

ILS Discussion Paper Series 03-2008

**Examining Emergent
Markets for OFWs:
The Cases of Romania and Bulgaria**

Cynthia R. Cruz



INSTITUTE FOR LABOR STUDIES
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EXECUTIVE SUMMARY

This report by the DOLE Technical Mission to the Republic of Romania and the Republic of Bulgaria held from May 18 to 25, 2008, examines labor market and workforce issues in both countries with the end in view of assessing prospects of said countries as potential markets for OFWS.

An inclusive insight based on all issues examined point to the recent accession of both countries to EU in January 1, 2007, as the main determinant by which DOLE should arrange its deployment strategy that is proposed to be two-pronged, given the following, viz.:

One, in the short term, Romania and Bulgaria may not be currently considered ideal as markets for our OFWs as immigration policies are in flux. This, in addition to language & cultural barriers being exceptionally high, the distance exceedingly remote and the weather considerably different from that of the Philippines.

Two, in the medium term, when Romania & Bulgaria will have complied and continue to comply with EU standards, they may be considered promising markets as tremendous growth in the construction and tourism businesses and in the ICT, electronics and services sectors are projected. Also, EU membership is expected to bring both countries immense rewards in terms of economic growth, trade, cultural exchange and global diplomatic clout.

Deployment policies therefore as regards Filipino workers in the emergent markets of Bulgaria and Romania should be guided by the changing nature of said countries' status regarding EU accession in particular and the state of the EU integration in general.

1

Market Opportunities

Romania & Bulgaria: The Post-EU Accession Stretch

Introduction

Not all markets are created alike. This particularly applies to the European Union where homogeneity and uniformity may be ostensibly attributed but is actually a group of twenty-seven nation states more differentiated than alike – at least as far as migration management of third country nationals (persons who are not nationals of an EU Member State) is concerned.

This may not be the case however in the near future as developments point to a strong trend towards the development of a common immigration policy. In its Communication of December 2007, the Commission of the European Communities principally calls for a new commitment that would:

- build on an assessment of the situation of migrants in the member states;
- define a plan leading to a common understanding of the kind of immigration Europe needs and the accompanying measures required to ensure proper integration;
- ensure policy consistency at both the national and EU levels and between different sectoral policies; and
- continue linking EU immigration policy with the external agenda.

The Commission is set to implement this new commitment by the end of the first semester of 2008, to be considered and agreed by the European Council at its meeting in December 2008.

This is important consideration to note as we presently examine and consider Romania and Bulgaria as emergent places of work for our OFWs.

Romania and Bulgaria: The "New EU 2"

On January 1, 2007, Romania and Bulgaria became the 26th and the 27th member of the European Union. In order to be able to compete and function in the single market, the cornerstone of EU, their economic and political conditions need to be analogous to that of the other member states. This condition similarly applies to entry-based migration policies which carry significant implications for our OFW deployment policies.

Country Conditions Compared with Conditions Established at EU Level

Romania

Romania has transposed the European legislation on migration into national law. However its correct application is difficult because of the continuous changes being made to it.

Also, while the Romanian Migration Office as the new executive structure dealing with migration is functional, it has difficulty in the transformation process because of the short time given to implement it. Furthermore, the criteria defined for immigration (esp. on the issuance of long term visa & extension of the temporary right to stay) are vague or subjective in some cases

Bulgaria

Recent migration legislation focused on transposition of the requirements of the EU, with constant amendments causing difficulties. This situation, combined with the lack of an independent body whose main objective is the development of a consistent immigration policy creates a feeling of insecurity and confusion not only among immigrants but also among experts and the administration.

Employment Prospects

The transition difficulties notwithstanding , Romania & Bulgaria , as compliance to EU standards proceeds , may be considered promising markets as tremendous growth in the construction and tourism businesses and in the ICT, electronics and services sectors are projected. Also, EU membership is expected to bring both countries immense rewards in terms of economic growth, trade, cultural exchange and global diplomatic clout.

Demand

Currently, both Romania and Bulgaria are experiencing labor shortages as its citizens are choosing to work in other countries because of better economic incentives.

Among those hardest hit are labor intensive sectors like construction , road building, bricklaying, carpentry, packaging, textile, security and, hotel and restaurant , tourism and IT.

Specifically, the National Employment Agency of Romania noted that 45% of hotels and restaurants in the city are closed due to lack of workers.

The shortage is expected to balloon in the next 2 to 3 years as massive rehabilitation of road networks and other infrastructures will be pursued to comply with European Union (EU) standards. In this regard, the NEA forecasts a demand for at least 150, 000 engineering and construction workers.

Supply

Local & Other EU Member States

In both countries, the basic thrust is to entice nationals who are working abroad to return home. In Romania, of the total Romanian population of 22 Million, 3 Million are working out of the

country, mostly in other EU member countries such as Spain, Italy or Germany where they get employment in higher paying jobs.

Also, another source of supply are nationals of other EU member countries, specifically workers from Moldova, Ukraine, Macedonia and Serbia who do not need to obtain a work authorization in order to be employed by Romanian or Bulgarian employers. Also, these countries enjoy the advantage of distance and similarities in language and culture.

Foreign (Third Country Nationals)

Currently, there are no government programs to attract TCN to work in Romania and Bulgaria. Also, despite the shortage of which TCNs can most likely fill up, both countries lack the infrastructure to receive and host foreign workers.

In Romania, the Ministry of Labour, based on the Romanian policy of working force migration decides on a quota for foreign workers which for 2007 was set at 10,000.

OFW Presence

While the current number of Filipinos workers deployed to both countries may be deemed insignificant (73 for Romania & 49 for Bulgaria from 1998-2007) , the current increase in the number of POEA job orders unfilled recorded for Romania and Bulgaria for 2007 may be indicative of the increasing interest in the hiring of Filipino nationals in said countries.

2 Market Entry Requirements

Conditions for Work

The Case of Romania

Legal Framework

The legal framework of Romanian labor policy is based on its Labor Code that, in order to transpose its provisions in accordance with EU regulations and standards , has been amended several times with the possibility of further amendments.

In its current form, the Labor Code accords the contracting parties protection: (a) against unilateral amendment of the terms of the contract;(b) against the illegal termination of the employment contract which can be done only through the following modes: by law, by mutual agreement of the parties,by resignation of the employee & by dismissal; and (c) against discrimination or unequal treatment.

These are contained in labor contracts that are registered in the Ministry of Labor, specifically with the Labor Inspectorate, such that a party to this contract whose rights have been violated can file a complaint with this Office.

The Labor Code provides that work hours is 40 hours/week with 2 consecutive rest days. Work in excess of regular work hours should be compensated through the enjoyment of paid days off which should be availed off by the worker within 30 days.

