# How "Market Reforms" Hobbled Bulgaria's Response to COVID-19

Friday 7 May 2021, by BALHORN Loren, DRENSKA Kalina (Date first published: 6 May 2021).

**Even before the pandemic, Bulgaria's public health system had been wrecked by privatization. Now suffering among the world's highest COVID mortality rates, Bulgaria provides a case study in how "market reforms" hobble public infrastructure and suck skilled workers from the European Union's poorest countries to its richest.**

Elena is a nurse in the public hospital in Kozloduy, a small town in northwest Bulgaria, the poorest region in the EU. Her working day sometimes lasts up to ten hours. She works alone with up to thirty patients per shift, as there are not enough nurses in the hospital. At fifty-four, Elena is considered a young nurse — her colleagues at the hospital are over sixty; some are even over seventy. Her monthly salary is €375, which is slightly above the national minimum wage, set at around €325 for 2021. Her salary is barely enough to live on, as Elena has to support her own household as well as the family of her daughter, who recently became a mother. To make ends meet, Elena took up a second job as a nurse in a private practice. Because of the financial difficulties and the enormous workload, she is considering immigrating to Germany and looking for a job as a care worker there.

"Elena" is a pseudonym. But the situation I've described represents the everyday reality for most nurses in Bulgaria, after twenty years of neoliberal experiments in the health sector, which have hit women particularly hard. As in many other care professions, about 80 percent of health care workers in Bulgaria are women. Miserable wages and poor working conditions are the reason why many of them — especially the younger ones — leave Bulgaria to find better jobs in countries like Germany, the UK, Greece, Spain, and Italy.

By 2018, Bulgarian hospitals were facing a loss of almost thirty thousand medical nurses, while the average age of those working in the country's health care sector is now fifty-eight. Since there are no official guidelines specifying how many patients can be cared for by one nurse, it is often the case that a single nurse has to look after twenty, thirty, or even forty patients per shift. Simply put, health care in Bulgaria rests largely on the shoulders of overworked women who are nearing or even past retirement age.

### Low Quality, High Cost

The culprit behind all this is a liberalization of the health care system implemented in 1998 that placed many hospitals, especially in smaller towns, in a precarious financial situation. The reform gave all hospitals in the country the status of commercial institutions, meaning they are supposed to function independently in a market economy. They receive subsidies from the National Health Insurance Fund, but the amount of money granted is linked to the number of patients and operations performed. The more patients a hospital can "acquire," the higher the budget. Hospitals in smaller towns, where fewer people live and there are accordingly fewer patients, are disadvantaged by the

model.

Moreover, private hospitals are eligible for public funding from the National Health Insurance Fund (NHIF) for certain operations. Public hospitals therefore not only have to compete with one another for patients and resources but also with their private counterparts. According to NHIF reports for 2018–19, private hospitals in the country received 33 percent of the NHIF budget, government hospitals took in 28 percent, regional hospitals got 18 percent, and community hospitals had only 15 percent. Most of the insurance contributions go to fund private hospitals, while municipal hospitals are the biggest losers. Yet only a small, wealthy segment of the population can afford treatment in a private hospital, while at the same time, private hospitals — unlike state and municipal hospitals — can choose which areas they specialize in to generate higher returns.

> “Even if they have health insurance, Bulgarians pay about half the cost of medical services out of their own pockets. Health care in Bulgaria is poor — and therefore particularly expensive.”

The commercialization of the health care system has made accessing decent care exceedingly difficult for most people in Bulgaria. Nowhere else in the EU do patients pay such high co-payments for medicines and medical treatments on top of their regular health insurance. Even if they do have health insurance, Bulgarians pay about half the cost of medical services out of their own pockets. Health care in Bulgaria is poor — and therefore particularly expensive.

**Failing the COVID-19 Stress Test**

The situation in the health sector has deteriorated dramatically since the outbreak of the COVID-19 pandemic. Very few hospitals were able to provide sufficient protective clothing and disinfectants for staff in the first few months. Many doctors and nurses quit their jobs during the pandemic: by April 2020, the number of newly registered unemployed in the health and social services sector had increased by 1,450 percent compared to the previous year. The high risk of workplace infection, the low wages, and the closure of schools and day-care centers, which in turn led to almost exclusively women being burdened with the resulting domestic work, are among the main reasons for these mass resignations.

When the number of patients being cared for by nursing staff on the COVID-19 wards began rising considerably, planned operations had to be suspended for the time being. This reduced the number of patients in some hospitals by up to 90 percent, which meant that, due to the financing model, the hospitals also received less money from the state. Consequently, many nurses had their salaries cut in the middle of the pandemic. Additional bonuses for medical staff of up to €500 per month were introduced several months after the coronavirus crisis began, albeit only for those working in corona wards.

Since many nurses juggle two or even three jobs, quite a few worked on different wards and in different clinics — in turn causing the virus to spread more quickly. Given that most nurses themselves fall into a risk group due to their age, it was no surprise that, in the first two waves of the pandemic, about 11 percent of those infected with the virus were health-sector workers. More than 120 health workers have died of the illness so far. In a country where there were already drastic staff shortages, even before the outbreak began, these figures are catastrophic.

