts and struggle. At almost all factories we visited, the allowed lunchbreak was 30 minutes, and the interim (usually 2) breaks were between 5 and 15 minutes. In one unionised factory, toilet breaks were particularly strictly recorded on the tablets, which effectively made the 5-minute breaks 3 minutes long instead, since it took workers time to record it. If they are non-smokers, the seamstresses use the breaks to stand up, as they have so far been sitting. Meanwhile, ironers sit down in the seamstresses' places because they were standing during work. Often there are no adequate resting places, and even when there are – the breaks are too short for workers to be able to effectively benefit from them.

At one factory the owner appears to use existing ethnic forms of solidarity in order to create corporate cohesion between management and employees. Ethnic-based solidarities, fear of racism or anxieties about being rejected by the ethnic majority (which is a very immediate concern in people's daily lives in these locations) appear quite beneficial for managements' attempts to get the upper hand over labour. The workers tell us how proud they are that, thanks to the factory, they are able to stay in the village and not leave for the larger cities where they fear discrimination. Employers use of their economic power to monopolise local politics and thus to strengthen the corporatist culture. Election campaigns are regularly conducted in the factory, and workers are obliged to attend and listen to party speeches, despite the fact that the same factory's owners had previously banned the unions from visiting to give a lecture about the benefits of labour self-organisation. Sometimes the factory owners delegate the management through stress to their subordinates at

human resource departments, to direct supervisors, and so on. At one of the factories, a woman who is part of the company's management and is known for her aggressive and despotic attitude towards seamstresses is represented by workers as a "whore", "gypsy", unruly, stupid, irrational as opposed to the owner who seems to be her victim. It seems that sexist stereotypes slip into the accusations. This allows the workers to turn the symbolic violence exerted on them against the management. On the other hand, such cases help the owners conceal their responsibility for management by stress and shift the blame to the supposedly "hysterical" nature of some female managers. There is also a transfer of responsibility for labor management from large brands, which are the actual employer of the workers, to subcontractors. For example, a common narrative in the interviews concerned a so-called 'Bulgarian-ising' of Western entrepreneurs: "the boss [from Western Europe] used to be a westerner, now he's become Bulgarian, always looking for ways to bamboozle and to cash in on anything". In this way, it is one's own culture that gets blamed for managements' dominating and abusive behaviour – explanations are sought in a supposed 'psychology' or 'mentality', rather than in the transnational system for corporate value extraction.

## **Wages and consumption**

The problem of wages is central to the conflicts occurring in all factories we visited. Garment workers clearly associate management's expectations for high productivity with their own expectations for dignified pay. Or as this male garment worker told us:

*Managers tell us we have to increase production by 15%. They behave very disrespectfully and yell at us when we don't quite manage to do so. Whereas we only want a 5% increase in wages. They say "where are we supposed to take [these 5%] from?" We don't ask them such stupid questions when they tell us to increase our productivity.*

The workers know very well how hard it is to make profit, since if it was not for their labour, there would be no profit. "I'm a worker who earns your salaries. I'm part of all of workers and I contribute to you making money." This is how they strip to the bones the otherwise 'objective' pressure on the part of the omnipotent market which employers constantly cite as a reason for excessive overtime and hyper-intensive labour process.



Workers' salaries ranged from the national minimum – 510 BGN, to 900 BGN before taxes. In many cases, to get even the minimum wage depends on extreme levels of work overload, hitting often impossible targets, working (often excessive) overtime, and receiving bonuses which workers can often 'lose'.

If we consider only the statutory working hours (8 hours a day, 5 days a week), the workers rarely get even the national minimum wage, even without taking into account all the different bonuses, overtime hours, and so on. What guarantees that they will receive at least the national minimum wage (or just above) are mechanisms such as experience bonus – the legal obligation for employers to increase workers' pay based on the length of their experience. It is not surprising that the Bulgarian Business has been trying very hard to remove this legal guarantee. Other similar mechanisms to ensure minimum pay are insecure attendance bonuses (which are very easy to 'lose') and overtime pay. However, if we calculate the pay and take out all bonuses and overtime, **in most cases workers receive less than the guaranteed minimum full-time payment.**

Most interviewed workers received their wages regularly on one and the same day of the month. Workers in all factories receive coupons/food vouchers. In some places, the amount of the coupon depends on the number of days worked (3 BGN per day), while in others it is fixed – 60 BGN per month. Although regularly paid, the level of pay rates is a major complaint, and many workers find pay rates insulting.

*There is nothing normal in this factory. Only that the pay check comes on time each month. Everything else is abnormal.*

*We can't save on these wages. We can't afford anything really.*

*We are in Europe only on the maps. Our wages are not European.*

The workers also complained that they cannot upkeep their families unless they also worked in agriculture. Some of them have small patches of land, which allows them to subsist on potatoes for half of the year. The excessive overtime factory employers make them work often hinders their ability to maintain their plots, and thus guarantee at least their food supply.

Overtime pay arrangements vary – overtime is either not paid at all, or paid less than a regular working hour; and sometimes overtime is (illegally) a full 8-hour day on a Saturday for which workers get 20 BGN cash. This overtime is nowhere recorded formally as overtime (breaching labour laws). The employers also fail

to provide free or subsidised meals in the dining halls, despite there being dining facilities (at least in the larger factories). In one of the factories' canteens we visited, workers can only afford to order the side dishes, since they only cost 2 BGN.

## Reproduction of labour power

One of the most common occasions for conflicts between employer and employees is the sick leave. Every time employees bring a fit note to prove that they are sick when they are on a sick leave it is seen as suspicious or fake by management. Often, the employer treats sick leave as a paid vacation and later decides to not grant workers all vacation days they have for the year. At one of the factories the first three days of the sick leave are not paid at all. Employers always reduce the reasons behind the number of sick leaves to a scam. However, employees turn this accusation on its head. A worker told us "We go to work sick sometimes. Is this not a violation of the law? Why do they not mention this?"

In smaller towns, where garment factories are most often located, employers manage to pressure GPs not to issue sick leaves. The conflicts over the working time are exported to the hospitals, too.

*They didn't issue a sick note for me. The doctor was straight with me "Your director goes to all GPs and threatens them not to give sick notes to his employees." But there are so many of us, it is normal that there are so many sick leaves.*

*When I went to my GP, he said "You only come here for the sick leave, and we have problems after." And he didn't issue a sick note to me.*

*Two weeks before the summer vacation, I had an awful back pain, I was on a sick leave and I asked for a few more days, but they didn't give me any because the summer vacation was coming up. They interfere even there [at hospitals], and they accuse us of getting fake sick notes. And I really felt very bad, and they tell me "It's not true."*

Sick leaves are not workers' caprice – they are often related to occupational illnesses. "If they decide to examine us, they would find that we all suffer from some occupational illness. Plexitis... We won't be able to take care of our grandchildren." Replying to accusations of "faking" illnesses, workers say "But

[the supervisor] does not feel this pain in her bones. She does not chase after a norm." Sick leaves depend also on workers' obligations to care for relatives and their children. Paradoxically, Capital complains of the lack of workers and the demographic crisis, but at the same time uses every tool at its disposal to prevent workers from having children.

The issue of the sick leave is directly related to the struggles over free time. Almost all garment factory workers whom we interviewed complained of the length of the working day and the impossibility to spend more quality time with their families. Seamstresses often use their sick leave to care for ill relatives or their children. Their salary, which depends on the pay for being present at the factory and the norm, make workers agree to work on Saturdays and put extra efforts in order to increase their efficiency. Thus, despite the fact that many of the workers' children go to kindergarten, the care work is distributed among the extended family. The reproduction of labour power is obstructed by the length of the working day and the lack of free time, as well as by the insufficient income.

The inability of factory owners to organise labour power according to the orders they get from brands leads to forced vacations for blue-collar workers. This is a forced vacation as far as employees cannot pick the dates themselves. The vacation is usually at the end of August and the end of December, thus covering both Islamic and Christian holidays. What is more, even if workers are on vacation they cannot afford to travel. Traveling is something all workers dream of but they can never save enough to do it.

*You can't dream about anything. I would like to travel on a cruise ship but I can't afford it. I don't know if I ever will.*

*I miss vacation, going to the seaside. We have never been to the seaside with my husband, because we cannot choose the dates for our vacation.*

Often workers' dreams of freeing up time are very modest:

*I imagine that for just one month I and my husband would shop only in the neighborhood shop, and we wouldn't have to haul the shopping bags across town [to a supermarket of a big Western supermarket chain where food is cheaper].*

## Organisation of free time and solidarity

In the presence of trade unions, the latter sometimes take part in organising celebrations. As opposed to the practice in call centres where free time is organised by management, here workers are self-organised and often pay for their own meals and drinks. A worker from a state-owned factory told us:

*Before, we had only one party at work, for New Year's Eve or Christmas, for example. And you pay for everything. There is an attendance sheet and you mark whether you will go or not. And you give 20 leva or 25. And you're going to a work party. Is that a work party? The factory – [they give] nothing. The [management] do not even come to wish you Merry Christmas. There's no such thing.*

In a private factory in the North of Bulgaria seamstresses are invited to a picnic on the outskirts of town, where there is free food and a live performance by a popular singer. At other companies the separate teams decide for themselves whether to celebrate together at the end of the year. As we mentioned already, owners and management constantly try to make workers feel obliged to them. For example, the buses transporting workers from and to work are often funded with public funds (such as various EU schemes), but they are presented as an expression of the owner's generosity.

Workers sometimes contribute to solidarity funds in the factories. In certain cases, for example if a worker had big medical expenses related to an occupational illness, they can get compensation from the fund. However, the fund is under the employer's control and even though it is workers' contributions, the managers present the coverage of medical expenses for surgeries or glasses as a gesture on the part of a benefactor.

## The trade unions

The unions are very critical of the practices in the garments sector.<sup>18</sup> The subordination of companies to transnational chains for value extraction creates extremely

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**18** dir.bg. 2017. Seamstresses' Wages in Bulgaria Are Lower than the Ones in Asia. 21.06.2017, <https://dnes.dir.bg/obshtestvo/zaplati-knsb-leka-promishlenost-25946041>; BNT. 2017. Low Wages and Fear of the Employer – the Exploitation of Labour in Bulgaria. 20.09.2018, <http://news.bnt.bg/bg/a/niski-zaplati-i-nelegalno-dlgi-rabotni-dni-2-chast>.

precarious working conditions and very low pay. A source of insecurity is also the fact that the work is fragmented – workers get employed to fulfil a single production order, and then dismissed or forced to go on unpaid leave. A significant number of the firms are in the so-called grey sector. There are also grave problems with health and safety, such as the case in the shoemaking sector where poisonous materials are used. Research into trade unions' attitudes towards the sector shows that they are "shocked by the arrogant behaviour of employers, their unwillingness to sit on the negotiation table, their condescending attitude towards dialogue in the industry, and the utter disregard for economic realities and state policies"<sup>19</sup>

Only around 5% of workers in the garment industry in Bulgaria are unionised. Collective labour agreements are rare, and whenever they exist, employers attempt to get rid of them.

The situation is extremely difficult because businesses have an active anti-union policy. Trade unions are not allowed to visit the factories and connect with workers. Even if the trade unionists come into contact with companies, they are discouraged by the management's refusal and cease looking for other channels of contact with workers. If the managers find out that a worker has contacted the union, threats and penalties immediately follow. On their part, trade unions do not want to put non-unionised workers' jobs at risk. There are cases when employees have been forced to sign a declaration that they will not join a trade union. Another problem is the presence of the so-called. "Yellow unions", that is, union organisations, which are created and controlled by managers and aim to mimic (and thus prevent) workers' activism.

Another difficulty, workers highlight in interviews, are deficits in the educational system, where many teaching hours are devoted to business and entrepreneurship, but zero hours are spent on educating young people about their rights as workers and their right of association. Along with this, the media and the intellectual elites often engage in distorting narratives or outright attacks against the trade unions. Trade unions are often presented as quasi-state organisations that do nothing but receive public money. It is important to note that the trade unions do not receive subsidies from the state (unlike many businesses which are indirectly and directly financially supported by the state), but instead rely on workers' membership fees. Local media, with close ties

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**19** Kirov, Vassil. 2016. *The State of Industry in Bulgaria. An analysis of strengths and weaknesses, opportunities and threats*. 20.09.2018, [http://www.effat.org/sites/default/files/events/14554/swot\\_analysis\\_for\\_bulgaria\\_bg.pdf](http://www.effat.org/sites/default/files/events/14554/swot_analysis_for_bulgaria_bg.pdf).

to the owners of garment factories, often carry out defamatory campaigns against specific trade union activists, accusing them of corruption and theft and offering no evidence. Trade union activists based in the factories do not get paid for their work. Their work is voluntary and is extremely hard, as it requires profound knowledge in many areas (law, finance, economics, technical knowledge about the manufacturing process, etc.). This work exposes them to serious risks during the conflicts with the factories' management and owners.

The lack of educational policy in relation to the work of the unions, as well as the false and defamatory campaigns against them in the media, have made many workers think of them as something external – again as a quasi-state institution, something like a labour inspection authority, rather than as self-organisation.

The union activists we spoke to often blame others for the lack of resistance. They simultaneously blame but also call for action, one seamstress explains:

*There are no unions active in the other factories. When you start talking about unions, you get kicked out immediately. There is a factory in this village where they work not eight, but ten hours, and they pay social security contributions for four hours only. This has to be banned by law, they have no right to do this to them. This thing about only four hours of official pay came about with the crisis. And when it's time to retire, they'll cry. God forbid, if get sick... But the people themselves are guilty of not claiming their rights.*

*Fear is the biggest enemy of the Bulgarians. The fear of getting rid of miserable life!*

When there is an active trade union within the factory, the number of violations of the law dramatically drops because management's actions are severely limited by the activists, who constantly keep track and report breaches. Joining the trade union does not lead to automatic improvement. In a garment factory with a strong union base, it took more than 10 years of administrative battles to force the management to place air conditioners, guaranteeing slightly more decent working conditions. Another progress, which is a direct effect of the trade union activity, is the limitation of the maximum working day and a significant reduction of the excess and unpaid overtime, as well as the alignment of the contracts within the legal framework (payment of social security contributions, etc.). However, as mentioned, this happens at the cost of a significant increase in pressure from

the owners – tightening work discipline, increasing production targets, intensifying the techniques of management by stress, and penalising the worker-activists.