Wage setting and social policy legislations, is primarily determined by government and labor unions.

In the case of foreign workers, the Immigration office likewise confirmed the absence of any law or ordinance which allows the employer to hold the passports of foreign workers.

This legal framework applies to all workers both local or foreign, including household service workers.

Entry Requirements

Those who enter Romania for work normally would need to satisfy some basic conditions among others viz.:

A. Securing the Work Authorization. The process of recruitment of a foreign worker in Romania starts with the employer applying for a work authorization with the Romanian Immigration Office under the Ministry of Interior by complying with the following conditions:

- Labor market test (proving that no Romanian can fill up the position offered by the employer).
- Availability of accommodations and other social protection
- Payment of taxes by the employer
- Proof of financial capability to pay the salary of the foreign worker.

On the part of the foreign worker, he must submit the following documents in support of the prospective employers' application:

- Copy of his/her valid border crossing document (Passport)
- Authenticated Curriculum Vitae which also contains a statement that he has no criminal records, is medically fit to be hired and has minimal knowledge of the Romanian language
- Copies of relevant school records
- Authenticated copies of documents attesting professional training acquired outside of the educational system or as the case maybe, attesting to professional experience
- 2 passport sized pictures

A foreign worker is issued a work authorization valid for 1 year which is renewable annually as long as work relations

continues with the same employer and with a written agreement signed by both parties.

If the labor contract is terminated, the work authorization is annulled and another work authorization should be requested if a new labor contract is concluded. The work authorization is the **basis for the issuance of a long stay visa for employment** which is issued within 30 to 50 days at most from approval of work authorization. The visa is applied for by the worker in the Romanian consular offices/missions. This process should be accomplished before the foreign worker enters Romania.

B. Registration of Employment/Labor Contract.

Within 15 days from arrival in the jobsite and upon signing of a labor contract, the foreign worker personally reports to the NEA and said document must be registered with the Labor Inspection, an institution under the Ministry of Labor, Family and Equal Opportunities so that the employee can be included in the data bank of workers.

The Labor Inspectorate which registers the labor contract thus checks on the validity and legality of the terms of the labor contract. A person whose rights were violated under the contract has a right to file a complaint with this Office.

Salaries of workers in Romania are subject to mandatory deductions such as withholding tax, social insurance contribution, unemployment fund, health fund, personal deductions, etc. composing almost 30% of the worker's gross salary commence soon after. It should be noted that only the labor contract submitted to the Labor Inspection is considered binding.

The Ministry of Economy and Finance has jurisdiction over the above deductions which may penalize employers/companies not complying with the mandatory deductions which applies to both local and foreign workers. These social security benefits are however not enjoyed by foreign workers unless there is a social security agreement with the foreign worker's country. In view of

this, it is the employer who has the primary responsibility of providing social benefits and protection to its foreign workers.

The Case of Bulgaria

Legal Framework

Migration and labor legislations in Bulgaria are being amended focusing on their transposition in accordance with the requirements of the European Union. A Law on Foreigners which was adopted in 1998 is the primary law which governs migration which grants individual rights to foreigners equal to Bulgarian nationals. Bulgaria however lacks a comprehensive migration policy in view of the absence of a single body which can develop and implement a consistent immigration policy.

Entry Requirements

Those who enter Bulgaria for work normally would need to satisfy some basic conditions among others viz.:

A. Securing the Work Authorization. an employer who wishes to hire a foreign worker must apply for a work permit with the National Employment Agency. The work permit is a personal document which confirms the right of a foreigner to work in Bulgaria for a specific legal or personal entity, and for a particular place, position and type and duration of work.

The following are the documentary requirements for issuance of a work permit::

1. Proof of compliance with the requirements of the Labor Market Test
2. Proof that number of workers hired by the employer does not exceed 10% of the total workforce
3. Educational/professional/training requirements authenticated by the Bulgarian Ministry of Foreign Affairs
4. Provisional Contract of Agreement to Work
5. Health Insurance Coverage
6. Medical Clearance Authenticated by DOH

The above documents should be submitted to the Directorate "Employment Office", under the National Employment Agency which will be decided by its Executive Director within legally prescribed deadlines. The work permit is valid for a maximum of 1 year but can be renewed for a period not exceeding 3 years after which the foreigner should exit Bulgaria for at least 1 month. This document is sent to the Bulgarian Embassy/Consulate which is basis for issuance of a Type D visa. With a type D visa the foreign worker can apply for a residence permit. These documents should be applied prior to entry to Bulgaria.

B. Registration of Employment/Labor Contract. The employment contract is registered with the National Revenue Agency.

Conditions for entry for work in both countries are fairly defined. However, the caveat is that since immigration policies are in flux, they may not look the same in the next few years.

3 Market Challenges

Conditions at Work

Working in Romania and Bulgaria may pose additional challenges for the OFW. Based on the consultations, assuming all legal requirements have been met by contracting parties, issues raised include a host of factors which affect conditions at work and should be important elements to consider when crafting the deployment policy.

Wage concerns

Given that the determination of what is a fair wage is a rather complex issue (and may require a comparative analysis of cost of living, inflation and foreign exchange concerns) the issue of whether contracts should be stipulated in dollars, euros, or the local currency acquires prominence.

Non-wage concerns

Definitions as to what is reasonable especially with reference to food , accommodations and transportation concerns will need to be more explicit and deliberate.

Language

Romanian language is the only Eastern European language that comes from Latin. It closely resembles French, Italian, Portuguese and Latin. Bulgarian language is related to Russian and other Slavic languages and is written in the Cyrillic alphabet

Language differences increase the cost of mobility and of maintaining productivity among those who choose to work in these countries.

Ancestry

The Romanians are descended from the Dacians, Romans and such tribes as the Goth, Huns and Slavs. Hungarians form the largest Minority group and smaller groups include Germans,

Gypsies, Jews , Turks and Ukrainians. On the other hand, Bulgarians are descended from the Slavs. Ethnic groups include Truks, Armenians, Greeks, Gypsies, Romanians and Russians.

Culture and ancestry including religion are potent predictors of behavior and may need to be understood by an OFW.

Religion

About three-fourths of Romanians belong to the Eastern Orthodox Church. About 7% are Catholics and the rest include Islam, Judaism and various forms of Protestantism. In Bulgaria , about 90% of are Eastern Orthodox. Other groups include Muslims, Protestants and Roman Catholics.

Political History

The Communist Party became the ruling party for both countries in the 1940s . It was only in 1990 that the Communist party gave up power and allowed for a multi-party system.

This factor is included based on the assumption that institutions and rules of the system affect people's behavior – with the cooperative political style in a democracy roughly contrasting to the more hierarchic patterns of the Marxist tradition.

