

BULGARIA: **SOCIO -ECONOMIC DISLOCATION**

16 April 1997

emergency appeal no. 18/96 - 02/97

situation report no. 1

period covered: December 1996 - 18 March 1997

Bulgaria is currently experiencing a major socio-economic crisis, as a result of the process of transition from a centrally-planned economy with socialist institutions to political pluralism and a free market economy. The slow pace of privatisation has exacerbated the problem. Particularly affected by the crisis are Bulgaria's 2,409,000 pensioners and families with two or more children, who can no longer make ends meet. However, with the average monthly salary now below USD 8 and the destructive effects of hyper-inflation, daily life is becoming a struggle for survival for increasing numbers of the population.

The context

In October 1996 the International Federation launched an appeal seeking CHF 659,000 in cash, kind and services to assist 24,500 people severely affected by the socio-economic crisis in Bulgaria. The Appeal was designed to support the Bulgarian Red Cross programme of humanitarian assistance to the most vulnerable and to develop the response capacity of the National Society in the areas of social work and disaster preparedness, involving an increase in vehicle fleet numbers, and communications equipment. The objective was to provide daily meals for 1,500 people through soup kitchens, family parcels to 4,000 of the most needy families and meals for 1,000 of the poorest school children.

Latest events

The rate of inflation began to climb steeply in mid-1996, and by March 1997 reached 400 per cent. Unemployment continued to rise with well over 20% of the labour force currently out of work and the closure of more than 70 inefficient large state enterprises threatened. The National Statistics Institute of Bulgaria reported that during the first two months of this year 89% of the population fell below the poverty line i.e. 70% of their earnings were spent on food. Living standards have dropped so far that only one in ten families is able to cover day-to-day expenses. By mid-March some positive indications emerged: five state enterprises were privatised while the IMF agreed some critical loans which will allow the Bulgarian Government to purchase vital supplies, including wheat flour, which is currently unavailable in the country as State reserves have been exhausted.

Due to the worsening socio-economic crisis and the collapse of the state social welfare and banking systems, social institutions, hospitals, schools and local authorities are unable to cope with the increasing needs and are turning to the Bulgarian Red Cross for assistance. Since the resignation of the government the National Society has acted as a distribution channel for humanitarian aid donated on a bilateral basis by foreign governments and other organisations.

Major additional needs were identified since the launch of the International Federation's Appeal in October, mainly due to the catastrophic devaluation of the national currency over the December '96-February '97 period. As a result a second appeal was launched at the beginning of February, to assist a total of 41,900 beneficiaries over 11 months.

Red Cross/Red Crescent action

Implementation of the three main programmes of social assistance set out in the Appeal has begun and an agreement has been signed between the International Federation and the Bulgarian Red Cross regarding the National Society's and the Federation's monitoring responsibilities.

The National Society has established a five member Commission to oversee all technical, financial and organisational issues. The Commission, which meets once a week and reports to the Secretary General of the Bulgarian Red Cross identifies priorities and the subsequent distribution of financial resources. Regulations regarding the distribution of food relief, implementation of the social programmes, monitoring and reporting at a regional level have been drawn up and distributed to all branches.

Soup Kitchens •

In December 19 soup kitchens serving 1,500 persons were opened in major regional centres throughout the country. By mid-March the number rose to 34 serving 3,500 beneficiaries. The programme targets the elderly, the alone and the sick, with beneficiaries receiving one hot meal a day, without charge, five days a week. In January the service cost 300 Bulgarian Leva per person per day, doubling in February.

Food Coupons •

In co-operation with school boards and Bulgarian Red Cross Youth sections, 1,500 vulnerable school children from low-income families were originally identified to receive free food coupons for lunch in school canteens five days a week. The number of beneficiaries tripled during the February-March period and the value of a daily coupon jumped from 220 Leva in January to 600 Leva in March.

Family Parcels •

Several tenders for food parcels were received. By purchasing a four month supply of products, the Bulgarian Red Cross was able to negotiate a reduced price, permitting an increase in beneficiary numbers to 5,000 families per month. The first supplies were transported to regional Red Cross committees by 14 February from the central warehouse in Lozen.

The monthly parcel contains: 2 kg flour, 1 packet of pasta, 2 kg rice, 2 kg sugar, 2 litres oil and 1 tin of canned meat. Packaging and distribution is organised by volunteers from Red Cross premises or from buildings bearing the Red Cross emblem. The items are distributed in plastic bags, with a small tag bearing the words 'A Gift from the Bulgarian Red Cross'. Due to a major fuel shortage distribution was delayed until 24 February. By mid-March, 15,000 parcels had been distributed.

Logistics •

To improve its capacity to implement the Appeal the National Society bought one Liaz truck and carried out repairs to three vehicles of the existing fleet. Three computers and a fax machine have also been purchased.

External relations - Government/UN/NGOs/Media

In December the Bulgarian Red Cross launched a new weekly Newsletter, to keep the media, donors, embassies and humanitarian organisations based in the country informed of the National Society's activities in response to the current crisis. There has been excellent media coverage, both domestic and international, of the current crisis and the Bulgarian Red Cross/Federation/PNS-donor response to it. The most recent press conference was held on 11 March. National Society representatives also participate in donors meetings organised by other organisations on a regular basis in Sofia. The National Society has received a number of bilateral donations and is involved in co-ordinating the distribution of humanitarian aid from a number of governmental and NGO sources.

Contributions

See Annex for details. Due to the excellent response to the October appeal, the International Federation and Bulgarian Red Cross were able to respond to the deepening crisis by including an increased number of beneficiaries, within the same categories. The response to the new appeal has also been very positive.

Conclusion

Thanks to the prompt response of a number of donors and National Red Cross Societies to the October Appeal, the Bulgarian Red Cross has been able to extend its programme of humanitarian assistance to the most vulnerable in the country. However recent political developments and social discontent indicate that the crisis is far from over. Beneficiary numbers can be expected to rise and needs to increase as daily life becomes a struggle for survival for more and more people. In the absence of economic reform and an adequate social welfare network, the Bulgarian Red Cross/Federation is the only hope for growing numbers of the vulnerable population. For more information please contact Leopoldo Principe, Desk Officer, on ++4122 7304319.

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