The inability to gain the upper hand over workers on the factory floor pushes owners to lobby for more radical changes to labour laws or to tax policy in their interest. Capital on a national scale (and not only in the sector) is united and consistently takes a common national position. Entrepreneurs are united in their anti-unions policy, in their attempts to suppress wages, to demand public subsidies, to change laws in their own interest (for example, the calculation of overtime and lobbying for the abolition of the experience bonus), or with regards to the mechanism for wage calculation (which offers high levels of security for companies and high levels of uncertainty for workers). In a context in which only a small percentage of the workers are organised in trade unions, it is almost impossible to work for a more progressive national policy.

Workers' union and self-organising activity is also conditioned by personal relationships and intersections between ethnic, class, and gender differences we outlined above. Sometimes ethnic solidarity helps, sometimes it hinders workers' struggle. There are cases when strong ethnic solidarities at the local level have led to the full unionisation of the work place, but in general they work largely against self-organisation, because posing the problem of class differences in the community puts at risk those who resist. In addition, whenever the owner comes from the same ethno-religious group as the workers, there is a tendency for workers to discount exploitative practices because "the boss is at least one of ours". The latter applies to both minorities as well as Christian Orthodox ethnic Bulgarians. Along with this, family relationships also help to reproduce direct forms of domination (e.g. the transfer of conflicts over excess overtime from the work place to the family).

Although gender and ethnic hierarchies can be observed within trade union organisations, the interviewed workers in general tend to challenge sexism and racism. A worker told us how through his trade union he and his colleagues managed to remove from job application forms, questions related to job candidates' marital status and religion, which employers often used to discriminate against young married women and mothers (since employers knew they would be absent from work more often because of their children). Yet, the same worker shared that he does not oppose the collection of information about religious affiliation: it should only be made anonymous in order to guarantee the security of the individual, he thinks, but such data should be collected so that days off work

can be tailored to the religion of the workers. The same trade union managed to force management to allow everyone to be off work on both the Muslim and the Christian holidays, so that no conflicts on an ethno-religious basis arise, and so that workers respect each other's religious holidays.

The antiracist and antisexist character of trade unions is driven by their practical material interest and not by abstract values. Their aim is to include maximum numbers of workers, regardless of gender, ethnicity or religion. As we already described, businesses can take advantage of existing ethnic solidarities to create social cohesion in the workplace, but more often they tend to take advantage of existing conflicts in order to divide the workers. Trade union activists often try to make use of ethnic and religious solidarity, since these can facilitate self-organisation.

The active trade unions also organise training for workers. In contrast to the training employers provide which aims to make workers more efficient and more submissive, the training that the unions offer covers workers' civic and labour rights. In this way, worker-activists defy and demystify the owner's claim for monopoly over knowledge (rights, laws, technology), and workers who can invoke their rights can more easily challenge despotic practices in the workplace.

*Some say, "Well, what can I do on my own?" No, you will tell a colleague, he will tell the next one. That's how revolutions are done. It's kind of a revolution, the employer is a kind of tyrant. (Presser, member of the union)*

## **Chapter 3.**

# **Insecure Security: Labour in Private Security Companies**

### **The privatisation of security after 1989**

The Bulgarian private security market came into existence with the beginning of the 'transition' from state socialism to capitalism. It is widely associated with the chaos of the 1990s when the so-called 'mutra' (mug) men sliced up the markets



by using racketeering and physical violence, including public killings. The sector then has a deservedly bad reputation. Up until 1989, the state had a monopoly over security. After the system collapsed, several processes were set in motion: 1) the state reduced the army and the structure of public security; 2) the struggling state companies which were being privatised, could not afford to use the services of the former police; 3) sports graduates from the former state sports clubs started searching for alternative ways of earning a living.<sup>20</sup> The latter eventually became the private security guards of the rising new bourgeoisie. Along with this, the depoliticisation of the police makes many former state personnel turn to the emerging private security business and its associated violence engendered by the processes of obtaining and securing the new economic elites' property ownership. These varied processes interweave and intensify in the turbulent years of the (often) criminal redistribution of the former public property.

Until 1994, when the first administrative effort (decree No14 of the Ministry of the Interior) came to regulate security providers, the sector was de facto free of any public/administrative regulation.<sup>21</sup> This decree bans anyone with a criminal record from starting private security companies, which led to the closure of a significant number of these companies at the time.<sup>22</sup> This, however, only served to transfer the problem of criminal firms onto another area – that of insurance to which many of the criminal entrepreneurs directed their attention. A new decree issued in 1998 then banned insurance companies from offering security services.<sup>23</sup>

## From being a competitor to being a partner

A law which regulates private security providers was passed in 2004 and although it does not eradicate it completely, racketeering decreased significantly. Gradually, some of the large firms which dominated the sector at the time disappeared or cleared their bad image. All in all, with the reduction in the levels of apparent violence, the situation gradually normalised. The sector got normalised to such an extent that from a symbol of the criminal property redistribution and a principle enemy of the state, today private security companies and the state have become partners. For example, the recent tragic death of

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**20** Gounev, Philip. 2006. Bulgaria's Private Security Industry. In: *Private Actors and Security Governance*. Geneva: LIT & DCAF, pp. 109-128.

**21** Dzhekova, Rossitsa and Atanas Roussev. 2015. Chastniat ohranitelen sektor v Bulgaria [Bulgaria's Private Security Services]. P. 10. 15.08.2018, <https://www.ppps.dcaf.ch/sites/default/files/uploads/A%20force%20for%20good%20Bulgaria%20-%20web.pdf>.

**22** Dzhekova, Roussev. 2015, p. 10

**23** Dzhekova, Roussev. 2015, p. 10

a security officer at the construction site of a conference hall in the National Assembly revealed to the public the fact that some of the most important state institutions use the services of private security providers. To take another example, new legislation was passed in 2018 that allowed local councils to hire private companies to provide cities' and towns' public security, to which some media referred to as 'new private police'.<sup>24</sup> In some small towns and villages, private security firms even accept emergency calls<sup>25</sup>. According to the Centre for Democracy Research, there are an average of 5 private security officers to every 1 state policeman (based on data from 2005), which makes Bulgaria a world leader in this respect.<sup>26, 27</sup>

In 2018, the private security market enjoyed an annual turnover between 0.5 BGN and 1.5 BGN, its labour force numbered between 100,000 and 200,000 people, and over 2,600 companies licensed to provide such services. In comparison, this sector's income appears then to equal the Ministry of the Interior's annual budget, and the number of its employees is at least twice as high as the number of policemen and military personnel in the country.<sup>28</sup> Other sources claim that if we were to include companies' own (in-house) security officers, the total number of people working in the sphere will swell to 300 000.<sup>29</sup> This makes the security provision industry one of the largest employers in the country, along with the garment industry. It turns out then that providing private security services to private property and business today requires no less labour than manufacturing; and that the contemporary state has surrendered its monopoly over violence.

Research by the neoliberal Institute for Market Economy (IME) appears to be strongly supportive of the privatisation processes in the sector, and its 'expert' opinion has been widely propagated in society. The IME strongly advocates the presence of private security companies in small towns and villages (particularly in those with expressed 'ethnic conflicts'<sup>30</sup>) since they see the presence of private guards as working to prevent petty crime. According to IME, the public's trust in the Ministry of the Interior is low because the national police service is ineffective in the prevention and investigation of crime. They also see the reasons for this

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**24** Bossev, Rossen. 2018. First Private Police. *Capital*.15.03.2018, [https://www.capital.bg/politika\\_i\\_ikonomika/bulgaria/2018/03/15/3147224\\_purva\\_chastna\\_policiia/](https://www.capital.bg/politika_i_ikonomika/bulgaria/2018/03/15/3147224_purva_chastna_policiia/).

**25** Ibid.

**26** Novinar. 2005. *Secuiry Guards – five times more than the police*. 13.08.2018, <http://www.online.bg/asp2/s3nArt.asp?media=45&artno=2&artdate=2005/9/15&CDLANG=BG>.

**27** dnes..bg. 2005. *Bulgaria Has the Most Security Guards in the World*. 13.08.2018, <http://www.online.bg/asp2/s3nArt.asp?media=0&artno=3&artdate=2005/9/14&CDLANG=BG>.

**28** Bossev. 2018.

**29** Dzhekova, Roussev. 2015, p. 23.

**30** Krustanova, Ikonomika..., p. 29.

in the fact that the main expenses of the police are labour relation, whereas only 1.5% is capital expenditure.<sup>31</sup> At the same time, statistics reveal that the labour force employed in private security is several times higher than that of the police. IME don't seem to see much of a problem in this, which might be because wages in the former are extremely low. It appears then that for neoliberal 'experts', there is nothing wrong with labour-intensive economic sectors as long as the employed are in the private sector, are low paid, and a small number of private owners cash in. This comes as further proof that under the guise of 'neutral', 'expert' knowledge, we get policies that are not only politically biased, but serve the interests of a few and harm the interests of the many.

There appears to be a large 'grey' sector in the industry too: just 200 M BGN were paid in taxes in 2013, and tax evasion is estimated to have cost the national budget around 700 M BGN.<sup>32</sup> Data also shows that the average wages in the sector are a little higher than the country's minimum wage, but significantly lower than the national average.<sup>33</sup> What is more, not only are wages particularly low, but they also often include very long unpaid (and illegal) overtime. Workers' situation here is not too different than that of garment workers we considered in the previous chapter. If we were to calculate wages before tax in relation to laws regulating the maximum length of the working day, then in practice, workers' wages fall significantly short of the national minimum wage. Some say that this data does not account for the frequent practice of paying part of the remuneration in cash. But even if we were to take this 'grey' pay into account, wages are still very low, or as our interviewees told us – they are 'insultingly low'.

As a whole, private security officers – especially those who work for subcontractors, are simply cheaper than police officers. Not least, because the police service cannot afford to overlook labour laws so systematically and so brazenly. All of these problems can be boiled down to a single source – the neoliberalisation of the public sector. This includes the rise of public-private partnerships, the introduction and encouragement of market competition in public procurement, as well as the uncritical approach to corruption that fails to clearly define the problematic practice. In the era of austerity and budget cuts, public bodies cut their human resources and transfer responsibilities onto the private sector. Public tenders are usually won by the company that offers the lowest price (which often means having broken at least some labour laws). In effect, the 'attractive'

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**31** Krustanova, *Ikonomika...*, p. 9

**32** Dzhekova, Roussev. 2015, p. 28

**33** *Ibid.*

price which won the company the public tender, is often paid for by its employees who find they are forced to work for a wage that is often lower even than the national minimum.<sup>34</sup> In this way, austerity, competition in the sector, and the neo-liberalisation of public institutions, all combine as a force to keep security officers' pay particularly low. Our hypothesis is that a fourth factor is the low level of unionisation among workers, who, as a consequence, are particularly atomised and incapable of collectively struggling for their rights. Only 1000 private security workers are members of the National Security Providers Union.<sup>35</sup> At the same time, there are six trade associations, which represent and lobby for Capital, i.e. work in the interests of the owners, and not of the workers.

In 2014, out of the 2063 licensed security providers, 672 had licences to provide their own security, i.e. they employ their own security officers rather than hire external companies. This means that **the vast majority of companies which use the services of security providers hire subcontractors**. These are 75% of companies in Bulgaria, according to the World Bank.<sup>36</sup> National and regional public institutions on their part are in practice obliged to hire private companies since otherwise they would have to go through very complex administrative procedures in order to obtain licences to provide such services themselves.

As our discussion in the previous chapter showed, subcontracting works to transfer responsibility for labour away from the real employers, and onto subordinated companies who then have control over the labour process and power to discipline. And the lower down this chain workers are, the worse their working conditions get. Unlike the garment subcontractors, however, security providers are not subordinated to global brands. The sector is dominated by a large number of small, localised firms. Only 5 companies in this industry have a workforce of between 2000 and 4000 employees, and a turnover of more than 20 M BGN; and the combined turnover of the two largest companies makes for 20% of the total income in the sector.<sup>37</sup> Most companies then have up to 13 employees and a turnover of 200,000 BGN.<sup>38</sup>

The everyday life of the workers in this sector never attracts public attention and debate of any sort. The media keep conjuring much-distorted images of those employed in the sector – effectively mobilising the image of the 'mug'

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**34** Buchkov, Obshtestvenite poruchki... Cf. Stoyanova, Ileana. 2013. *Private Security Receive Humiliating Income*. 02.09.2018, <http://www.zastrahovatel.com/statia.php?mysid=4849&t=4>.

**35** Dzhekova, Roussev. 2015, p.33.

**36** Dzhekova, Roussev. 2015, p.17.

**37** Krustanova, Ikonomika..., p. 16

**38** Based on the study of 340 companies. Dzhekova, Roussev. 2015, p.17

of the 1990s as representative of the entire sector – which numbers hundreds of thousands of people – to this day. This image could not be any further from reality: one of our interviewees, for example, was a former university lecturer and holds a doctorate; another is a middle aged woman who is (unsuccessfully) trying to combine her work with her higher education studies. What is more, a significant part of the employees in this sector are retired (11% as of 2012 official statistics<sup>39</sup>, but considering the size of the grey sector, it is possibly a much higher proportion). In short, the direct forms of violence, which we associate with the beginnings of the Transition, are largely gone, but the hidden forms of violence which security companies exert over their staff today, are very much alive and well. In the following pages, we retell the stories workers told us about their labour conditions in the private security business.