Distance

Eastern Europe is exceedingly remote from the Philippines that it takes almost a day of travel by plane with the cost of travel being consequently prohibitive.

In the case of adverse events pertaining to OFWs , this may affect DOLE's response time and may have implications for its repatriation policy.

Weather

The weather in both countries is considerably different from that of the Philippines as it ranges from 40 degrees C in summer to -18 degrees C in winter. This may have implication on the health requirements for OFWs.

Support Systems

In the absence of a POLO, the Philippine Embassy in Bucharest will need to perform an additional and vital function in supporting both the legal and non-legal on-site requirements of OFWs. As this will require resources , logistical requirements for such task will need to be examined

All of these factors will need to be considered so that work and the ways by which it is performed is informed and made more meaningful.

4

Market Strategy

Policy Outlook and Practical Ways Forward

Based on the consultation series held in Romania and Bulgaria , the following recommendations are derived and are proposed for immediate action .

POLICY

In the short term, a highly restrictive or selective based policy should be adopted as Romania and Bulgaria may not be currently considered ideal as markets for our OFWs for the basic reason that immigration and employment policies are in flux given their recent accession to the EU. This, in addition to language & cultural barriers being exceptionally high, the distance exceedingly remote and the weather considerably different from that of the Philippines. Moreover, no POLO is present to attend to on-site labor concerns.

In more concrete terms , this means that to qualify for POEA Accreditation , Romanian and Bulgarian employers should be :

- engaged in a business with international operations and/or accredited with the European Union;
- hiring only highly skilled and professional workers;
- with documents verified and authenticated by the Philippine embassy in Romania; and
- strictly limited to direct hiring under the Labor Code in the case of HSWs

In the medium term, any policy shift should be guided by changing nature of said countries' status regarding EU accession in particular and the state of the EU integration in general.

PROCEDURAL

Currently, there are no significant, explicit "controls" for the emergent Romania and Bulgaria markets. In the interest of the Filipinos currently working or seeking to work in said countries, the DOLE in cooperation the Philippine Embassy in Bucharest, , is tasked to consider the following procedural modifications:

On Selection and Recruitment Requisites

The Philippine Embassy in Bucharest

Verification/Authentication of Recruitment Documents. It should be noted that verification by the Embassy maybe done only in the absence of POLO as authorized by the DFA Secretary upon recommendation of the DOLE Secretary. Employers therefore, upon approval of the Work Authorization to hire foreign workers, submits the following documents to the Philippine Embassy in Romania for Verification/Authentication:

- (a) Special Power of Attorney executed by the employer/principal in favor of a Philippine Recruitment Agency (PRA) licensed by POEA;
- (b) Manpower Request of actual employer indicating the positions/categories to be hired, the number requested and their corresponding net monthly salary;
- ©Master Employment Contract with English translation signed by the actual employer which incorporates the minimum provisions required under the POEA Rules and Regulations. Provisions on food and accommodations shall be specifically described in the contract as well as an itemized list of mandatory deductions;and
- (d) Valid Commercial Registration/ Business License or similar document showing that company/organization is engaged in business with international operations or an EU accreditation document.

Verification/Authentication of documents shall be allowed only upon compliance with the following:

- (a) Certificate of Good Standing from the National Employment Agency (NEA) and the Romanian Immigration Office (that said company/employer has no record of complaint or violation/s filed);
- (b) Certificate of Membership with the Chamber of Commerce
- © Employer Information Sheet
- (d) Work Authorization; and
- (e) Undertaking by Employer that it will faithfully abide by the provisions of the Employment Contract/Labor Agreement

For HSW, verification of employer qualifications including employment contract by the Philippine Embassy will also be required.

POEA

Accreditation of Employer/Principal and Approval of Job Orders. The principal/employer shall submit the following verified/authenticated documents to the POEA through its Philippine licensed agency for accreditation:

- (a) Special Power of Attorney;
- (b) Manpower Request;
- © Master Employment Contract; and
- (d) Commercial Registration/Business License or similar document showing that company/organization is engaged in business with international operations

Upon the accreditation of the employer and the approval of its job order, the Philippine Recruitment Agency undertakes the process of selection and hiring on behalf of the foreign employer.

Documentation and Deployment of Workers. The following documents shall be submitted to POEA for processing/documentation prior to issuance of exit clearance:

- (a) Request for Processing
- (b) Worker's Information Sheet
- © Authenticated Employment Contract
- (d) Long Stay Visa
- (e) Repatriation Bond/Insurance (For Name Hires)

On On- Site Requisites

The Philippine Embassy in Bucharest

In coordination with OWWA, and based on the arrangement to be agreed upon between the Secretary of the DFA and the DOLE, the Philippine Embassy, will offer the following services :

Post-Arrival Orientation Seminar – This is intended as a follow-up activity to enhance the worker's knowledge of the country of destination to facilitate his/her adjustment and adaptation to the new environment. Part of the activity should be language and culture orientation.

Mediation/Conciliation – This service is intended to resolve problems between the employer and the worker before the case is endorsed to the proper authorities.

Community Networking – This is initiated by the Philippine Embassy but sustained by the Filipino community. With the assistance of the Embassy staff, the Filipino workers are organized into an association for self-help projects/activities and to maintain contact with the Embassy/honorary consulate. Filipino volunteers can assist the Embassy carry out social activities for the benefit of the Filipino community.

Reintegration Preparedness – This is an important welfare component as the work permit/authorization and residence permit granted to non-EU citizens are limited to 2 years in Romania and 3 years in Bulgaria. It is advisable for the OFW to prepare a re-entry plan to the Philippines while/she is still working in Romania or Bulgaria. Since the proposed deployment strategy for Eastern Europe is to highly skilled categories or to large, reputable corporations with international operations, the earnings of said workers are relatively higher with the prospect of more savings. The Philippine Embassy can assist the OFW prepare the re-entry plan that includes financial literacy and business enterprise counseling.

ADMINISTRATIVE

POEA

- (a) Issue Memorandum Circular embodying all policy and procedural requisites as stated;
- (b) Draft Standard Employment Contract for EU taking into consideration country specificities and peculiarities; and
- (c) Explore web-based marketing and networking

OWWA

- (a) Develop an EU Edition and an Eastern European Edition of the PDOS; and
- (b) Facilitate the delivery of OFW on-site services thru the Philippine Embassy staff in Bucharest

DOLE/DFA

It is important to note that the recommended actions will not be possible without the agreed arrangements between the DFA & the DOLE especially that the Philippine Embassy in Bucharest will be doing the requisite POLO task in its absence. In this regard, the following measures are recommended: :

- (a) If an arrangement is drawn up , explore how logistical support can be extended by the DOLE to the Philippine Embassy in the interim;
- (b) In the absence of a POLO, examine the appropriate collaborative arrangement between the DOLE, the DFA and the Philippine Embassy in Bucharest especially in the aspects of verification and provision of on-site services; and
- (c) In the absence of a POLO, study whether the feasibility of assigning a DOLE Welfare Officer in Bucharest is practicable.