All this had a massive impact on the course of the pandemic in Bulgaria. While the first wave in spring 2020 did not hit the country particularly hard, the second wave last winter and the still-ongoing third wave have brought the health system to its knees. With a population of about 7 million, Bulgaria had reported a total of almost 400,000 COVID-19 cases by the end of April 2021.

Although the proportion of the population *infected* is not above the European average, Bulgaria ranks tenth worldwide for its COVID-19 *mortality* rate. During the peak of the pandemic, COVID-19 wards were so overcrowded that they could not accept new patients — in some particularly drastic cases, patients died on hospital stairs while waiting to be treated.

**Privatized Health Care and Labor Migration**

It is clear that the biggest health issue facing Bulgaria is not the uncontrolled spread of the virus as such, but rather the collapse of the health care system. The same is true in other countries in the region. Since 2008 at the latest, most health care systems in Europe have been subjected to harsh austerity policies. Similar and often even more brutal "reforms" have been standard in many Eastern European countries for more than thirty years.

As a 2001 report by the International Labor Organization (ILO) shows, privatization in countries like Romania, Lithuania, and Ukraine began as early as the 1990s, often under the supervision of neoliberal institutions like the World Bank. One of their aims was to liberalize and decentralize local health care systems, which had been built according to the Soviet-era "Semashko" model. The Semashko system was highly centralized and, similar to the NHS in Great Britain today, financed from the state budget rather than through compulsory insurance, which in turn guaranteed free access to health care for all.

The privatization process began even earlier in the countries of former Yugoslavia. Ana Vračar of the People's Health Movement writes that, after the introduction of World Bank loans in Yugoslavia in the 1980s, the solidaristic and socialist vision for the health care system was displaced by approaches to create a system that was "more 'cost-efficient'" and "less of a 'burden'" on national and federal budgets.

This course was continued after the disintegration of Yugoslavia and led to the development of a health care system in Croatia, for example, that guarantees only basic care. On paper, this means access to primary, secondary, and dental care. In practice, basic care is more like a package of benefits that can be constantly redefined. Depending on one's "financial and other health-related capacities," fewer and fewer services are recognized as part of this package — everything else has to be paid for by patients out of pocket.

The same logic that defines health care as a commodity on the free market rather than a public good has guided health care reforms in almost all postcommunist countries. Whether in Bulgaria, Serbia, Bosnia, Northern Macedonia, or Romania, the results are the same: public hospitals are poorly equipped and often in debt, infrastructure is outdated, staff is overworked and underpaid, medicines are expensive, and the majority of the population has to pay ever-increasing amounts for health care that is steadily getting worse.

While public health facilities can barely keep their heads above water, private practices, clinics, and hospitals find themselves in a better position. They enjoy good infrastructure, better-paid staff, and much shorter waiting times — and are only affordable for a fraction of the population. This creates a parallel system for the rich, which further exacerbates health inequalities across the region.

The miserable situation is fueling a massive exodus of care workers from throughout the region to Western and Southern Europe, where they mostly work around the clock as domestic care providers. Somewhere between 300,000 and 600,000 women are employed in home care in Germany alone, where working through the weekend and twenty-four-hour shifts are not uncommon. This "gray" care sector is staffed almost exclusively by women from Eastern Europe: without employment contracts, without fixed working hours, without regulated holidays, without insurance, and for

wages that are usually far below the national minimum wage.

A nurse from Poland described her experience in the sector for the "OstBlock8März" campaign, designed to raise awareness of the plight of Eastern European care workers in Germany, as follows:

> I slaved away in undeclared employment for more than ten years because none of the German families could afford to hire me legally! I call it modern slavery. I was self-employed, and I also lost more than I gained! . . . Most tragic are the families [back in Poland] that are torn apart by this employment, and the children who no longer have a normal home.

**Care Workers Fight Back**

While many continue to emigrate to save themselves, care workers in countries like Bulgaria have been fighting back against exploitation in the workplace for several years. Bulgarian care workers have been protesting for higher wages, better working conditions, and social reforms in the health care sector since 2019. Their main demand is the abolition of hospitals' status as commercial enterprises. Over the past two years, they have organized numerous demonstrations at the local and national level, held one-day strikes, and even occupied a room in the Bulgarian parliament for twenty-four hours in 2020.

Although their demands have been ignored so far, Bulgarian care workers have succeeded in politicizing health care and bringing the precarious situation of the country's health system to the public's attention. The first protest was organized on Facebook by a few passionate activists who hardly knew one another. In the meantime, they have founded their own trade union that organizes care workers in more than forty cities across the country. They network with other small unions in Bulgaria, are part of an international network against the privatization of health care, and have turned some of their leaders into well-known public figures. In this sense, the nurses' protests are the most radical expression of class struggle waged by the trade unions in Bulgaria over the last decade.

For a long time, it seemed impossible to take action against the miserable working conditions in health care. This is due not least to the widespread sexist notion that these supposedly "female" jobs should be done out of "compassion" — that is to say, for free. Yet quite the opposite became clear during the pandemic. If we fail to take decisive action against the subordination of health care systems to the principle of profit maximization, we put human lives at risk.

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