### **The battles over time, and the insecurity of the security providers**

There is no piecework employment here, and hence no techniques of management by stress (although extremely disrespectful behaviour on the part of managers towards employees is very common). The most frequent complaint here, similarly to the garment workers', is the forced and often unpaid overtime, the lack of contracts that adequately reflect the real working arrangements, the practice of skipping social security contributions and 'grey' pay. It appears that employers here do not engage in the aggressive anti-union politics that those in the garment industry did, but some of our interviewees pointed to trends in this direction. Similarly to the garments industry, working conditions in the security sector also improve when workers are unionised.

#### **“I'd be the first one to run away”**

Small, privately guarded parking lot in a southern neighbourhood of the Bulgarian capital. There is space for 30 cars, with the monthly rent per parking space – about 70 BGN. A dirty stoic structure, no bigger than 2 square meters, accommodates the three guards, two of them retired. Two bony stray dogs keep them company. Before we talked to one of the security guards, we assumed that the profit margin in the parking lot must be quite low if workers receive the minimum wage. This would be just over 500 BGN monthly profit, which is effectively just one more minimum wage, but for the owner.

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**39** Dzhekova, Roussev. 2015, p.23.

In fact, it turned out they only work for 300 BGN per month at 12-hour work shifts every day, with no days off on weekends. While we were still carrying out our research, the youngest of them was about to quit and go to work as a security guard elsewhere for 600 BGN. One of the other security guards, a pensioner, complained that he now had to cover his shift until they hire another person, which meant his next shift was to be extended to a 24-hour shift.

“Did the company provide training for you before you started working?“, we asked. The security guard puffed, laughed and shrugged off: “What are you talking about...“The company provided no training whatsoever, contrary to the requirements of the Private Security Act. They have no employment contracts, no social security contributions, no extra pay for overtime. They work 7 days per week 12 hours each day, which amounts to 84 hours a week, or 44 hours overtime. Not only is this work unpaid, it is also entirely illegal since it violates the legal requirements for minimum rest.

The parking exists entirely in the field of the grey economy. No receipts for paid parking space are issued to customers - only handwritten notes get recorded nowhere. The entire business gives off a sense of something temporary and wobbly. We were told that the parking lot will soon become a building site.

The only benefit workers have managed to win is get free lunch at a nearby food facility that belongs to the same owner. Initially, the owner required them to pay for the food, but they defied him. Other than the free lunch, there are no other ‘bonuses’. Our interviewee lived nearby and said he would not work there if he had to pay for public transport, since that would have swallowed his entire income.

When private security companies hire pensioners, they can afford to pay them wages that do not even cover the monthly cost of food, since they know that the worker also receives a pension and would not starve to death, as would happen if he was to rely only on his wage as a guard. However, the pensions are also too low for people to afford to survive only on them: hence they are forced to continue working. A popular joke from the state socialist past captures the supposed essence of work discipline and productivity at the time: “They pretend they are paying me, and I pretend I work.” Today, however, in this parking lot, the joke seems to have become reality. As one of our interviewees laughed: “If [thieves] came to steal here, I’d be the first to run away. Do you think I’d risk [my life] for this money?” We could not but applaud such sort of ‘work-shirking’!

Security guards can be said to be analogous to artificial artificial intelligence<sup>40</sup>, usually associated with companies like Amazon which offer services for this type of outsourcing. These are all those mechanical tasks such as sorting stock photos by colour, or sorting receipts that can currently be done by machines (artificial intelligence) but it is cheaper to hire people to do those, because increased labour productivity has lowered its cost (see also the previous chapter on the relationship between productivity gains and labour depreciation). *Their labour is so cheap that it is below all calculation.* Instead of machines, tasks are carried out by hired workers, who receive crumbs per task, and in the case of the parking lot, they replace expensive CCTV cameras. In popular culture and the popular imagination, there is a common fear that machines will become indistinguishable from people. In reality, however, we are witnessing the opposite – people are being turned into machines performing elementary activities, that is, *robotising people rather than humanising robots.* These examples reveal how fictional technocratic optimism is, in its claim that technological progress would inevitably make physical labour extinct. In fact, the opposite is happening: capitalist economy generates what social anthropologist David Graeber calls “bullshit jobs” which have become possible because of constant downward pressure on wages.

### **“I don’t need money, I need spare time”**

We interviewed Peter, a security guard, 48 years of age, and is in possession of a Doctor of Humanities diploma. He has been working as a security guard for two years now. He used to do the same job at a prestigious high school in Sofia – in the school’s parking lot – which primarily involved “chasing and confronting drivers.” But now he works in a reception office and his only duty is “to say good day and goodbye.” The position is only a temporary cover, but he says he wants to stay there permanently, because this job allows him to study and read, it is not as busy and stressful as his former parking lot job. His work in the school’s parking lot was hard and very poorly paid. The school was located “in these new, completely illegal neighbourhoods, with no infrastructure where they continue to build despite the lack of space,” and his commute was an hour and a half each way – three hours a day total commute, which was of course unpaid. He had an employment contract, which stipulated the minimum wage and an 8-hour working day.

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**40** Artificial Artificial Intelligence is not a mistaken repetition, it is the name of a type of service, which Amazon have called a „mechanical Turk“ or MTurk (see [www.mturk.com](http://www.mturk.com)). The word comes from an 18th-century chess game machine carrying the same name. The machine is driven by a person who is hidden in it, and so remains invisible to viewers. The point is to trick people into thinking that the machine is fully automated.

*But [the contract] is wishful thinking: they always overload you with much more work. Of course, I shirk it, but if you wanted to make enough money to get by, you have to work overtime.*

Overtime is not paid extra – Peter worked 11 hour shifts every day at the school. The contract said “hourly paid, but in reality it is a daily set wage”, so he is forced to work on top of that.

“Generally speaking, I do not want to work, but if you want to make money you have to work more.” At his present temporary job, he works 24 hours a day, 4 days a week and he rests for 3 days. The wage is 30 BGN per day. During what is supposed to be his ‘paid’ annual leave, he gets 8 BGN per day - “and so you would not want to take any annual leave or you’d want to take it and work elsewhere in the meantime”. When he worked at the school parking lot, they did not pay him any wages during the school holidays, and so he would temporarily work on other sites in order to survive.

The company is a subcontractor - the school pays it a (rumoured) amount of 6,000 BGN per month for security provision. It hires two security guards, who take 660 BGN (if they work 22 days with a heavy load of unpaid overtime). The remaining sum is pocketed by the company’s owner. The school also hires their own internal security guards, and the subcontractor only provides security for the parking lot and the surrounding area, making sure children do not run there. Peter said that the in-house guards take about 1,200-1,300 BGN per month. In response to our question, “is it not more rational and cheap to directly hire a school guard for 1,200 BGN instead of paying 6,000 BGN for two people,” he said that the school is legally obliged to hire a private company.

Many such companies are owned by former police officers, military officers, district police chiefs, etc. According to Peter, a large number of security guards work in similar companies under similar conditions. They are lucky if they take the minimum wage, he said, and if they want to get a little more - they have to work a lot more (far beyond the normal/legal working hours). But Peter does not want to work any more than he does, as he says, “my time is more important,” and his managers do not force him to do any extra overtime.

Security guards can earn the 660 BGN stipulated in their contracts only if they work more hours: for example, Peter’s shifts don’t allow him to work 22 days a month. **In other words, workers do overtime in these companies in order**



**to get their pay up to the legally sanctioned wage for a normal 8-hour business day, and not to get any overtime pay!** The situation, as we mentioned, is similar to that in the garment industry, bar for the despotic mechanisms for discipline by piecework and management by stress.

### **“They own your time”**

Peter tells us companies do not have trial periods because they are always looking for a lot of people. They often take on new sites without having staff for those yet. They hire desperate people: “retired, long-term unemployed, Roma, Turks, people from the bottom of society, people who have nothing to eat” and who then accept whatever the conditions are, without daring to negotiate with the bosses. Peter tried to negotiate a higher wage, but did not succeed. His manager made excuses with their ‘capabilities’, they have no money, they said: “If you want to leave, [then leave] they say, but they say it in sorrow”. They did not put him down in a rude way, since they have a constant shortage of people and so try to maintain good relations with staff. Peter tells us every now and then he talks to the paymaster: “I make a scandal, and he just mumbles and makes excuses.”

Similarly to the garment sector, employers here also often complain that instead of workers competing with each other, the owners have to compete for workers. However, the low pay in the private security firms means it is an even less attractive sector for workers and makes it more difficult for employers to find people who are willing to work under the (very often illegal) conditions they provide. This explains why people like Peter can afford to argue with the owners and seek their rights. The owners of security firms are not that afraid of unionisation and have not developed the aggressive anti-union policy that the garment employers have. Self-organisation of workers is also hampered by the fact that in the security sector workplaces are scattered around. In the garment factory, conversely, workers spend the majority of their time together and develop close relationships with each other, which facilitates their self-organisation. Workers in security subcontracting companies often come from a socially marginalised background, in short, they are “people who do not have enough to eat” and are often less prone to trade union self-organisation.

Peter told us that there are homeless people who work as security guards, because this allows them to “stay somewhere”. This is also the case with spouses

kicked out from their homes after a family scandal. There are also people with criminal records, even though the law does not allow this. Fear is another stumbling block Peter has encountered in his attempts to organise the company's workers. He told us he has tried to agitate people and "to organise, to exert pressure, but I do not meet with any understanding because most of them are either afraid, or indifferent and sceptical, and feel that there is no point." Still, he has not given up organising his colleagues, although he does not see much will to resist the bosses. The whole company consists of probably about 1,000 people.

Peter's working hours at the school parking lot were 6:30 to 19:30, but he often left an hour earlier. For the 24-hour shifts, he would come in the morning and leave the next morning. Night work is also not paid as required by law. In the same company, "we had to provide security for the [former] czar once, and I refused at the last moment. Then they tried a few more times to call me, but, I do not need money, [I need] free time" and so he tries to avoid taking extra shifts. He works Saturdays and Sundays every now and then, but they do not pay that as overtime, but only as regular workdays: 30 BGN per day. He has worked on Christmas and New Year's Eve, he said, and on holidays, but never got extra pay for that. They once managed to get him and a colleague to stay 2 extra hours for a school celebration, and paid them 1.50 BGN for that - one fifty! (enough said about overtime pay and companies' attitudes to labour laws in the sector). Peter collects examples of violations of labour law in a folder, but has never filed formal complaints with the labour inspection authorities because he cannot find anyone among the other workers to support him. Only one agreed to testify once, but then he reconsidered.

Some workers get fines: if they fall asleep, drink alcohol, etc. It is important to highlight that the labour laws prohibit employers from imposing fines. Yet, managers use their judgement to see when they can pull it off. They have threatened to fine Peter too, but he tells them "well, I will leave" and they give up. He often turns his phone off so they cannot find him. He has heard and seen many cases of colleagues being fined. One colleague of his got a monthly wage of only 50 BGN after being imposed all sorts of fines, so he threw his work clothes down and left right away. He heard of another colleague who slept with his girlfriend at his workplace and they kicked him out.

Peter earned 630 BGN net in June 2018: "The month was full!" In July he took 8 days off, and had fewer extra shifts, so only received 340 BGN. In August, he earned 450 BGN. This wage fluctuation creates enormous insecurity for workers. What

helps Peter tremendously is that he lives in his own home and does not have to pay rent, but with such fluctuations in monthly pay, the average non-home-owning worker cannot be sure whether they will be able to pay rent and bills each month.

The company pays Peter's social contributions based on the minimum wage only. Last year, he requested from them an income statement:

*I pretended I was asking for it in order to file a tax return, but of course I wasn't going to do that. And the statement they gave me had nothing to do with reality - 12 months at 460 leva. And I had worked and received a lot more. The very fact that I asked for such a statement made them very nervous - "What do you need it for? [they asked]"*

He said he had submitted tax returns before, but has now stopped, "because I'm trying to stay out of the system."

Peter does not receive vouchers for transport, even though he commutes over a long distance. He has a colleague from another company who had his public transport expenses covered – his was the only case Peter had heard of. Part of the monthly remuneration comes in the form of food vouchers – 60 BGN. However, they are not a bonus on top of the wage, but a part of it (which is another violation of labour laws) – it "forces you to shop in the hypermarket and always for 20 BGN (this is the value of the voucher, no change is given).

The money is paid out in a very peculiar manner: part of the wage is paid to workers 'under the table'. The company seems to do special double accounting:

*Two accountants sit on two adjacent desks. You sign [documents about] what you receive legally at the first accountant's desk, and then [you move to] the other accountant and sign under the money you actually get and you receive it from her. This is done openly, there is no [attempt to] cover it up.*

They get no pay slips. He only received pay slips when he worked for a public school. The minimum wage is paid via bank transfer, and anything above it - by hand. Whenever the wage does not reach the national minimum, the entire sum is paid by bank transfer. Sometimes, when the company needs extra workers (e.g. for security provision of a major event), they also call people to work without contracts and pay them in cash. Peter says he would not be surprised if it turned out that most of the

sector functions 'in the grey'. He tells us of a colleague who underwent a hernia repair surgery and then wanted to go back to work while he was still on sick leave. But the boss refused to give him any shifts, for fear of 'trouble' and "set him free" (i.e. dismissed him). He says he has never seen labour inspectors visit the company. He thought of alerting them, but besides evidence, he needed people to support him as witnesses, and none were willing to, despite his efforts to persuade them.