In the medium term, DOLE should continue to study how the accession and European integration proceeds and how changes in immigration rules, work entry procedures and employment terms will affect OFW prospects and conditions.

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Thouez, Colleen, Towards a Common European Migration and Asylum Policy, August 2000

5 ANNEXES

REPORT OF PROCEEDINGS Persons and Organizations Consulted

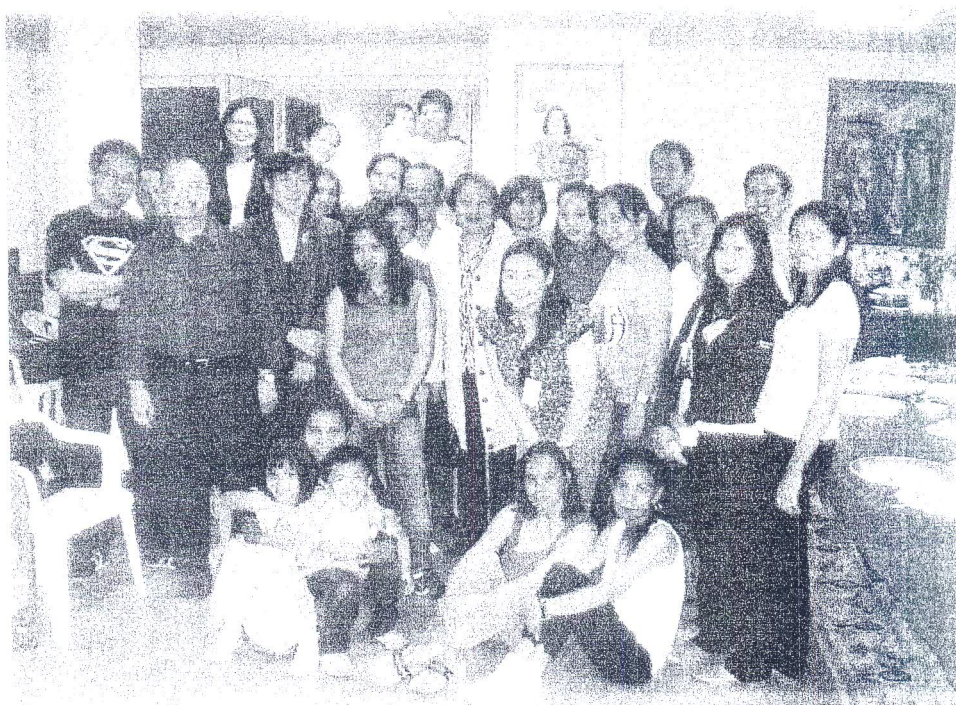
This report was made possible thru broad consultations with the appropriate government agencies, concerned business groups and with the small but growing Filipino community

ROMANIA

A	Filipino Community	May 18
B	Ministry of Labor	May 19
C	National Employment Agency	May 19
D	Ministry of Interior & Immigration Office	May 19
E	Bucharest Chamber of Commerce	May 20

BULGARIA

F	Ministry of Interior	May 22
G	Ministry of Labour & Social Policy	May 22
H	Ministry of Foreign Affairs	May 23
I	National Employment Agency	May 23
J	Hotel and Restaurant Association	May 23
K	Filipino Community	May 24



Romania May 18 Sunday 7:00 pm
MEETING WITH FILIPINO COMMUNITY

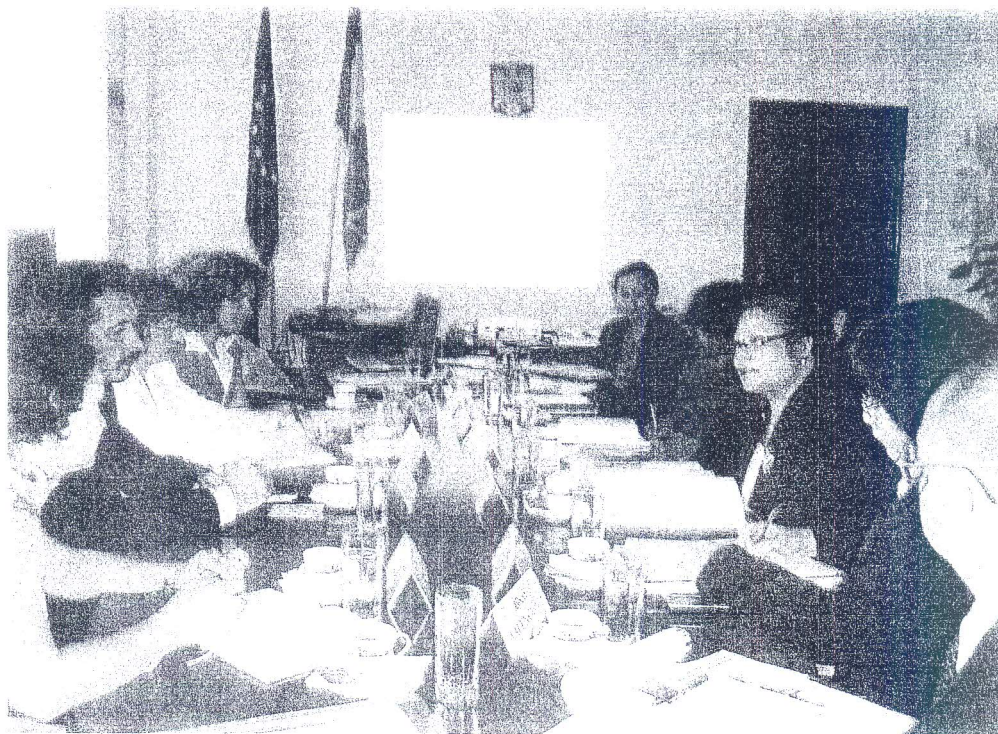
A - ROMANIA May 18
MEETING WITH FILIPINO COMMUNITY

ATTENDANCE

1. The Philippine Mission Delegation
2. Ma. Teresita Daza, *Charge d' Affaires, a.i., Philippine Embassy, Bucharest, Romania*
3. The Philippine Embassy Staff
4. The Filipino Community

ISSUES/ HIGHLIGHTS

1. The Filipino workers in attendance who were a mixed group of skilled and unskilled workers.
2. During the open forum, the following issues were raised:
 - On passports being kept by the employer. However, they were made to sign a document allowing the employer to "safekeep" their passports for a period of six months.
 - On the existence so-called "loyalty contract" that requires the worker to pay a penalty of euro 12,000 in case the worker pre-terminates the contract. Others require payments ranging from 4,000 to 5,000 euros.
 - On being compelled to work on Saturdays and Sundays.
 - On the discontinuance of food and transportation allowance previously enjoyed
 - On delayed salaries



