

# Bulgarian railway workers plan strike

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Workers at Bulgarian State Railways (BDZ) are planning a strike for March 11. The strike was discussed by leaders of the two major union federations, KNSB (Confederation of Independent Trade Unions in Bulgaria) and Podkrepa (Support), last Monday at an emergency meeting.

The planned protest is directed against the drastic cuts being imposed by the Bulgarian government under pressure from the World Bank. Among other things, it is demanding that the railway company cut labour costs by a total of 30 percent, to make it profitable by 2013. Bulgarian Finance Minister Dyankov Simeon, who has earned his position as a former World Bank manager, explained that they would do this gradually according to the principle of “money for reforms”.

According to Mark Repnik, the Bulgarian representative at the World Bank, BDZ should shed 2,800 jobs and the rail infrastructure company NKZI nearly 4,000 by 2014.

This aggressive process is the condition for European Union (EU) funds being invested in the Bulgarian railway sector, to make it attractive on the European market for wealthy corporations and financial groups.

As a representative of the World Bank reported, 25 percent of Bulgarian goods are transported by rail, compared with the European average of 15 percent. What is unacceptable to private investors, however, is that there are two workers for every kilometre of the Bulgarian rail network compared to the European average of only one.

On January 13, *Bloomberg Businessweek* cited officials from the Ministry of Transport saying that the goods sector of BDZ would be partially or completely privatised following restructuring by the end of 2011. According to BDZ board member Vladimir Vladimirov, German and Austrian “market players” are interested in buying.

Prior to any privatisation, however, the company’s debt crisis must be resolved. According to Transport Minister Alexander Tzvetkov, interest payments to the banks are swallowing up to 80 percent of the railway budget.

The government has so far relied on the support of the unions in pushing through its plans. Only following a wildcat strike in mid-January, when it appeared the protest could develop outside the control of the trade union

apparatus, did the major unions half-heartedly support the demands of employees in order to bring the protests under control.

On January 11, 2011, about 60 railway workers on night shift at Sofia’s central railway station walked out on strike. They were demanding immediate payment of wages that were outstanding since November. The strike had been sparked by an announcement of the Bulgarian government: Premier Boyko Borisov had let it be known that between 7,000 and 28,000 rail staff would be sacked in order to get more loans from the World Bank.

Those on strike said they would continue their action until they received their wages. The strike, in the course of which an international train was halted, was not organised by the unions. The strikers demanded direct negotiations with representatives of BDZ and the Ministry of Finance. According to the union, BDZ owes its employees a total of 10.5 million leva (€5.25 million).

The unions, which have always worked hand in hand with the government and BDZ management, came under severe pressure as a result of the workers’ initiative. Petar Bunew, chair of the KNSB rail union, called for an emergency meeting of the union bureaucracy with management and the finance ministry. As a result, it was promised that the wages would be paid no later than Wednesday of next week.

Since the end of the 1990s in Bulgaria, former Stalinists and right-wing bourgeois parties have alternated in government. In preparation for the country’s EU accession, they have all pushed through waves of layoffs among the railway workers, whose monthly wages lie between 200 and 300 leva (€100-€150).

Already in November 2002, nearly 4,000 workers stopped work and halted 80 trains, demanding payment of back wages amounting to US\$9.2 million. In December 2008, railway workers again went on strike for payment of wages outstanding since October, while the Socialist Party transport minister decreed the dismissal of 1,000 railway workers.

In all the recent attacks, the rail unions KNSB and Podkrepa have seen their main task as defusing the conflict and preventing workers from mounting a determined

struggle. In May 2007, after the announcement of 950 redundancies by railway chief Oleg Petkov, the KNSB complained to the transport minister that Petkov was violating the code of social cooperation, creating tensions among the workers.

At the end of 2009, when today's GERB minority government was in power, a wave of 4,000 layoffs was announced. To mitigate the increased anxiety and tension, the unions, in consultation with railway management, the government and banks, decided to undertake a large-scale manoeuvre.

In a protest held on a Sunday in late September 2009, at the Gorna Orjahowitsa railway junction, 300 workers were allowed to vent their outrage about poverty wages, wage arrears and threats of dismissal.

To great fanfare, in mid-October 2009, all the unions representing workers at BDZ decided to form a joint strike committee in preparation for protest actions. However, this was combined with a guarantee that a possible strike would not interfere with the running of the railways, and so would respect the "law for the settlement of collective labour disputes".

On October 27, 2009, the unions and employers signed an agreement on dismissals, payment of wage arrears for 2009 and on voluntary additional pension insurance. But for the workers this was not worth the paper on which it had been written. On December 15, 2010, representatives of the government and the World Bank signed a memorandum on the introduction of privatisation.

With the approval of EU credits, the government is coming closer to the privatisation goals it has aimed for since the 1990s. The BDZ, which operates passenger and freight traffic, is receiving a loan of 460 million leva (€230 million), and the National Rail Infrastructure Company NKZI is getting 140 million leva. These funds are being used to dismantle the debt of the financially and technically dilapidated companies.

The EU bureaucracy plans that by 2015, Railway Corridor IV, linking central Europe with Turkey for passenger and freight transport, should be completed. As a result of the economic crisis, cheap transport routes are a central question for the European powers. The International Monetary Fund (IMF), the World Bank, the Brussels EU bureaucracy and their lackeys in the Bulgarian government are seeking to ensure that these routes are also profitable for private investors. In January of this year, the Borisov government of the right-wing bourgeois party GERB only survived a confidence vote in parliament with the support of the neo-fascist party Ataka.

According to the Internet news service *novinite.com*, the rail unions Podkrepa and KNSB held "long and hard talks"

on December 14-15 with the Transport Ministry, the Ministry of Finance, the World Bank and the IMF. This can only mean that the two unions were involved in the preparation of the December 15 memorandum from the outset. Statements by KNSB chair Petar Bunew that there would be an indefinite strike "if there is no correction of the memorandum" are nothing but window dressing and are meant to prevent railroad workers from undertaking further spontaneous strikes.

On January 26, Bunew complained to *novinite.com* that no representatives of the finance ministry had attended the joint discussions on implementing the "reform plans". He promised once again that the unions would hold still until February 15, but would "not exclude action" if it came to "unfair dismissals". His cautionary advice to the government was unmistakable: do not cease to cooperate with the labour bureaucracy, or it could lead to uncontrollable strikes and protests!

The massive attacks on wages and living conditions in Bulgaria are symptomatic of the situation in the entire Balkan region.

In Serbia, after failed negotiations with the government, four teachers unions called an indefinite strike at the end of January. The minister of education threatened to block the strikers' salaries; there was simply no money in the treasury, said Finance Minister Diana Dragutinovic.

Many commentaries are already warning of "mounting discontent", which could escalate. For years, prices and unemployment have been rising, while the standard of living declines. Inflation is over 10 percent, the local currency, the dinar, has been devalued, public sector salaries are frozen, and the average income is around €280. A retired teacher was quoted in the *Taz* newspaper, "Here, social unrest as in Tunisia or Albania is more likely than a happy ending in the embrace of the EU".

Thousands of policemen took strike action in Serbia earlier this month. A total of 13,000 policemen stopped working, the union reported in Belgrade. They are demanding 40 percent higher salaries and better equipment. Earlier, the union had complained that police officers do not have warm clothes or shoes in order to patrol the streets in winter. For five days, teachers have been on strike. They are seeking a 24 percent wage rise but their claim has been rejected by the government, which argues its coffers are empty.



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