Peter's current employer has provided training before because the security guards have to pass a course and be awarded a certificate. Under the Private Security Act, all security guards have to undertake a 40-hour course that includes first-aid training, training on the content of the law, as well as a course that informs them of their rights and obligations. Peter said that their course lasted for 30 minutes instead: a pro forma lecture with a former policeman who spoke "complete crap" to them, such as instructions not to sleep and drink at work, and wasted their time. "They obviously think you are a moron, to tell you such things." Apart from theft of time, the course was also theft of money: despite being compulsory, 40 BGN was withheld from Peter's wage, for "training". They did not receive certificates, even though this document was required in order to start the job. Their second month's pay was also reduced - this time for a psych-test, which none of them actually took, but they all paid 30 BGN for. The workers were told they should receive the certificates when they leave the job.

There are no established communication channels between security workers; and they hardly go out together outside of work:

*I only communicate involuntarily with those I have to work with. They're not my kind of bunch, I don't have much to do with them ... but if they are willing to get together, to organise ourselves in some sort of an organisation so we can do something serious against management, I'd get involved. I've been thinking of unionising, but for now, the opinions I've heard are not very favourable.*

As far as Peter knows, the trade unions have not attempted contact with workers. There is a rumour in the company that years ago there was an attempt to start a union, but the "boss scattered them around". He says the boss's reaction is not an obstacle for him, it is instead the lack of enthusiastic workers.

## Doorkeepers and security guards

As the state is the largest consumer of security services, we also conducted a series of interviews with security guards in a large state institution and in this section we present the results from these. A few years ago, the institution entrusted its security to a private security company. Until then, the entire security provision was undertaken by in-house guards (often pensioners) – hired directly by the institution. Security provision today is divided: there are *doorkeepers* who have employment contracts directly with the institution and security guards employed by the private security company subcontracted by the state institution. Doorkeepers lock and unlock rooms, provide guidance to people, and observe for signs of disorder (i.e. part of their activities are to provide security). Private security guards monitor and control access at building entrances, they can check visitors' passes and they can call for backup in case of security breach. This institution is a particularly interesting case, since it allows us to compare the working conditions of the private security guards employed indirectly by the institution, on the one hand, and those of the doorkeepers who are employed directly by the institution, on the other.

### **“There is no such thing as pay delay, this is a state job! Only the private companies delay pay”**

We spoke to 56 year old Yordan, who has a high school education, is married and has two children. He has been working as a doorkeeper for two and a half years now, and is employed directly by the institution. This is his second job. He works as doorkeeper two days a week, and as an accountant the rest of the week. His working mode is 2 by 2: two days on duty, two days off. “There is no weekend, Christmas -- as it goes.” The responsibilities as a doorkeeper are to check ... the passes? “No,” he says, “the security company deals with the passes.” His duty is to check rooms and halls, closed or open for events. “We enforce the non-smoking order” “There is no such thing as a fixed weekend or Christmas breaks – the workers rotate”. He has a permanent open contract preceded by a six-month probationary period. There is a collective labour agreement in the institution -- thanks to the trade unions, and Yordan participates in the agreement because this gives him four days of paid extra leave. He pays 4% of 1-month's salary annually for his participation in the collective labour agreement. He is not a member of the union. Why? “I have worked in the private sector for many years, for the past 7-8 years I avoid dealing with private

stuff...That's why I don't need a union". He says that the union is not popular among his colleagues either, but the working conditions are not that bad.

Does the Institution-employer delay your monthly pay? "They don't delay; they pay regularly on the last business day of the month. I started on the minimum wage and I can't ask for any more", all pay is duly recorded, Yordan gets his social security contributions paid, and he also gets experience bonus. "But this is quite a lot for me – I have worked for 30-years." At the same time, his colleagues from the private security company often have their pay delayed – they will take their July pay in September. "Their June pay they will take in August, they were meant to get it on the 15th, but then they told them not to wait for it until the 26th. And they do not get any experience bonus."

The company has money, but they make excuses: the institution has not paid us, they say. But this man [the security guard whose pay is delayed] has no relationship with the institution, but only with the company.

We move onto a conversation about bosses in various industries, especially subcontractors, who make excuses with third parties – that their money is being delayed, and so they themselves are delaying pay, too. Yordan draws examples from accounting and says that once a person someone has contracted with is replaced with someone else, the contractor has to pay, irrespective of whether he's been slow in receiving his money elsewhere.

They never made them work extraordinary hours, he says, except for once when he was asked to take on a night shift: "The boss said only if I wanted to. But night shifts are [easy], you just catnap. And I was explicitly asked if I could handle it, whether it would overload me, do I want it, etc." Other than this one-off exception, such on-call shifts are planned early. He can choose when to take his annual leave. In December, their manager gives them a blank holiday schedule that they fill in. And if something extraordinary like sickness happens, it is generally easy to cover. However, they don't have quite enough staff, they feel, sometimes access to parts of the building have to be restricted because there are not enough of them.

Is work too much, or is it comfortable? So far, it is good, but there are rumours, he says, that the institution will terminate the contract with the private company. Hopefully, then they will appoint more doorkeepers, otherwise security provision will become impossible, he tells us. Relations between workers are friendly, Yordan says, they have coffee together, they get along with their

colleagues. There are no differences in wages except for the experience bonus top up. Everyone gets the minimum wage. They have no targets to hit or competitive atmosphere to navigate.

The institution isn't providing any extra amenities for them, so he has on occasions complained to his boss: "They gave us uniforms but we did not have a dressing room." They do not have a shower and a dining room: they only give one very small room, "as wide as the table and with all of us inside...They won't get us a room, and a shower – no way." This is in violation of regulation on Minimum Requirements for Health and Safety at Work.

The employer does not provide food, but they give them vouchers, as they do to all staff of the institution. But these get delayed: "We take the Christmas ones after Easter." The employer does not provide transport vouchers either.

### **"This thing about the private security companies, it's all lobbyism"**

We also spoke to Krasimir, aged 35, single, with a law degree from the New Bulgarian University. He has 2 years of experience as a security guard in the subcontractor company hired by the same institution that Peter and Yordan work for directly. Krasimir works only on this site; he can choose to take shifts elsewhere too, but he does not like those, he wants to stay here. Like Yordan, he works over 2 days followed by 2 days off. He sometimes has to take on extra shifts.

*In these companies it is not permitted to talk to outsiders, be it the media or researchers, without the prior consent of the PR department. This is because many of them are on the brink of law, in the grey sector, and do incorrect things.*

We tell Krasimir that we have already received numerous refusals from his colleagues and thank him for agreeing to talk to us. Subsequently, when the conversation returns to the topic, Krasimir is careful not to indicate specific irregularities that he is aware of first-hand during his service. He only speaks of irregularities in general, based on his impressions.

His contract is also permanent, with a 6 months' probation clause. He works for the minimum wage too: after taxes, he gets a net sum of 395 BGN. He has a

bank loan so his entire salary pays it off. "I have never complained to Human Resources and Accounting, everything has always been accurate, there have been no problems in this respect." In general, wages are paid regularly, without delays.

*Only in the last few months something changed and they began to delay payment. With a few days or so, I'm not sure exactly how much. I do not rely on this income because the bank takes it all. They [the employer-sub-contractor] accuse the institution for delaying the payments.*

*I do not know about colleagues without contracts or hourly paid. But we do not communicate very much with each other. We don't have a good team, I don't get along well with them because of differences in character. I get along well with some people. But we do not communicate, do not go out after work, we do not have lunch together, except for a couple of people.*

He describes some rivalry between the doorkeepers and the security guards at the site. In his view, such rivalries are of the internal/external sort and are "rather light-hearted". Occasionally, though rarely, there were more serious conflicts or misunderstandings related to competencies whenever there has been some tense period.

*I do not know if there is a collective labour agreement here, I have to check. I'm not part of any unions, I don't know if there are unions here. And in general, my attitude towards the unions is negative! I do not think they can change anything.*

We tell him briefly about the self-organisation of the garment workers and he responds: "Now that you say, I see that in such cases it may make sense."

They have no specially designated facility, no rest room or a shower, neither at the premises of the institution, nor in the office of the company. They don't receive food or transport vouchers. He doesn't know, he tells us, about any fines or deductions, nor does he know anything about bonuses.

The company does not provide any training or fund any qualifications. By law, they are required to pass a 3-day course for security guards at the Academy of the Ministry of Interior before starting the job. Krasimir has taken such a course but paid for it from his own pocket. Since then – nothing, he says, "That amazed me". There have been safety briefings. But the Labour Inspection Authority has never come.



The firm does not organise any company celebrations, outings, or team-buildings, he tells us.

A particularly curious summary Krasimir made was:

*This thing with the security companies is a lobbying measure. Under the law [regulating] private security companies, state institutions are obliged to hire private guards, they cannot be institutional. And now this is [the case] everywhere: universities, agencies, ministries, schools.*

### **“Work is going well, but at the cost of my studies”**

We also spoke to a woman who works as a security guard for the private subcontractor in the same institution – Ana, about 40 years of age, and currently pursuing a higher education degree. Ana initially said “Our job is confidential, so I cannot give you an interview.” Yet, what she did share a little later is telling:

*Work is at the expense of my studies so far, unfortunately. This is my pain. I [am determined to] do everything I can to manage it. I wanted to continue onto Year 2, but I don't know if it will be possible. A colleague who was also a student dropped out of his studies [...] No employer likes students, and there is no state support [to help] them in Bulgaria ... Yes, it is good for a student to find a job while studying, but in all sectors in Bulgaria employers do not want to work around students' schedules. We have no right of association in our sector as far as I know. We cannot negotiate. And I do not have time to go to interviews. I was invited to go to Belgium for a conference on the working poor, but the boss did not let me go. And there is no option for part-time education in my degree. I like [my studies] very much, I study with great interest. If my boss let me work on a 2 by 2 schedule, I would not have a problem with study time ... He gives me so much overtime that besides sleeping, getting up and going to work, I have no time for anything - no lectures, nor library - nothing.*

### **“Utter misery! This is modern slavery!”**

Not only the answers, but also workers' refusals to interview are also symptomatic of the working conditions in the sector. All asked doorkeepers appointed directly by

the institution immediately agreed to speak to us. Yet, most of our attempts to talk to security guards from the private subcontractor company fell flat. For example, a young man, about 30 years of age, declined our request for interview saying: "I'm not authorised to give interviews, I don't have that right. That's what we've agreed. Plus it would be wrong. There's no way I can give you an interview or information." Another employee, a man visibly about 70 years old, said:

*I can't. What can I tell you about working conditions, [they are] very good! I'm not giving you an interview. There are cameras here everywhere, and it'll bring trouble. I'm not going to give you an interview, I told you. No way.*

We mentioned these refusals when we spoke to one of the doorkeepers. He was surprised: "Why would they be so cautious..." But this fear clearly indicates the presence of some form of despotism in the private sector, and contrasts sharply with the attitude of the staff employed directly by the Institution where workers appear to be incomparably freer to speak.

It is fair to suggest that the employees of the private security firm are understandably afraid to talk about their work – wide spread violations of labour laws are an open secret. And as we see, the employer appears to have suggested that they have a duty to keep full confidentiality – and that the nature of their work deprives them of their right to organise themselves as workers.

When he found out we write about working conditions, a seemingly more inclined to speak employee of the private company approached us and said, "Utter misery! This is modern slavery! Modern slavery for retired people who still bark." When we thank him and mention that his fellow security guards refused to give us an interview, he exclaimed: "Well of course [they wouldn't]! If you say that I've told you all this, I'm a goner! [So please be] smart!" If we remind ourselves of Peter's narrative earlier about a colleague who stole money and he then had it deducted from his next pay checks, it turns out that if you steal money, they keep you at work, and if you speak out – they fire you. According to this man, there is a clause in his contract which forbids him to share publicly anything related to his work conditions.

One more employee in the private company defined his work as "Modern slavery":

*I'm a worker. But this is travesty, absolute travesty, modern slavery, [they] delay our wages, [they make us] work overtime... Given that the*

*minimum [wage] is 500, I've received 300... And do you know what 12 hours at work are like? It's not hard manual labour, but it's still 12 hours... And they even make you come for extra hours, when I go home my legs are swollen. And [since] you're supposed to eat out [as there is no food provided by the firm], how do you make ends meet -- how much money are you supposed to make [in order to make ends meet]? The other day I bought a sandwich, three leva, and [the sandwich] had gone off anyway.*

### **“Public procurement is also problematic”**

We spoke to another man working for the private company – retired 67 year old, married with two sons and grandchildren. He used to work in the emergency services for 37 years; his profession allowed him to retire early and since then (about a decade ago) he has been working for the private security firm, which now has a contract with the same state Institution. He has also worked in another private company. He too has an open ended contract on the national minimum wage (395 BGN after taxes). Everything goes to pay off his bank loan, so there is no ‘cash under the table’, it is all via bank transfer and all social security contributions are regularly deducted. But ever since February 2018, roughly since he started work on this site (the Institution), they have been regularly delaying the wages by 2-3 months. “On 27 July we received the wages for May. In late August we await the July salaries. This is because the [Institution] isn't paying its due to the company. They owe 200-300 thousand.” He couldn't tell how he knew that. “They owe a lot of money to different companies. Of course it's not us [the guards] who are responsible for this. But we take it all, we're the losers.”

Yet, he doesn't blame the company. He tells about the previous two sites on which he worked (for the same company) – an administrative office and a food processing plant, as well as a private hospital. During the work there, wages came on time, he said:

*The food company was run by a very serious man. We had an organised lunch buffet, salads, sandwiches. It was arranged between the two companies.*

He was fine at the hospital, too. “Look, we don't even have a real workplace here! Some chairs [that's it].” Another set of rules that is not respected in the

current company is the payment of overtime work, including pay for the work of national holidays. The length of service class bonus is not added either. Although he generally works on 2 by 2 shifts, he often has to take overtime shifts. These, according to him, become necessary only because there is often not enough staff. "Now one of my sons has returned from Germany with the grandchildren, but there is no time for me to see them. I have a shift tomorrow, and then they go on holiday." Another problem is the annual leave – you cannot always take what you want: "You want 20 days leave, they give you 10. They'd rather pay you than let you go."