Romania May 19 Monday
MEETING WITH MINISTRY OF LABOR

B- ROMANIA May 19
MEETING WITH MINISTRY OF LABOR, FAMILY and EQUAL
OPPORTUNITIES

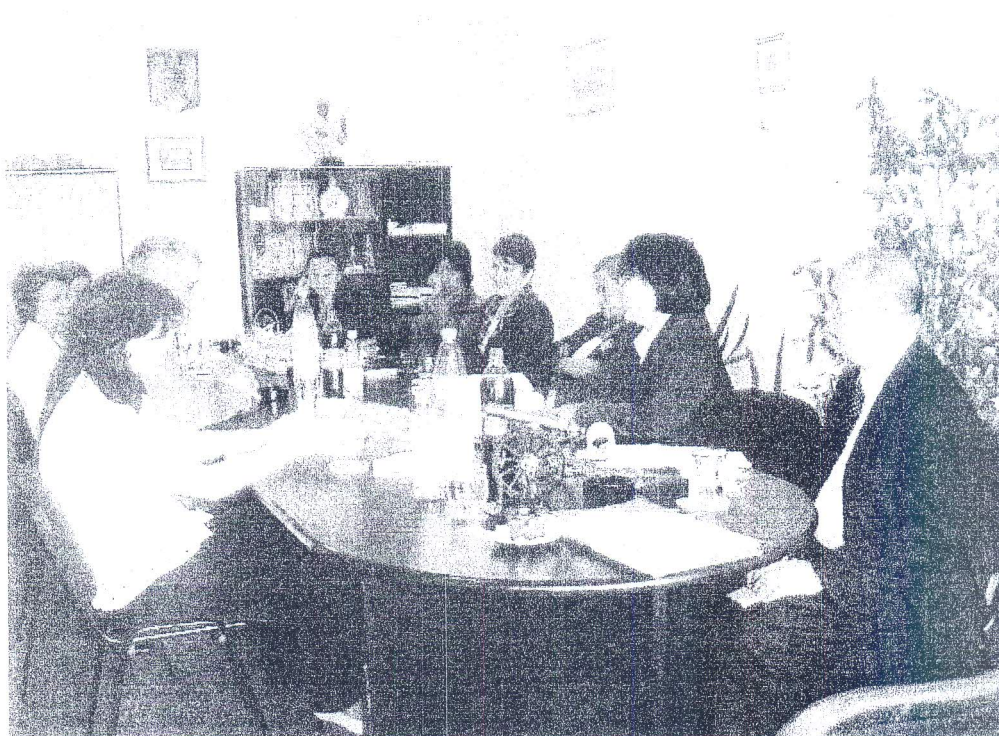
ATTENDANCE

1. The Philippine Mission Delegation
2. Ma. Teresita Daza, *Charge d' Affaires, a.i., Philippine Embassy, Bucharest, Romania*
3. Akos Derzsi, *Secretar de Stat, Guvernul Romaniei*
4. Mihaela Matei, *Director, Directorate Management and Marketing for the Labor Law*
5. Magda Filip, *Director, Directorate, External Relations and International organization*
6. Adriana Stoinea, *Head of Unit, Social Security for Migrant Workers*
7. Cristina Zorlin, *Counselor Directorate External Relations and International Organization*

ISSUES / HIGHLIGHTS

1. There is a labor shortage in the textile and construction / engineering industries. The plan of the Ministry is to stabilize the labor market situation by encouraging Romanian workers to return to Romania.
2. An annual quota in the number of work authorizations issued to foreign workers is determined by the government. In 2008, the quota for foreign workers in Romania is 10,000 which is lower by 2,000 compared to the 2007 quota.
3. Workers from outside of the EU might have entry obstacles related to language and cultural differences.
4. The conditions for the recruitment of foreign workers are:
 - a. existence of vacancies
 - b. medical fitness of worker
 - c. payment of tax obligations by the employer/tax clearance
 - d. worker meets training qualifications

5. The work authorization is issued by the Immigration Office. It is renewable for one year with the written consent of both parties.
6. The Romanian Labor Code (law 53/2003) provides for the terms and conditions of employment, including the principle of job security, thus Ministry officials confirmed that unilateral amendment of the contract is not allowed. The law has however undergone a series of amendments in the process of transposing it in accordance with EU directives.
7. In accordance with the contract , termination of the contract may be done through:
 - a. Mutual agreement of the parties
 - b. Resignation
 - c. Dismissal
8. The Labor Code does not provide for specific provisions for domestic workers except designation of the place of work although they are also protected under the law. The contract is registered with the labor inspectorate. This office checks the legality of the contract. The foreign worker can file a complaint with the labor inspectorate.
9. The gross minimum wage is Euro 200/month, while the net Minimum wage is Euro 130. The National Institute of Statistics monitors prevailing industry wage rates. Its website is accessible to the public.
10. The National Fiscal Administration is responsible for authorized/mandated deductions. Such deductions can reach up to 50% of the worker's salary. The deductions include payments to social security, health insurance and pension fund. The employer solely pays the premium for the worker's occupational safety and health benefits at the rate of .05-2% of the worker's salary. The worker is eligible to pension benefits after 15 years of contributions.



Romania May 19 Monday
MEETING WITH NATIONAL EMPLOYMENT AGENCY

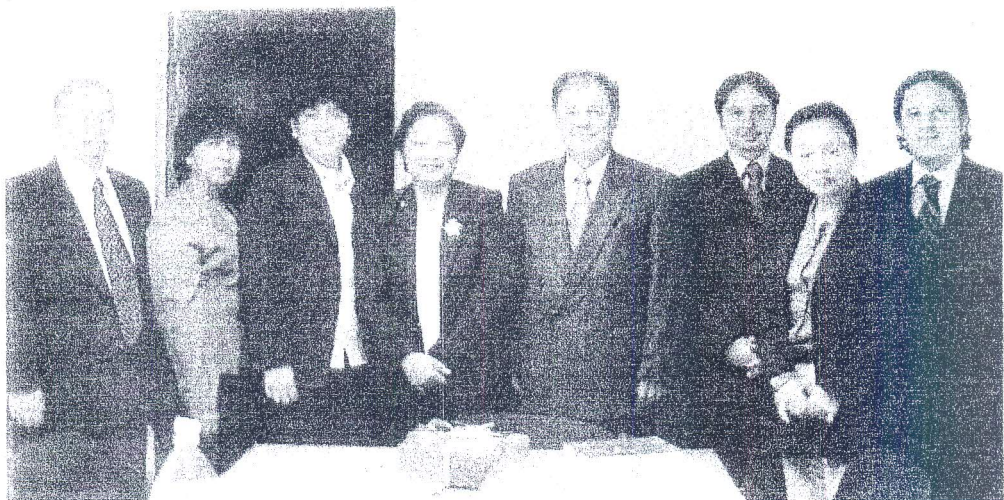
C – ROMANIA May 19
MEETING WITH NATIONAL EMPLOYMENT AGENCY

ATTENDANCE

1. The Philippine Mission Delegation
2. Ma. Teresita Daza, *Charge d' Affaires, a.i., Philippine Embassy, Bucharest, Romania*
3. Dumitru Pelican, *Director Executiv, Ministerul Muncii, Familiei Si Egalitatii de Sanse*

ISSUES/ HIGHLIGHTS

1. There is labor shortage in Romania. Of the 22 million Romanians, about 3 million are outside of the country working in other EU countries, mainly Spain and Italy.
2. There is low proportion of Romanians with professional training. They leave the country without undergoing training with diploma.
3. Worker's salary is reduced by 1/2 because worker is not properly trained. The government offers a 50% subsidy to employers that send workers for skills training.
4. In 4 years, the labor shortage shall reach 85%. Currently , by industry sector, the shortages are found in:
 - a. Construction (with 65% shortage)/Masons/Carpenters Plumbers/Tile setters
 - b. Light Industry/Textile/garments – sewers
 - c. Services (particularly seasonal workers in Black Sea resorts such as in Costanta)/Chefs in restaurant/hotels Waitresses/waiters/Receptionists
4. Forty five per cent of hotels are closed due to lack of workers; 40% of are bankrupt.
5. The Romanian government plans to increase salaries to stave off the exodus of Romanian workers. The salary hike in Bucharest in 2006 was the highest in Europe—by 35% as compared to 7-12% in such cities as London, Paris and Munich. The expectation is that the Romanian workers will return if they can earn in Romania 55% of the salary they earn abroad.



Romania May 19 Monday
MEETING WITH MINISTRY OF INTERIOR AND
IMMIGRATION OFFICE

D – ROMANIA May 19
MEETING WITH MINISTRY OF INTERIOR AND
IMMIGRATION OFFICE

ATTENDANCE

1. The Philippine Mission Delegation
2. Ma. Teresita Daza, *Charge d' Affaires, a.i., Philippine Embassy, Bucharest, Romania*
3. Vasile Dragoi, *General Director, Romania Immigration Officer*

ISSUES/HIGHLIGHTS

1. There are 85 Filipinos in Romania of whom 31 are employed, 4 are traders, 6 religious workers and the rest are married to Romanian citizens.
2. The employer has no right to keep the worker's passport. The employer is fined for this violation of the worker's right. The Immigration Office can take the passport from the employer and give it to the worker concerned.
3. Tourists found working in the country are expelled from Romania. They are given three months to leave the country.
4. The work authorization is issued on the basis of the labor contract signed by the employer and the worker. The employer must show proof that there are no available Romanian citizens who can do the job that the foreign worker will perform for the employer.
5. The work authorization issued by the Immigration Office cannot be transferred to another employer. It is cancelled if this is done. The work authorization is sent to the Romanian embassy in Manila which is the basis for the issuance by the embassy of the entry visa.
6. The employer issues a clearance for the exit of the worker from Romania. Otherwise, the worker will be held up at the airport by the Immigration authorities. If the employer does not like to clear the worker, the latter can request the Immigration Office to intervene. S/he can ask the Philippine embassy to intercede in his/her behalf.

7. If the reason for the worker's departure is pre-termination of his/her contract, the employer's consent must be sought. If the pre-termination is due to the employer's fault, the worker could file a case against the employer (which could take at least 3 months to resolve). Or the Embassy can request the POEA to compel the Philippine agency to repatriate the worker. Once in the Philippines, the worker can opt to file a case against the agency/employer.



Romania May 20 Tuesday
MEETING WITH BUCHAREST CHAMBER OF COMMERCE

E – ROMANIA May 20
MEETING WITH BUCHAREST CHAMBER OF COMMERCE

ATTENDANCE

1. The Philippine Mission Delegation
2. Ma. Teresita Daza, *Charge d' Affaires, a.i., Philippine Embassy, Bucharest, Romania*
3. Mircea Busuioc, *Head of Foreign Relations Division, Bucharest Chamber of Commerce and Industry*
4. Dan Ifrim, *Director General Adjunct, Camera de Comerț și Industrie A Municipiului București*
5. Sorina Laurentia Voica, *Head of Press, Marketing and PR Department, Bucharest Chamber of Commerce and Industry*
6. Nicolae Vasile, *Vice President, Bucharest Chamber of Commerce and Industry*

ISSUES/ HIGHLIGHTS

1. The following industries will require foreign labor:
 - a. Construction. A boom is expected in 3-5 years as the country upgrades its road infrastructure to EU standards. American, German and Italian construction companies are major companies in this sector.
 - b. Textile industry
 - c. ICT, particularly in the field of software development
 - d. Agricultural development
 - e. Car industry
 - f. Ship building (with the Chinese such as the Mangalla shipyard)
 - g. Plastics industry (information from AspaPlast which is training young people for jobs in the plastics industry).
2. National legislation has to conform with EU legislation.
3. There is a growing number of Chinese investors in the textile industry. In fact, a Chinatown (Europa) is emerging in Bucharest.

4. Highly trained medical personnel are moving to other EU countries.
5. While Romania faces an acute shortage, it lacks the infrastructure to receive and host foreign workers. As a transitory measure, direct contact with prospective employers could be initiated. Workers can be hired on "direct hire" mode although it will be problematic to resort to this mode. What is desirable is for the government to create the network for the systematic recruitment of foreign workers by Romanian employers.
6. The executive director of the agency estimates that Romania actually needs around 150,000 workers which is much more than the quota of 10,000 workers. Within Eastern Europe, the two top labor-sending countries are Poland and Romania.
7. The legal minimum wage is euro 130. In construction, the average net salary is between euro 1,100-1,300 per month. Certain types of welders (gas) can receive as much as euro 1,500-1,600 net per month.
8. The agency fee of manpower agencies is market-dictated. Normally, it is between 5-6% of the worker's salary.
9. There are about 1,500 Chinese business firms in Romania.
10. The agency is responsible for monitoring the salaries offered by companies in Spain and Italy. This is done to calibrate salary increases that the government can take to encourage the return of the workers to Romania.
11. The agency is suggesting the Philippine embassy to negotiate directly with employers, and do away with middlemen.