Is there a union? "I've heard there's a union, but to get involved, the company must first allow you to." Later in the conversation, it turned out that the company does not approve of such things. "Have you tried to self-organise, for example, to protest against your wages being delayed? What if you stop working...?" "How do we stop working?! That means the site will close down, and then we're again going to be the ones that will suffer. "

We understand other companies commit graver breaches:

*There are companies that don't give you an employment contract. In the parking lots, they get retired people, pay them 200-300 by hand every month, and that's it! In [the previous company], they wanted us to work 200 hours before they can pay us the full monthly salary " (this amounts to over 30 hours of unpaid overtime).*

As we saw from our interviews conducted in parking lots, his observations are correct. This security guard then added: "There is a new law. It is a good idea to read it and see that a lot of the rules there are not respected".

The shifts are recorded by hand in a notebook. Labour inspections are conducted, but only on paper: no one actually comes to see how they work. Bonuses, vouchers, transportation facilities – they have none of those work benefits. Neither do they have trainings. They are supposed to have refreshing courses from time to time if someone's work is not up to standard. At the same time, failure to fulfil their duties is often punished by deducting a day's pay off the salary. Such a practice is at odds with the law too.

He doesn't think too well of the Institution's doorkeepers. "It's duplication of tasks. What sense does it make to have two companies, external and internal, to

carry out the same activity? [The institution] then pays twice for the same." But he seems to be of the opinion that the others – the internal staff – are redundant. Yet, he also made the following observation: "Problematic are also the public tenders. Those who offer the lowest bid, win them. And this then affects pay".

### **"The laws force us to hire a private company"**

We also talked to the facilities manager of the Institution where our interviewees work. We asked him, given the poor working conditions and the unpaid wages in the private security company, and considering the much better conditions in which the doorkeepers work, whether it is not more ethical to recruit employees directly, as internal guards. This is what he told us:

*The laws force us to hire a private company. There is another option – for us to register under the law for private security activities. But these are [some very complicated] procedures, applications, insurance... [This is because security provision] is not part of the function [of the Institution]. And therefore all state institutions, agencies, etc. hire private companies. And then there's the Public Procurement Act. The lowest bid wins. They then offer them minimum wages and bad working conditions. They have a contract for a certain amount per person, they pay them the national minimum wage only, and they pocket the rest.*

### **"There's not a lot of leftists lately, most are right-wing. And all these problems are because of right-wing politics."**

The quote in the title above comes from our interview with a 57-year-old woman working as a doorkeeper in the same institution, i.e. employed directly, not through the private subcontractor. She has a high school diploma, is married and has three children. She has been in this job for three years. She used to work at the Institution as a cleaner, but after undergoing surgery she was redeployed as a doorkeeper. No other colleagues have recently been redeployed for health reasons like her. In our conversation, she referred to the law and argued that in every workplace that has over 50 people, 10% of the workplaces should be allowed for redeployed personnel. Her work duties now rule out night shifts because of her health condition. She is also not supposed to shovel the snow in winter. Otherwise, just like her colleagues (doorkeepers and security guards), she works

12-hour shifts, and rests every two days. The exemptions do not affect her remuneration. Her employment arrangements work fine now, although three months after having been redeployed, the management sought a way to terminate her contract without giving any formal reasons. She had an open-ended contract, but when she was redeployed from the cleaning position to the doorkeeper one, she was made to sign a temporary contract - for 6 months only, "which is wrong and they had no right to [do that]". And three months into her new role, she was issued with an order for dismissal. Her daughter, who was a union organiser, saved the situation: "The director tore down the order" She is convinced that had she not had her daughter intervene, she would have been fired. However, the difficulties did not end there: a little later, the director left, and the interim deputy director issued a second order for dismissal. "I was handed the order, but I refused to sign it." She fought a court battle for a year and a half, while unemployed. She won the first lawsuit, but the employer appealed against it, failing to pay the state fee (of 10 BGN) only to delay the process. This is why the lawsuit took a year and a half, instead of the 6 months it was formally meant to take. Hence, the worker only got 6 months' worth of wage compensation for being illegally dismissed, even though the process took three times as long.

Why did they try to get rid of her? She recounts roughly what one of the directors told her:

*We don't need old and sick people, [we need] young people to work instead. And given that [the Institution] has no money, we cannot support sick people. We prefer to hire students to work hard for little money.*

Are they unionised? She says one of the trade unions is very active there. There is a collective labour agreement she has signed. It is through the union that she fought this whole dispute about the dismissal and the compensation. She does get her pay in time, she said, and she can take her annual leave as long as it is requested in advance and is agreed with her colleagues. Yet, she might be in for more trouble now because she has decided to start a university degree. She has been admitted already and has submitted an application for leave to the director, but she expects there will be difficulties:

*One has the right, as they say, to study throughout their life and I [want] this lifelong learning, but the law says – only if the employer agrees. And most likely the employer won't allow it.*

In terms of the organisation of work outside working hours in the form of trainings, celebrations, etc., she says they have nothing like that. They used to at her previous position, but not now. They gave them uniforms, but as Yordan also told us earlier – they gave them the wrong sizes. “I have to give my entire salary to tailor it. I asked the boss why he didn’t just give me the money to buy it myself. You can’t, he said, because it’s a public tender.” And she refused to wear it. The boss told her to wear something similar, “something blue.” And because they don’t have a changing room, he told her to use the toilets to change her clothes. “So how do you do it?”: since it’s formally work clothing, you’re not supposed to wear it on the street outside working hours, so she can’t put it on at home and wear it on her commute to come to work. And “you don’t have a room to change, you have to go into one of the rooms or in a bathroom.” As we already mentioned, this also violates the regulations on working conditions.

Every shift has a supervisor and s/he manages the daily activities:

*We have a rota, I was assigned to work through all the holidays - at Christmas, at New Year’s and at Easter. But that’s paid extra. Overtime is paid at 150%, and the work on public holidays is paid at 200%. Our [overtime] pay is fine, while that of the private companies is not.*

### **On the negative effects of working for a subcontractor**

Our interviews with the doorkeepers and private security guards in this state institution show that the violations of workers’ rights in the subcontracting security company are significantly higher in number and in gravity, than those of the workers recruited directly by the Institution. Monthly salaries in the private company get delayed, whereas the state institution pays these regularly. The salaries of the workers for the subcontractor are lower – either at the national minimum (395 BGN after taxes) or below the minimum when they are required to do unpaid overtime only to get the same money. For workers directly employed by the state institution, net income goes slightly above the minimum, because a experience bonus is added as per labour law, and they (generally) do not have to work (unpaid) overtime. The workers in the private company are afraid to talk to the researchers and are not unionised. The freedom of speech and of association, enjoyed by the employees directly hired by the institution, are significantly better respected. It turns out then, that what we traditionally perceive as separate sets

of rights and freedoms – those of free speech and those of social (labour) rights – are in fact inextricably linked, with the latter being a condition of possibility for the former. We would like to reiterate: the private security company has managed to convince their employees that they have no right to unionise and to talk about the conditions at their workplace. The workers directly employed by the state institution don't just have an active union organisation, but have also signed a collective labour agreement that provides them with benefits such as extra paid annual leave. In contrast, some of the workers in the private company are forced to take extra shifts until exhaustion, their overtime work is not paid as such, they sometimes receive wages under the national minimum, and often this is done 'under the table' which affects their social security contributions and will thus affect them when they reach retirement age.

Although employment directly for the Institution offers slightly better conditions, it does not guarantee the absence of abuse either, including quasi-legalised breaches, as in the case of forced leave. In both cases, there is a lack of adequate work space (such as rest rooms, changing rooms, and showers). State institutions also clearly obey the same market-financial logic of austerity and "optimisation" of labour costs – "there's no money, we can't support sick people". Chronic underfunding, caused by the country's regressive tax policy and generally anti-social policies are key drivers of these problems. Thus, it is problematic when public administrators begin to embrace market attitudes and the business management logic of maximum reduction of labour costs, regardless of other conditions. In the case of this institution, we saw that the Administration was ready to dismiss a disabled person. Yet, what appears to save the situation is the active involvement of the trade unions. Their workers' union self-organisation emboldens them and inspires confidence that they can win a lawsuit against their employer because they are not alone.

Removing the legal obligation for government institutions to use the security services of subcontracting companies will not automatically solve all of these problems, but such a step will certainly lead to significant improvements in the working conditions for most of the workers employed in the sector.



## Chapter 4. The Impossible Syndicalisation

### Outsourcing and subcontracting

We tend to think of the post-1989 ‘transition’ as driven by the promise of a “return to Europe”: ‘Europe’ embodied all sorts of promises – high standards of living, the rule of law, social justice, democracy, human rights, and so on. These hopes are long dead for the majority of Bulgarians today. From a project for Bulgaria’s bright future, ‘Europe’ has today turned into the place Bulgarian citizens run to in their attempts to escape from their country, although those same problems of the breakup of the social state are already plaguing Western Europe, too. The economic reforms carried out in Bulgaria after 1989 were meant to be a painful, but short-lived birth pang of the eventual transition to Western standards of well-being. In practice, however, what we observe today is a transition in the opposite direction – Western societies start to resemble the Eastern.

The same policies we endured in Bulgaria in the 1990s – austerity measures, social budget cuts, downward pressure on wages, the revocation of workers’ rights – engulfed Western Europe over the last 10 years. In some cases this was done by traditionally conservative politicians such as French President Nicolas Sarkozy, and sometimes under the guise of alternative-ism and flexibility, as is the case with the anti-social measures of the current French President Emmanuel Macron. Even if the welfare state in Western Europe has not (yet) been dismantled to the same extent as it has been here, the trend is clearly far from progressive.

Today one of the few sectors which still insists on holding on to the “European standard” wrapper in Bulgaria is that of Information and Communications Technology (ICT). According to the National Statistics Institute, the activities in the sector of “creation and dissemination of information and creative products; and telecommunications” pay the highest wages in the country, with average monthly remuneration for 2018 ranging 2,500 to 2700 BGN. Of course, these averages do not say anything about the deep inequalities within the sector, but the relatively high pay is the reason why the sector enjoys such high levels of attention from politicians and from various pundits celebrated in the media as “experts”.

In this chapter, our focus turns not to the entire telecom sector but only to the outsourcing of services in call centres. We conducted interviews with workers in the call centres of market research companies, as well as in call centres providing technical support for end consumers. We have also made use of ethnographic observations from our own KOI team, since some of us have also worked in call centres. We also borrow heavily from Tsvetelina Hristova's research on call centres.

The outsourcing of information and communications technology is also a significant focus in a number of European directives promoting the "knowledge economy"; and the consistent encouragement and measurement of "digital skills" – starting as early as preschool – appears to aim to attract more and more workers to the sector. It is ironic, as Tsvetelina Hristova noted in her research on call centres published by KOI, that people employed in the sector, which purports to have a "European" and "global self-esteem" seem to work in direct competition with Asian countries, thanks to the sector's low wages.<sup>41</sup> India and the Philippines, whose call centre employee force of 1 million each, are the largest outsourcing destination in the world. India has cornered 10% of the market, worth 140 billion dollars.<sup>42</sup> India, however, is threatened by another giant in the sector: Eastern Europe, whose competitive advantage lies in its geographical proximity to Europe and its cheap labour. Bulgaria is ranked twelfth in a global ranking dominated by mainly Asian and East European countries.<sup>43</sup>

We can summarise the trend this way: the end of the Cold War inaugurated not so much the integration of the Second World (Socialist Bloc) into the First, but into the Third World instead. This thesis is also confirmed when we account for the centrality of the subcontracting garment industry in Bulgaria (which we discussed earlier in this study). Both sectors illustrate the structure of the Bulgarian economy, which, despite being part of the EU, operates in direct competition with the countries of South Asia.

According to the Bulgarian Outsourcing Association, 55 thousand people are employed in the outsourcing of ICT and customer service. These work in 389

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**41** Hristova, Tsvetelina. 2014. Outsourcing Destination Bulgaria: New Patterns of Labour Migration and the Rise of Call Centres in Bulgaria. In: *Situating Migration in Transition: Temporal, Structural, and Conceptual Transformations of Migrations. Sketches from Bulgaria* p. 71-98. 20.09.2018, [http://novilevi.org/media/Situating-Migration\\_Online-Edition.pdf](http://novilevi.org/media/Situating-Migration_Online-Edition.pdf).

**42** Stoycheva, Mina. 2017. The Country with the Most Call Centres and Bulgaria Have One Problem in Common. *money.bg*. 12.08.2018, <https://money.bg/economics/darzhavata-s-nay-mnogokol-tsentrove-i-balgariya-imat-edin-obsht-problem.html>.

**43** Stoycheva. 2017

companies, 208 of which are call centres (mainly in Sofia)<sup>44</sup>. Most call centres are subcontractors, i.e. they receive calls and provide technical support for the products or services provided by other companies. The number of call centres in the country has grown tremendously since 1999, when the first outsourcing company started operating in Bulgaria.

If we look at employee numbers and compare them to all other sectors of the Bulgarian economy, we see that the ITC sector is actually quite small. The garment industry officially employs over 100 000 people (and a lot more if we include the grey sector), and the security workers number anything between 100 and 200 000. ICT's share of the country's GDP is only 3.5%.<sup>45</sup>

Similarly to the other subcontracting sectors, work in the outsourced customer service of large global corporations does not bring in significant added-value to the national economy. In fact, this is why this sector, like the garment industry, is being outsourced to countries like Bulgaria. The relationship of dependence that subcontractors are in, along with all the uncertainty that the so-called 'project work' entails, translate into considerable insecurity for workers.

Despite its modest size and relative insignificance for the Bulgarian economy, the industry enjoys a disproportionately positive media and public attention. This might be because it is recognised as being closest to the clichéd "global economy of the 21st century". The sector enjoys a good reputation also because remuneration is relatively high for Bulgarian standards. The good salaries attract labour from abroad and even from Western Europe, wrapping the industry further into an attractive 'global' cellophane. It also helps that call centres are considered to be part of the ICT sector along with the popular business press jargon such as "Cloud", „Analitycs“, „Social media“, „Mobility“, „Self-learning automation“, „Big Data“, „Internet of things“, despite the nature of labour in call centres, and in many IT companies, being in practice far from technologically complex (e.g. customer support for online casinos). Indeed, English words consistently sneaked into the speech of our interviewees, clearly indicate that this language is "native" to the sector.

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**44** money.bg. 2018. *More than 48 000 people in the Outsourcing Sector in Bulgaria Receive an Above Average Salary of 24000 BGN*. 12.08.2018, <https://money.bg/economics/nad-48-000-dushi-v-autsorsing-sektora-u-nas-poluchavat-sredna-zaplata-ot-2400-BGNa.html>.

**45** investor.bg. 2018. *The Outsourcing Industry in Bulgaria Expects a Continued Growth*. 12.08.2018, <https://www.investor.bg/ikonomika-i-politika/332/a/autsorsing-industriiata-v-bylgariia-ochakva-otbeliazaniiat-dosega-ryst-da-prodylji-262108/>.

Despite being not particularly significant in economic and labour terms, the ICT outsourcing sector enjoys the approval and ardent support from leading politicians: presidents, mayors and ministers. Senior officials are regular guests at the outsourcing business conferences and the mayor of Sofia recently commended the ‘deepening relations’ of the sector with that of public education. Such symbolic prestige and approval at the highest level has also translated in material support in the form of state and municipal subsidies for example. One large Bulgarian university recently adapted part of its facilities for a call centre, while also supplying cheap labour from students pursuing foreign language degrees. At the same time, universities appear dedicated to adapting their language programmes to meet the needs of Business. Of course, we observe similar trends in the garment sector. There are cases where community centres in rural communities are let out to garment factories for very small rents.

Typically, though, the universities do not (yet) house call centres – most of them are located in business and commercial centres, where they cultivate a strong culture of consumption among the sector’s employees.<sup>46</sup> Immersion in such (pseudo) luxury consumption spaces helps to form an ‘elite’ consciousness (rather than a worker consciousness<sup>47</sup>), which serves to dull their sensitivity to the precarious and exploitative labour conditions in which they often work. The level of unionisation in the sector is practically zero. Wages are relatively high, but not because workers exert collective pressure, but because the sector is characterised by consistently high turnover.

## **New work discipline or bullshit jobs?**

The work discipline in these companies is a contradictory mix of mechanisms for close monitoring of the worker: management read work chats and e-mails, there are draconian clauses for non-disclosure of inside information, CCTV cameras are installed throughout the workplace, electronic cards record workers’ hours and monitor their movement. It is also characterised by an almost total lack of autonomy over the labour process thanks to the so-called “algocracy”<sup>48</sup> regime, in which algorithms fully dictate the rhythm of labour. At the same time, there seems to exist a ‘party’ atmosphere maintained by policies and practices such as casual dress code,

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**46** Hristova. 2014. p. 84.

**47** In contrast to the garment and the security sectors, at the level of self-perception, we found no clear demarcations distinguishing managers away from workers in the call centres.

**48** Algocracy is the intensification of work discipline by subjecting workers to software’s demands. Thus, computer software from an instrument for executing tasks becomes the actor which sets out tasks and the way they should be carried out. Cf. Hristova 2014: 83. The process is similar to Taylorist work discipline where the pace of production depends on the pace of the machines.

teambuilding events and outings and (sometimes mandatory) company parties. In most companies wearing a suit to work is frowned upon and staff are supposed to use first names when interacting. There is a sort of forced friendly atmosphere, fed by managerial techniques such as teambuilding which seemingly upend traditional corporate hierarchies.

In its attempts to defy the traditional accusation against corporate culture as producing dull, monotonous, subservient and susceptible to manipulation “people of the organisation”, the sector seeks to present a “dynamic”, “adventurous”, “flexible”, even “revolutionary” image.<sup>49</sup>

In some cases the worker cannot refuse to participate in a teambuilding event or to go to a corporate party.<sup>50</sup> In this way, the disciplinary regime erases the division between work and free time, between purposeful work and aimless play. The gamification of the work process also produces the desired worker: flexible, hyper-mobile, adaptive, enterprising, receptive, individualistic, risk-taker, but also in possession of a strong work ethic, competitive and ready to go above and beyond what is required in their work, never complaining.<sup>51</sup> This worker must also wish to accept the “challenges of the dynamic market” – which is how managers euphemise precarious jobs.

Both in India and in Bulgaria, the outsourcing of internet communications is seen as a way to create a cheap middle class steeped in a (pseudo) luxurious consumer environment that numbs any forms of dissatisfaction. As Hristova points out<sup>52</sup>, young people educated in the West who would otherwise struggle financially in their countries, migrate to Bulgaria and turn into well-paid (for local standards) ‘middle class’. Knowledge of foreign languages and computer literacy are mandatory qualities that any applicant for a call centre job must possess. And so is a willingness to accept precarious work, to move cities, and often countries, as well as to accept high levels of stress. “This new stratum embodies mobility resituating itself or, rather, labour reinventing itself *in situ* in migration.”<sup>53</sup> Work in call centres is often seen as temporary (for example, many workers are students), but this transition is constant without being perceived as such.

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**49** Hristova. 2014. p 81.

**50** Tsoneva, Jana. 2012. *Engineering and accumulation of souls in the offshore world: the case of Malta*. CEU: MA thesis.

**51** See also Sennett, Richard. 2006. *The Culture of the New Capitalism*. Yale University Press, pp. 4-5, 47-65, 70-72.

**52** Hristova. 2014. p. 75

**53** Hristova. 2014. p. 75

Movement replaces the need for an organisation of the workplace or appears as a form of ersatz-organisation: instead of fighting to improve their conditions, workers simply change jobs or move to another country. As Ivan Krastev says, migration is the individualised “revolution” of the 21st century<sup>54</sup>. This is not too different to the migration of the garment workers, described in the first chapter here – their migration similarly replaces the lack of labour self-organisation. Garment workers prefer to leave and emigrate to the West or at least dream of how they would do it, instead of going on strike. We can say that this hyper-mobility, which characterises the ICT industry, prevents the formation of workers’ solidarity and class consciousness (except that of a “middle class” consciousness of individualised, “flexible” and “mobile” consumer–citizens). The workers simply move, following Capital. There is practically no union organisation in this sector.

Despite the attempts to force a friendly atmosphere, clear-cut hierarchies permeate the relationship between the company’s client, the subcontracted call centre, and the call centre worker. Employees frequently get reminded of the fact that they operate in direct competition with countries like India through cases of nervous customers who attempt to offend them by ‘accusing’ them of being ‘Indian’. As the 31-year-old Anna who has worked in three call centres, recounts:

*Two of the call centres used to hide our location from the customers. When customers would ask us, we were supposed to redirect the conversation. They also made us use Western sounding names. Stoyan, for example, had to be Steven. I could have stayed Anna, but only when serving one of the accounts I supported (online casinos). For others I had to invent other names so that the customer would not figure out that the same few people serve accounts which customers think are owned by different companies... Sometimes customers suspected things, I remember an extremely annoyed player writing to a colleague “You’re no Nick, what’s your name – Ramesh? Filthy Indians...” Because most of our communication was typed, in chat, they couldn’t identify our accents, and this one obviously thought we were in India.*

This is not an isolated incident, but rather the norm for employee-customer relations in the industry. In her research, Tsvetelina Hristova also describes examples, in which because of the frequent racist abuse from angry customers, the staff in Asian call centres hide their origin behind Western sounding names or are trained to ‘chis-

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**54** Tsoneva, Jana. 2018. Ivan Krastev: The Crisis of the EU is a Crisis of Empire. *Diversia*. 22.08.2018, <http://dversia.net/3240/ivan-krastev-krizata-na-es-e-kriza-na-imperiata/>.

el away' their Indian accents with the help of special training in American or English pronunciation. The potential class conflict between workers and bosses is thus displaced onto ethnic lines, and onto a clash between employees and customers.

Apart from such conflicts, the ideological pretensions of flexible capitalism also get undermined by the despotic labour discipline at the workplace:

*Generally, all our efforts are thrown into making sure there is no 'missed call', the atmosphere is something like in the Soviet electronic game of the old days 'Nu Pogodi' – you constantly feel like the Wolf runs between the laid eggs, trying to catch them in his basket. But imagine that all around you there are all sorts of managers who are constantly counting how many eggs you manage to catch, monitoring the speed with which you catch them, and measuring how polite you are to the hens.*

The salaries in the sector are above the national average, and they are often topped by bonuses tied to certain targets:

*I get 1600 leva after taxes each month and I get all social security contributions paid... Then you get a bonus of 500 leva if you speak German, French or Spanish. But now there's a new bad policy in the company – now if you don't speak like a native speaker, they don't give you that bonus. There are new special tests they make us take. In addition to a language bonus, there is a bonus that depends on your productivity... If you have good productivity that month, you get a bonus. There's an automated system that counts everything. I can't say how it's measured, but they see everything: how many calls you take, how much work you do, how fast and how satisfied the customers are. For example, if you get negative [customer] feedback, this also affects the bonuses you get.*

This often means lack of income predictability, and sometimes redundancies are made without any notification:

*In one day they made several employees redundant, [who] had worked in the call centre for 10 years or so. [They gave them] no notice, just paid them 4 months' worth of salary. Just like that, you're here today, gone tomorrow. They justified the lack of notice by the fact that they handle 'sensitive information' – customers' financial data, etc., so they can't allow people who know they're leaving soon*

*to continue working for some time. They gave them a couple of hours to clear their desks and dismissed them.*

Despite the high salaries, this sector, like the garment industry, is characterised by high levels of stress, and there are problematic practices with overtime pay. As one of our interviewees told us:

*There is a constant turnover in our account. Not a month goes by without someone leaving and someone new coming. [They leave because] we are a shared pot, that is, we work for 30 different companies, each with their own requirements, each with different rules, with different expectations. And the stress is constant and brutal. For example, a very common mistake in our account is to send an email to one of your customers, but use your signature for another client or to send it from another email address, which is a huge problem, so is closely monitored and is often confused... People become cross-eyed and get horrendously stressed. They go crazy and just leave.*

The same interviewee could not understand our question about whether he has had to work overtime. It seems overtime at his workplace is actually the norm:

*Well, I'm not even sure what overtime is exactly?*

Interviewer: *Staying out of working hours?*

*Yes, then I have had to. It is not paid extra.*

This shows how, along with the distinction between free and working time, companies erase the difference between normal and exceptional:

*It is hard to say whether we have worked overtime because working hours were prepared in such a way that normal working time includes working at 12 o'clock on New Year's or Christmas. And that's part of normal working hours. The hours in question were paid extra, double payment, but not for the whole day – only for the periods specified. For example, from 11 o'clock in the evening in accordance with labour legislation. But it's hard for me to describe when there was overtime work.*

Similarly to the garment industry, the pressure to 'optimise' the labour process, reducing labour costs and forcing fewer employees to carry out a wider range of tasks, is common here too:



*It used to be better when we served only one account. Now it's busier because they want people to support multiple accounts. I have 2 accounts, and some colleagues have 5 accounts. I don't know how they do it, but some people don't mind that apparently. I don't know if they're overwhelmed, I don't speak to them... Maybe they have a higher salary than me, I just don't talk about these things with people and so I don't know.*

All these tensions, caused by a fairly traditional labour discipline (and sometimes totalitarian-"watching everything"), lead to failures in the attempts to smooth out contradictions between supervisors and workers, and with this – to the emergence of oppositional moods among the employees:

*The politics in the company has become worse recently. The atmosphere is not pleasant. There is a lot of work and not enough people. We told the managers that there are not enough people but nothing changed, until people just started leaving.*

Although the call centres are presented as technological, prestigious and providing high quality jobs, the work there can often be captured with the term David Graeber uses: bullshit jobs (see also the previous chapter). Workers often perform simple tasks that could also be done by machines, but it seems that human labour is cheaper. They can also be described as artificial intelligence, which we discussed in the previous chapter, that is, breaking human activity down to simple tasks that could be done by machines. For example, one of our interviewees' duties included moving emails into folders under different categories. Sometimes the work is extremely alienating and workers feel it is pointless. A former employee of a call centre serving online casinos tells us:

*Almost all of my work consisted of chats in which the players begged me to give them a 'bonus' – money with which to play games in the casino. I had to check their play history – dozens of pages with numbers and abbreviations... and to decide whether to give them a bonus or not, and all the while I had to have a polite conversation with them... It was extremely busy all the time, at almost every point of the work shift I was serving simultaneously between 5 and 15 players, often postponing going for a loo break, because it took lots of time to close all chats. And that's [what you do] for 8 hours a day. I hated this job tremendously – it was both very stressful...you don't have time to exchange a word with the colleague on the next computer, and at the same time incredibly*

*meaningless. You work with your mind, you work with huge amounts of data – numbers, information – but at the end of the working day, when you see your bloodshot eyes in the mirror, you wonder what exactly the point of your work today was. And in short, the point of my work was to give bonuses to people who were losing money in order to trick them into losing even more money on the online casino games.*

Another worker defined the sector as the Bulgarian version of the American Dream. He offered us a lay sociological analysis carrying some very critical pathos: those aspiring to live the dream (defined by him as a rapid growth in the corporate hierarchy and an apartment in Mladost – a neighbourhood in Sofia) are initially being spared, he says, the unpleasant sides of the job they are to do – the dull and monotonous work, the nepotism. By the latter he means staff's sexual relationships which facilitate moving up the professional ladder. He is adamant that the nature of the work comes "as a shock to colleagues expecting to live the Bulgarian Dream, when it turns out that all they would do is move e-mails from one folder to another". Sorting emails is one among a range of tasks workers do in a company which exercises strict supervision of the work process and time: electronic cards are used to clock in and out, including for bathroom breaks. The working day is 7.5 hours long. The company uses a formula which calculates time and estimates that the worker can be properly focused for about 60 to 90% of the day. A 90% concentration rate means 400 minutes or 2 minutes per email (which includes reading, defining, sorting, labeling), and he deems this unrealistic, so workers can hit the target only at the costs of serious overload. Our interviewee constantly refers to the work as "dull, monotonous and repetitive". It turns out then, that the so-called. "smart" economy consists of a large amount of work that is far from being intellectually challenging, but rather resemble what David Graeber calls bullshit jobs.