Bulgaria May 22 Thursday
MEETING WITH MINISTRY OF LABOUR AND SOCIAL POLICY

F – BULGARIA May 22

MEETING WITH THE MINISTRY OF INTERIOR

ATTENDANCE

1. The Philippine Mission Delegation
2. Ma. Teresita Daza, *Charge d' Affaires, a.i., Philippine Embassy, Bucharest, Romania*
3. Ognian Trajanov, *Consul of the Republic of the Philippines to the Republic of Bulgaria, a.h.*
4. Margarita Dragomirova Delcheva, *Head, Ministry of Interior*

ISSUES/HIGHLIGHTS

1. The Migration Directorate is under the National Police Service of the Ministry of the Interior. It has administrative control over foreign nationals. The Migration Directorate has branches in different regions of the country. It also maintains deportation centers/special homes for overstaying aliens.
2. There are 8 million Bulgarians; 200,000 are outside of the country.
3. In October 2008, Belgium and Bulgaria will enter into an agreement to improve the skills/competencies of their respective workers.
4. There are 18 different types of visas. Type D is long-stay visa. Type C is issued to tourists.
5. The work permit is issued by the National Employment Agency. The work permit is sent to the Bulgarian Embassy/Consulate which is the basis for the issuance of a type D visa. With a type D visa, the foreigner can apply for a residence permit.
3. Permanent stay is granted to foreigners who have lived continuously for five years in Bulgaria. An ID card is issued by the Immigration Department to foreign workers.
4. Sanctions are imposed on employers hiring illegal workers. A tourist who is found working is detained and expelled/deported at his/her own expense.

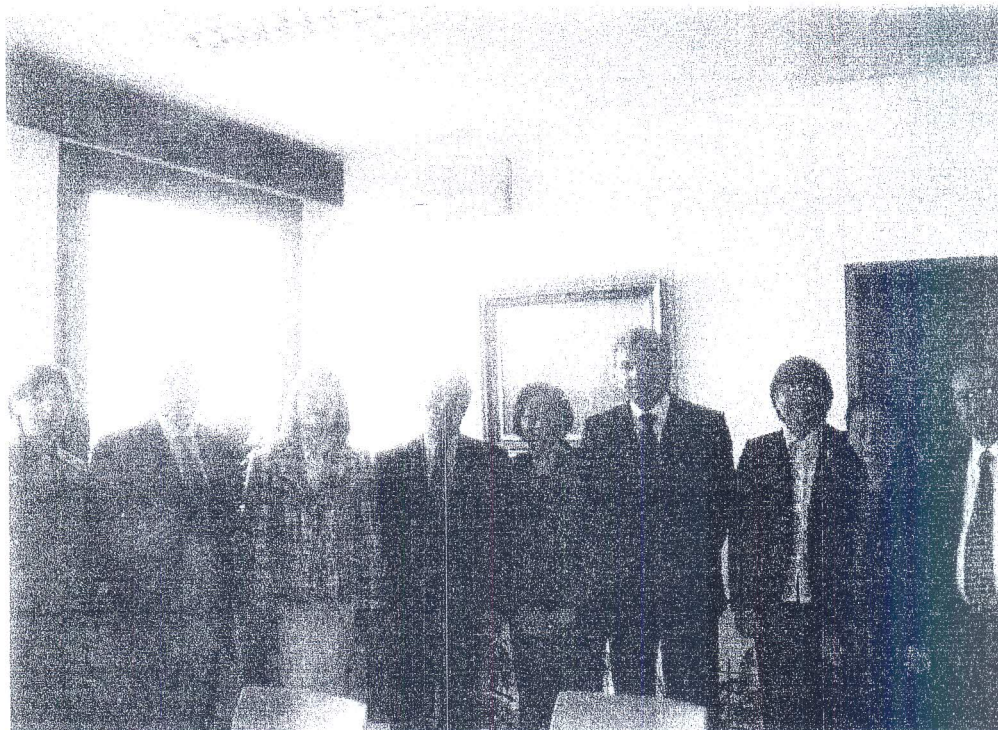
G- BULGARIA May 22
MEETING WITH MINISTRY OF LABOUR AND SOCIAL
POLICY

ATTENDANCE

1. The Philippine Mission Delegation
2. Ma. Teresita Daza, *Charge d' Affaires, a.i., Philippine Embassy, Bucharest, Romania*
3. Ognian Trajanov, *Consul of the Republic of the Philippines to the Republic of Bulgaria, a.h.*
4. Dr. Elka Dimitrova, Director, *Labor Market Policy*
5. Ms. Lilian Stankova, Head, *Migration and Free Movement of People*

ISSUES/HIGHLIGHTS

1. The unemployment rate during the 1st semester of 2007 is 7.4%. There are 700,000 jobless Bulgarians. Around 150,000 citizens who are of working age are not looking for a job. 20.5% of young people are jobless. The jobless receive social services which exacts a burden on the government.
2. Around 55,000 foreigners have permanent stay visas in Bulgaria.
3. Currently, 1,200 work permits have been issued to foreigners of which 33 were issued to Filipinos. The others were issued to Turks, Macedonians, Moldovans and Ukrainians.
4. The government does not set any quota for foreign workers.
5. The minimum wage is euro 110. It is set by the government.
6. The employment contract is registered with the National Revenue Agency. The contract is for 1 year but renewable up to 3 years after which the worker has to exit. S/he can be rehired by the employer after this period.
7. There was a high-level consultation meeting with Macedonia and Moldova concerning the entry/recruitment of their workers to Bulgaria.



Bulgaria May 23 Friday
MEETING WITH MINISTRY OF FOREIGN AFFAIRS

H – BULGARIA May 23
MEETING WITH MINISTRY OF FOREIGN AFFAIRS

ATTENDANCE

1. The Philippine Mission Delegation
2. Ma. Teresita Daza, *Charge d' Affaires, a.i., Philippine Embassy, Bucharest, Romania*
3. Ognian Trajanov, *Consul of the Republic of the Philippines to the Republic of Bulgaria, a.h.*
4. Vera Stefanova, *State Expert, Republic of Bulgaria, MFA*
5. Volter Mintchev, *Head, Republic of Bulgaria, MFA*
6. Spas Spasov, *MFA, Consular Directorate*
7. Bojidara Sartchadjieva, *MFA, Directorate Consular Relations*

ISSUES/ HIGHLIGHTS

1. Consular assistance is limited to non-monetary assistance. It's the worker who has to find ways to raise the money that s/he needs.
2. Bulgaria has to comply with EU rules on immigration and employment of EU citizens within its borders.
3. The EU health card is given to workers in addition to what they are entitled to under national laws of Bulgaria.
4. Philippine documents authenticated by Malacanang are authenticated by the Philippine Embassy in Bucharest. These documents are sent to the MFA in Bulgaria duly translated. The honorary consul in Manila is not authorized to authenticate these documents. These documents can be sent to the Bulgarian embassy in Tokyo.