The same interviewee's understanding of the nature of the work in the sector and the reasons why it was exported to Bulgaria, is far from mystified:

*The idea of the contractor from Denmark was to get rid of the monotonous and tedious work that does not require any thinking, so that the employees in Denmark, who are presumed to be more qualified, can take on the more serious, responsible and interesting work, and so they can be more motivated to stay in the company.*

Many of the companies have imposed restrictions on the use of mobile phones and the Internet. "Though we found a way to get round part of [the restrictions]

and to listen to the radio, but even that was forbidden.” The outsourcing of security services we looked at in the previous chapter, does not carry the same prestige and status as the ICT sector, and wages are several times lower. Yet, our interviews demonstrate that the security guards enjoy much more personal autonomy during their working hours than people employed in the call centres. One of our security guard interviewees summarised: “All my work is a holiday” or a time that he harnesses for personal purposes, learning a foreign language, reading books, etc. Unlike him, workers in the call centre are often not allowed to use their personal phones at work, let alone “wasting time” on social networks. They can hardly read books while at work. And while the security guards at the parking lots often keep an eye on the cars from the nearby cafe, the call centres have near-complete control over the rhythm of work:

*Calls are distributed evenly. The system would assign the next call to the worker whose last conversation was longest ago. Everything is automated in this regard.*

What is more, employees’ every second is utilised. This is how a worker in charge of customer support for pharmaceutical companies describes her working day:

*The sort of control that is being exerted [in English], I’m sorry I speak in English... the official working language in the companies was English. The work that is carried out and the structure of the work process itself – breaking 8 hours down into chunks of 5-10 minutes packed with tasks – creates a sense of an awfully long and focused work day, which squeezes your energy out – your work energy, your productivity. It is required of you to be productive all the time, which makes these 7 and a half hours much more demanding mentally and intellectually.*

Every second counts:

*There is software that marks the beginning of the shift, the breaks, the toilet breaks, and the end of the shift. I don’t remember the exact number, but there were certainly over 5 different types of breaks or ‘non-presence’ at the computer, during the workday. Service requires a 24-hour availability. Every second spent on something other than the relevant task – to talk to someone or to fix something – must be recorded, as well as the reason [why it’s not spent on the task].*

The total control over time, however, is at times disrupted and the workers steal time for themselves. One interviewee tells us she manages to “steal” a little time to study when working in the call centre. This comes to show some of the limits of analyses which focus only on the agency of the technology. Even just as software appendages, workers sometimes claim space to determine what to do in the rare minutes that no calls arrive. In the same call centre, workers who speak very rare languages enjoy more autonomy at work. But for our interviewee this autonomy often seems absurd. For example, she recalls how workers played turbo-folk music to the customers or how they start braiding each other’s hair while waiting for a call.

## Corporatism

We have not heard of any case of (successful) trade union organisation of workers in the sector. In some places, however, there is an active anti-union policy adopted by the management. They use threats, reduce wages, and sometimes dismiss employees who have attempted union organisation.<sup>55</sup> Our interviews confirmed the presence of management’s preventive anti-union practices in this sector. As one interviewee shared:

*There’s no trade union. From the media I know that they do not encourage union organisation. Ivaylo Penchev [CEO of one of the most famous business start-ups in the country], who expressed support for Sofia [Gay] Pride, kept saying that when he was looking to recruit people [for his start-up], he was looking for people who have experience, are young of age, and who have not been involved in trade unions. Disciplining takes place in the most banal way – threat of dismissal and possibly bonus cuts.*

A woman who worked for three call centres says that none of her jobs have union representation. However, there had been rumours of one:

*There’s no trade union. They used to say that a year ago someone tried to organise something, but he was dismissed immediately, with a very good financial compensation. They told him they didn’t like what he was trying to do, and they kicked him out – at least that was the rumour that was travelling around. I don’t know, it could have been a myth to scare us so we don’t try to do that sort of thing.*

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55 Hristova. 2014. p. 85.

Sometimes workers assume that there is no interest in the trade unions: "I've never heard of union organising. I don't know if they think about such things at all, they're an American company and they certainly don't have such things (laughs)" When asked "Is there a union?" another interviewee replied "I have no idea, I didn't even care." A third said, "We don't have a union. I've never even heard of a call centre that has union representation to defend the employees' rights there. "

But the fact that the trade unions are not active in the sector does not mean that workers' labour is not organised, even in their spare time. We find clear efforts to create corporatist (see chapter 1) company culture that blurs the line between the basic job roles and the managerial positions. This is reinforced by the "game atmosphere" that we discussed earlier. This aims to waver the boundary between work and free time, and to discipline the workers into being productive for the company even during the hours they are not paid for.

Work discipline techniques in the call centres are also used by the Human Resources departments, which organise teambuilding events and company parties. This includes practices such as company excursions and events (sometimes introducing a competitive element, such as sporting events), which are usually organised outside of working hours and aim, as the name implies, to create "cohesion" in the team and to consolidate it. As one call centre worker tells us:

*The company organises team buildings. For example, for the fifth anniversary of the project there was a big party, which was only for our project. In addition, the company organises Christmas parties for everyone. The Christmas party is the biggest. At one point, they introduced a happy Friday or Hotdog day, following the American model. Absolutely all employees would get a hotdog or a lemonade. The HR organised that. We also had teambuilding outings each time we scored very good results on a certain project.*

Another call centre employee recounts:

*We had teambuilding events, for which money was set aside, 30 leva per year per person. Or if you top this up with another 50 leva for example, we would go away for a weekend or go play bowling or do laser tag, which is fun. They organised competitions and awarded prizes, you could get something like a mini-iPhone. I was given an electronic key, a notebook and a mug.*

Other stories from the interviews also revealed that the discipline of work during working hours is also effected by competitive-game content: "I remember that I competed with other people, for bonuses, it was working". Irrespective of whether it takes place during or outside of working hours, this sort of disciplinary game strategy aims to increase productivity. Only the form of disciplining is new: through company-organised "active rest" at holiday resorts, games and contests, or just parties with lots of alcohol. The effect of these practices can contribute to the intensification of labour, as well as to securing compliance and active agreement with labour discipline through paternalistic gestures on the part of management.

*For example, in periods when it is terribly busy, they bring pizza, cakes. And when there's a lot of phone calls, they're asking us to skip lunch so we manage to get all incoming calls, but the team manager goes and buys us lunch. Though this happens rarely.*

One of the interviewed managers understands his own role to prevent potential conflicts at work. According to him, the money is not the only thing that motivates people to work but also:

*The attitude at work, some team building, for example to get every now and then a food voucher or fresh fruits in the office. And they expect me, if I notice any dissatisfaction among colleagues, and in particular among the lower levels and our subordinates, to take action, to report to the higher levels so that something can be done to suppress the stress and this conflict.*

Asked how discipline is enforced in the sector, another respondent singles out the trainings as a means for control:

*There are quite a lot of different control measures. On the first level, in each of the three companies [in which he worked], and I suppose, and within the industry, it is a process that begins with the interview. And it ends with training, which sometimes lasts a few weeks, sometimes it is a month or two. The first type of control is through training, the second control through software. The third control is social. There are many old practices, a very old type of socialisation within the teams. Employee of the Month, who answered the most calls, who has the highest number of successfully closed cases, and so on.*

In some cases instead of team building, the call centre organises the workers in charity initiatives:

*There was a business run that was organised in the Business park and in the Borisova garden. The fee for was 50 leva per participant and was paid by the company. We just ran. If you won your first prize, it's for you. And the money raised went to a cause.*

It is important to note that the organisation of work, especially in leisure time, is not just top-down. The above-quoted respondent tells us how she and her friend made Christmas cards and sold them to their colleagues:

*We also made invitations for the Christmas party and sold them at a symbolic price. Purchase was mandatory but in effect optional.. We organised it with the Human resources manager. And then me and other people went to an orphanage in a village and bought some things for kids. This is one of my best memories from my workplace.*

In another example, we see common chats being organised:

*We have a chat, we are all there. We talk about everything. I do not think the [management is] following it, no. In our chat we're just writing nonsense and we have turned logging off so no history is preserved. This is how I made friends with my colleagues. Sometimes we go out after work.*

And from another story we understand that the workers have themselves organised teambuilding:

*We have team buildings. The strange thing is that they are not as regular as I would expect, perhaps because of this constant turnover of the team. The last one was about two years ago. We organised it ourselves and we went to the seaside.*

Even self-organising with colleagues to go on holiday as friends can work to rally the team and increase productivity. But the fact that it is self-organised and thus comes "from below" doesn't necessarily make it less of a disciplinary technique. On the contrary, discipline is most efficient precisely when it requires fewer resources and is driven from within (by workers themselves), rather than being im-

posed from the outside (by management). The worker becomes 'well-behaved' and starts self-disciplining. One interviewee's (promoted to manager today) story about heavily exercising self-supervision even *outside of working hours* is quite telling:

*When I was level 1 customer support, I really enjoyed the job. It was like a computer game. There was this competition between me and my colleagues, even at home after work, I kept track of what was going on the system. I was just enjoying it, not working, but just keeping track of what results I'd achieved during the day. I had created this table in Excel... since each day we were told what productivity we had the previous day, I entered my data in the table myself, and the table automatically calculated my score and showed me how well I was doing that month... That was fun, very satisfying.*

Before we decide that the above is down to this person's "character", let us consider another interesting (self)-observation from someone who works in a company providing technical support to pharmaceutical companies.

*The competition is not so much with your co-workers as it is with your own previous performance. The more you improve your performance, the better chance you have for a bonus or any other benefit. But there wasn't really much competition between people.*

The sector does not rely only on self-discipline in order to increase productivity however. Workers themselves are forced to exercise constant mutual oversight. This brings about even higher levels of stress and guilt. For example, a quality control worker in a market research company tells of her concerns that her work harms her colleagues:

*I was worried that the people whose work I assess might lose not just their bonuses, but their jobs too. My job was to listen in on the agents' calls. If they fail to ask the right questions or ask them in the wrong order, the interview they conduct may be annulled for which they lose their pay. And these interviews are very difficult, because they could be calling all day, and it is possible that none of the people they call may agree to answer all questions. And generally, with this listening in thing... it's like working for the secret services. A younger colleague of mine used to get extremely anxious when she had to listen and evaluate others' interviews.*



A “team leader” we interviewed told us that in the company he works, they get subjected to monthly interviews to evaluate their performance (presentation, productivity) against a so-called score card, and every six months all team leaders are expected to mutually evaluate each other’s productivity. In this sense, managers also undergo constant supervision and efficiency assessment. He himself carries out supervision of work productivity following a rigorous assessment system.:

*Interviewee: I do QA of other people’s work and if I find that an interaction has not been carried out properly, it is my duty to ‘cut’ the person, to fail him on QA, and after a certain number of failed QA, this person’s productivity drops and he cannot get a bonus this month.*

*Interviewer: Can he be fired?*

*Interviewee: He could, but it is complicated in general. It is not directly as a consequence of poor QA that they get dismissed. The principle is that, at first, the person must have performed poorly on many fronts, e.g. to have poor performance in terms of quantity of work produced, to have had poor behaviour in the office, etc..*

*Interviewer: How do you measure whether you behave well or poorly?*

*Interviewee: Very good question. Again, my duty, both mine and my colleagues’ on the same level, is to do the so-called personal evaluations – for each worker below our job level, we need to do an assessment in a couple of paragraphs, namely work ethic and time compliance – whether they come on time, whether they come back late from breaks, etc.*

The same interviewee then shared how disappointed he was when senior management demonstrated that they took his efforts for granted:

*This company has lost my loyalty and motivation and I’ve been trying to leave for a while now. There was a time when I was throwing some brutal efforts [into work], staying late pretty much every day working my ass off for them. And their reaction was “yes, that’s what you’re expected to do. Maybe if you work a little more efficiently, you won’t have these problems.” And the moment they told me that, I said, “OK, well, it was nice to work here.” I’ll very soon tell them they need to find a replacement for me.*

When asked what the relationships and especially the conflicts within their otherwise ‘cohesive’ team are like, and whether any form of trade union organisation me-

diates the relations between owners, managers and workers, the same team leader tells us that workers “whine” when they want something and managers “yell”:

*My position now is between a rock and a hard place... Those beneath you hate you, the ones above you don't really like you and overload you with work, so... fun times, you know [in English].*

Interviewer: *Were there conflicts between workers and management?*

Interviewee: *Yes.*

Interviewer: *How do you resolve these, do you have union representatives there?*

Interviewee: *We don't have a union as far as I know [laughs]. For example, I know of a curious case when the operations manager had come to work at 9:00 in the morning and took a picture of one of the agents who was asleep on his desk. Later he gave him a pillow with the photo printed on it for Christmas... This is fun. The front-ops manager has repeatedly told off an agent who would sleep in the kitchen during his break for 2 hours, instead of the hour and a half maximum break that he can take. We, the team leaders, have also been told off repeatedly whenever we missed doing the mutual evaluations, we need to evaluate each other's [performance] every six months.*

It is important to note that the lack of trade unions does not mean that workers' attitudes towards them are negative in principle. For example, in response to our question about the reasons why there are no unions operating in their company, an interviewee speculated that “the majority of people must be satisfied with the conditions”. Yet, to the question, “what is your attitude towards trade union activities” she says:

*I support them. In my opinion, there are things that could actually be made fairer and more transparent if the unions were present, [but they need to be properly] functioning, not like the unions we have.*

The question of trade unionisation becomes even more pressing, as evidenced by the following story of a young mother working in a call centre. She has been prevented by the manager from using additional health insurance that she had already paid for:

*We were paying extra health insurance for years, with the company paying half of the dues. At some point change in the ownership*

*emboldened the HR to act wholly arbitrarily. This is tied to their cost-cutting drive. Then I got pregnant and wanted to use the extra health insurance, as I had chosen to give birth in a private hospital (otherwise I would not go there). My contract was going to expire in a year and I informed the HR that I wanted it extended for the following year. Suddenly, the main HR chose to save the company money by depriving all people on maternity leave from that extra health insurance, which is scandalous. They saved only 200 leva per year per person. I offered to pay the whole package because it included not only the delivery but also checks over the year. They did not heed my request. In the meantime I gave birth while they were pontificating over my case. I was paying this insurance for years and when I needed it, it was gone because an HR decided to save some money as they do not benefit from women on maternity leave [and abandon them]. I think, had there been a union, I could have defended my right to use my insurance.*

The above story shows that workers' struggles on the shop-floor are always-already struggles for reproductive rights, looming with all their urgency before every woman who has, expects or wants children. Workers' self-organisation is an important practical condition for the realisation of the equality between women and men, insofar as women's rights are directly impacted by practices and class relations in the sphere of production.

Another call centre worker laments the gaps in his own knowledge of his rights. He does not refer to trade union representation as a possible form of protection from unlawful and arbitrary behaviour on the part of management, but his thoughts seemed to go in this direction. As we learned from our fieldwork with garment workers, in addition to being used as a tool to claim their rights at the workplace, the trade unions are also a sort of education provider that offers training about labour legislation and helps workers defend themselves and their rights. This empowers them against the companies' constant attempts to take out as much of workers' time as possible, without paying for it. In addition, educating workers about the role of the unions can help them challenge managers' claims for monopoly over political and economic knowledge. Here's what another interviewee shared:

*I don't know what I can demand. I have some basic understanding of my rights, but I don't have that level of awareness that compa-*

*nies have of themselves as a result of all the regulations they have to comply with. I don't have this level of self-understanding and self-awareness of my value [as a worker], etc. On all occasions when I left companies and became redundant, I did not want to look like a greedy person or as if I was ungrateful. I wouldn't ask what I can get when I left or when I got fired. And as a result, it was only from former colleagues, and from people who have more experience than me, that I found out I could have asked for more, "you're entitled to compensation, but you didn't ask for it", they said. There are very clear regulations about how businesses should treat their employees, what they can and cannot do to them. However, there is no way [I can know], I do not know where to find out [about these]...I have never been told where I can find out what I need to know about myself, what I can demand and what the company owes me.*

It is not teambuildings and other forms of corporatist work organisation "from above" but only genuine union self-organisation that can guarantee the rights of workers. As we said earlier, what is characteristic of call centres is such a "loose" corporate culture, which appears to defy the distinction between work and leisure time, blurring the existing formal hierarchies (for example, by organising company parties). Despite all efforts in this direction, however, the awareness of hierarchical structures does not disappear. The hierarchies structuring the work place quietly but constantly re-emerged in the interviews we conducted.

A representative of a call centre's lower management we interviewed told us: "our level – the team leaders, supervisors, and part of management, have lunch once a month, quite a lengthy lunch, sort of a mini teambuilding", and added:

*Our former manager had tried to impose a ban on mixing between employees at different levels. Team leaders of [levels] above would almost never be invited to the places and events where the Level Ones [the basic customer support positions] or the Level Twos went – parties, etc... There are some exceptions, there are some supervisors who are so 'chillaxed', they don't care much about professionalism or ethics, and hang out with Level Ones and with couples... But officially, this was frowned upon.*

The example above shows that the ethos of party-egalitarianism is underwritten by strategies of distinction and a will to hierarchy. This brings us to the issue of

the peculiar forms of class consciousness which workers in this sector bear. Interviewees seem to think that their companies' hierarchies are not meritocratic. They are not based on the individual performance of the "agents" in the call centre, but rather on workers' long-term commitment to the company, as well as on "non-transparent competition", our interviewees say. Under "non-transparent competition", they usually meant informal relationships, including sexual relations, which turned out to be key for one's career growth in the companies.

### **The middle class and the sector**

What is the effect of such labour discipline techniques and practices on the consciousness of one's own position in society? Regardless of the position they occupy in the corporate hierarchy, none of our interviewees in this sector actively defined themselves as workers when asked about their identity. The word workers, however, does appear when talking about other employees at similar positions: for example, "the company has workers all over the world" or in another interview, "there were lots of workers in the company". A call centre employee described the company's workers as "agents, and I define myself as Team Leader." In contrast, our interviewees from the garment and security sectors described themselves not only as hired workers, but sometimes even as "slaves". Contrary to what some liberal pundits say, the use of labels such as "slave" or "slavery" is not a sign of defeatism, but precisely the opposite. It is a call to action, a call to drop obedience and to fight against the abuse of their rights. The word "slavery" is not intended to describe some objective reality, but to claim that obedience has now been recognised as unjust and illegitimate by subordinates who are now willing to fight to overcome it. This narrative draws on the collective memory of struggles for national liberation from the 19th century. At the time it was not necessary to have an "objective" form of slavery in order for national revolutionaries to declare the Ottoman Empire a slave-holder. The label functioned to reject the empire's management structures as fundamentally unfair and not subject to reform.<sup>56</sup>

Let us return to the call centres, where in the place of a contradiction between workers and supervisors (a contradiction we observed in the garment and security sectors), there is a wide range of contradictions and hierarchical positions and distinctions: "At the initial level, there are the Level Ones and Level Twos". We did observe an endless fragmentation of work roles and tasks in the garment

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**56** Here we are influenced by the work of the Bulgarian critical sociologist Todor Hristov.

industry too – seamstresses, pressers, cutters, etc., but the division of labour in the factory did not translate into the same strict hierarchy at the workplace. Neither did it translate into ethno-nationalist divisions and conflicts, unlike the ICT sector, where the structure of jealously guarded hierarchies gets reinforced by ethno-nationalist contradictions. A call centre employee describes his fellow foreigners in this way:

*In order not to sound racist I will say it using English words: [People in general are] low, medium and high in terms of education, human potential, as well as communication and social skills. The foreign [employees] are mostly medium-low, while most of the Bulgarians are medium-high: they have decent computer literacy, are fluent in one or several languages, are relatively well behaved and educated, and they dress properly, unlike the foreigners. Here come foreigners, such as this Danish guy I worked with... had he stayed in Denmark, he would have simply been scanning products in a supermarket for 2000-3000 euro [a month], which would have not kept him afloat. In Bulgaria the salary of an agent who is a native speaker [of the language used in the call centre] ranges from 3,000 to 5,000 leva.*

What surprised us in these interviews is that the “middle class” self-identification is actually not widespread among the employees in the sector. It appears to be rare and or often used ironically, as well being frequently associated with consumer habits. An interviewee mocked the sector’s workers in this way:

*They wouldn’t describe themselves as workers. This is the upper middle class of Bulgaria. As a middle class, they have a significant impact on society, the state, the economy, on everything. At first, people thought this class did not exist [in Bulgaria], but this is not true. The biggest shock came from the business park during the protests [of 2013] when the companies shortened the working day by an hour because the workers literally said “Fire me if you want to, I’m going to protest.” This middle class went to protest, toppled down the government and stopped protesting. [Thus] the upper middle class declared its existence. I’m not very integrated [into this class]. This class goes to the theatre, reads books. It’s true, [they only do this] as a show-off, but they do [...] [Such] fake behaviour... This middle class has its own dress code. Men are expected to dress in a shirt with their sleeves rolled up. But nobody is supposed to wear trousers with a rim. They*

*once refused to let into the office a Team leader who was wearing shorts. The boys grow 1-finger-long beards, wear shirts and suit jackets, designer glasses, eat in expensive restaurants...*

Another interviewee who defined the work discipline in two of the three companies he worked for as a “meat grinder” seems to understand the idea of a middle class in terms of pay, rather than consumption. He had developed the following typology of “class composition” in the sector:

*Companies 1 and 2 [I worked for] are a sort of meat grinder. Since they are located in the Business park, they are part of an isolated group of people. They embrace a very strong identity [that can be described as] “We go to work to have our souls crushed and ground.” The other company was closer to the [city] centre and being located inside the city somehow calmed things down. This professional identity, however, is quite visible in Sofia, Plovdiv and Burgas, where I know that there are centres for customer support. There is a sort of mental heuristic that when you receive over 1000 [BGN per month] to sit on a computer, or 1200-1500-1800 leva to do things that you would not normally do, you in a way go to sell yourself to an extent. And you compensate later in nightclubs and nightlife, feeding the economy. This money pays for your bank loans, cars, you buy stuff for your kids. That’s the sort of identity there. I’d rather call people who work in these companies, middle middle [sic] class, or low and middle middle class. The middle level managers in the first two companies I would call them upper middle class. But none of the people in the three companies I’ve worked for, apart from the owners, I would call anything above middle class.*

The same interviewee also said that the fact that the work is spread all over the world gives a sort of “global” self-esteem to the workers in the sector.

The interviews we conducted then cannot confirm a wide-spread self-identification of call centre workers as ‘middle class’, despite the popular media narrative that carves the image of the middle class as young and middle aged, high-income employees in the sector of outsourced communication services located in the largest cities.

The ‘prestigious’ image of the work in the outsourcing sector (as opposed to that of manufacturing) emerges clearly from the interviews: “We were in the

Business park [in 2007] and it was a big thing back then – the business park carried such an aura of privilege. Everything was very shiny, clean... “ Or the following from another interview:

*People who are a bit more ambitious tend to go to this sector. People who have families and see to support their families, this is one of the main criteria for working in a call centre because the salary isn't low. [As well as] people who want office work. Something beyond work in manufacturing.*

It is important to highlight then that the sort of work that is non-prestigious and low-paid in Western Europe (which is why it is exported to Eastern Europe), here seems to be a symbol of prestige. This comes out clearly in the story of a woman who worked in call centres in both England and Bulgaria:

*My work in the two call centres in England was much less pleasant than the one in Bulgaria. The managers behaved much worse, and there was no sign of the “caring” attitude that those in Sofia had. In one of the call centres where I stayed for only about a month, I had to sell windows and doors on the phone to strangers – the so-called ‘cold calling’, and the second call centre was a charity – I called to ask people for donations. Unlike the full time permanent employment contract and the exceptionally good pay I had in Sofia, I was here at a zero-hour contract, and paid below the national minimum wage, because I was under the age of 21, so I could make enough money to pay my bills only if I sold an impossible number of windows and doors quotations... In general, jobs in call centres in England, unlike in Bulgaria in 2007, were extremely “non-prestigious” – people who had little or no other options worked there.*

## **The future of the sector of the future**

We shall finish this study with the question of what determines pay in this sector, as well as what the future holds for the “sector of the future”, as media have called the outsourcing of ICT. As we have repeatedly indicated, wages and working conditions are not determined by the quality or the qualifications of labour itself, but are instead mediated by societal notions of prestige, and, even more importantly, by the existing levels of labour self-organisation and



the supply of workers who compete for jobs. Knowing English in England, for example, is no advantage at all, but in Bulgaria the fluent use of this language, not to mention less popular languages, is rarer. The same holds for computer literacy, which is often required in this sector.

Trends today indicate a movement towards mass knowledge and use of communication technologies. The age at which children and young people are encouraged to prepare for future work in this sector are constantly dropping: code-writing workshops are available to pre-school children today. Meanwhile, owners and senior managers in Silicon Valley ban their children from using smartphones and social networks, and make them read real books instead. This means that in the long run, the knowledge and skills that are sought in this sector will lose their exclusivity, cutting the high levels of pay that exclusivity brings. This is probably what motivates the recent rapid increase in the number of schools, academies, courses, and even nursery programmes dedicated to training the next generation of ICT cadres.

The future looks bleak for workers in the sector of the future. Capital does not like hard to find, well-paid and self-organised workers because that makes it dependent on them. However, if the sector's employees fail to self-organise, educate themselves about their labour rights and claim them, it seems the future that awaits them is far from rosy, given that the levels of insecurity and competition between workers is set to increase.

All this, of course, applies to us all, regardless of what sector we work in. If we fail to self-organise, we will surrender to the arbitrariness of Capital, which, as is evident from our research, is unwilling to comply even with the law, let alone voluntarily provide better labour conditions. The subcontracting industry, promoted by the media and by politicians as flexible, modern, and alternative, eventually leads to appalling violations of workers' rights. Subcontracting also amplifies the corporate trend to impose totalitarian models of discipline and management, which also often spill out of the workplace and affect life in its entirety. It is time to stop and ask, what are the conditions for the emergence of a genuine democracy – one that includes the work place and economic relations? Only democracy that extends to the work place can guarantee a decent life for all.



**COLLECTIVE  
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