Bulgaria May 23 Friday
MEETING WITH NATIONAL EMPLOYMENT AGENCY

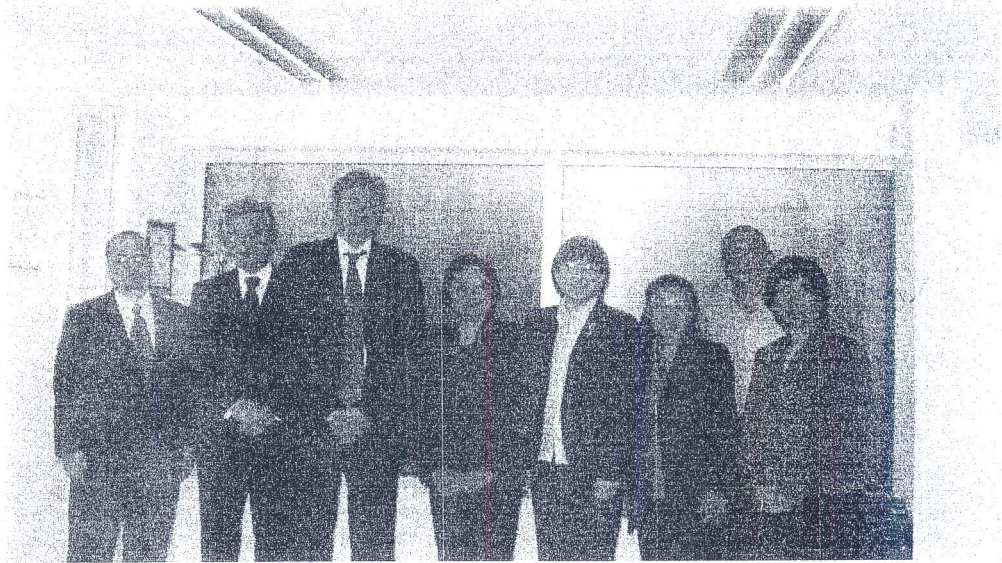
I – BULGARIA May 23
MEETING WITH NATIONAL EMPLOYMENT AGENCY

ATTENDANCE

1. The Philippine Mission Delegation
2. Ma. Teresita Daza, *Charge d' Affaires, a.i., Philippine Embassy, Bucharest, Romania*
3. Ognian Trajanov, *Consul of the Republic of the Philippines to the Republic of Bulgaria, a.h.*
4. Ms. Dimitrina Kostadinova, *Director, International Labor Migration and Mediation Directorate*
5. Ms. Marina Hlebarova, *Employment Services Directorate, Employment Agency*

ISSUES/ HIGHLIGHTS

1. The NEA issues the work permit.
2. The employer and the worker must sign a provisional contract before the work permit is issued.
3. The National Employment Agency can accept the Philippine standard contract but with modifications as required by Bulgarian laws.
4. Bulgarians are not aware that the employer should contact the Philippine Embassy for information on the recruitment of OFWs.



Bulgaria May 23 Friday
MEETING WITH HOTEL AND RESTAURANT ASSOCIATION

J – BULGARIA May 23

MEETING WITH HOTEL AND RESTAURANT ASSOCIATION

ATTENDANCE

1. The Philippine Mission Delegation
2. Ma. Teresita Daza, *Charge d' Affaires, a.i., Philippine Embassy, Bucharest, Romania*
3. Ognian Trajanov, *Consul of the Republic of the Philippines to the Republic of Bulgaria, a.h.*
4. Branimir Milanov, Sofia Hotel & Restaurant Association

ISSUES/ HIGHLIGHTS

1. There are 210 hotels in Sofia; 3 H & R schools in Sofia, and 30 H & R schools in Bulgaria.
2. Ninety nine per cent of hotel establishments are business hotels.
3. There is shortage of hotel workers because trained Bulgarians are working in other parts of EU.
4. Specialists in the H & R industry are needed. At the same time there is demand for seasonal workers such as chambermaids, receptionists and chefs, particularly for beach resorts in Varna. There is also a need for therapists in spas and wellness centers. These businesses rely on health insurance benefits of clients who patronize them akin to medical tourism arrangements in the Philippines and other parts of South East Asia.
5. Average salary for H & R workers as follows:
 - a. Chambermaids - euro 250
 - b. Receptionists - euro 500
 - c. Chefs - upwards of euro 350
 - d. Managers - euro 1,500-5,000
6. It is admitted that the Association has little experience in bringing in foreign workers.

7. It takes about nine months to secure a work permit in Bulgaria.
8. The Association is open to a video conference with Philippine counterparts, in coordination with the Philippine government, to discuss relevant matters on recruitment of Filipino workers for the hotel and restaurant industry in Bulgaria.

K – BULGARIA May 24
MEETING WITH FILIPINO COMMUNITY

ATTENDANCE

1. The Philippine Mission Delegation
2. Ma. Teresita Daza, *Charge d' Affaires, a.i., Philippine Embassy, Bucharest, Romania*
3. Ognian Trajanov, *Consul of the Republic of the Philippines to the Republic of Bulgaria, a.h.*
4. The Filipino Community

ISSUES/ HIGHLIGHTS

1. A social event hosted by the Head of the Philippine Mission Delegation Administrator Baldoz, it was attended by the Filipino community in Bulgaria and their families.
2. The dinner started at 7:00 pm and ended at 10:00 pm.

Mission Delegation

ROSALINDA BALDOZ, POEA Administrator, Head of Mission

CYNTHIA CRUZ, ILS Executive Director – Member

ALBERT VALENCIANO, OWWA Director – Member

MAYBELLE GOROSPE, POEA Division Chief – Member

Acknowledgements

Ma. Teresita Daza, Charge d' Affaires, a.i. of the Republic of the Philippines to the Republic of Romania with jurisdiction of Bulgaria and Moldova

Ognian Trajanov, Consul of the Republic of the Philippines to the Republic of Bulgaria, a.h.

Vera Stefanova, Philippine Desk Officer, Ministry of Foreign Affairs, Republic of Bulgaria

Valeriu Gheorghe, Ambassador of the Republic of Romania to the Republic of the Philippines

Doris M. Serban, First Secretary, Deputy Head of Mission, Embassy of Romania to the Republic of the Philippines

Rey Carandang, Assistant Secretary, Office of European Affairs, Department of Foreign Affairs in Manila

Ma. Cleofe Natividad, Executive Director, Office of European Affairs, Department of Foreign Affairs in Manila

Grace Fabella, Director for Eastern Europe, Department of Foreign Affairs in Manila

Danilo Ibayán, Executive Director, Department of Foreign Affairs in Manila