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**ECONOMIC INCENTIVES AND INDUSTRIAL PLANNING<sup>1/</sup>**

by

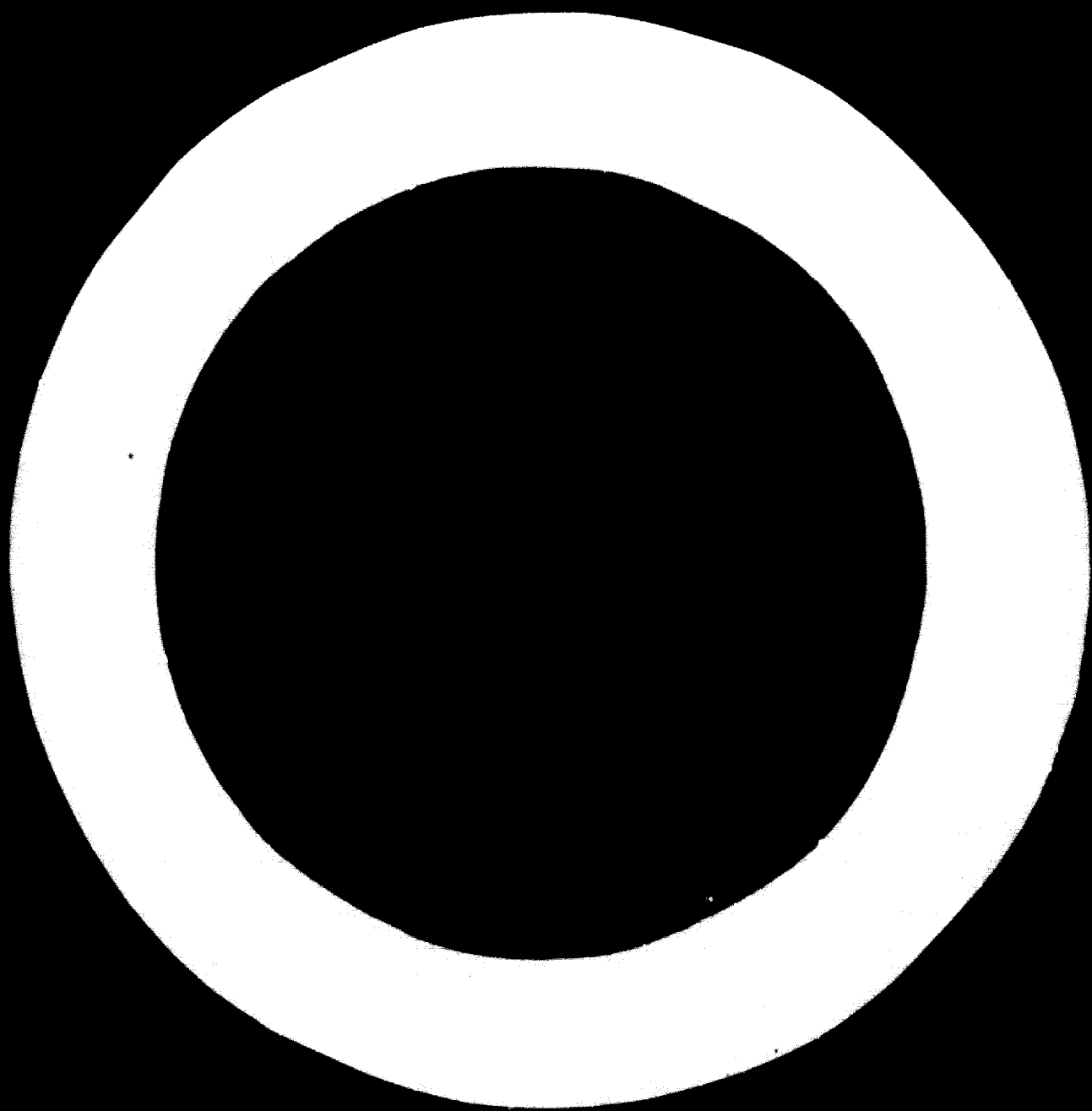
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## S U M M A R Y

The reports consists of three basic parts:

1. Economic functions of the socialist state.
2. Stimulation of the development of the public production in the People's Republic of Bulgaria.
3. Basic moments in the organisation of the salaries and wages and the additional material stimulation of the workers and the officials.

The first part of the report deals with the basic economic functions of the socialist state in the management and administration of the national economy, functions proceeding from the public property on the means of production and the transformation of the state into an economic centre of the socialist public production. All the basic functions of the socialist state are considered in the report, with an emphasis on the objective necessity that the state should create and ensure an appropriate economic mechanism for the functioning of the public production - a mechanism established on the basis of an effective system for the economic stimulation of its development.

The second part of the report deals with the existing organization of the economic stimulation of the public production in the state economic corporations and organizations and in their branch enterprises and units. That part considers also the basic means and instruments through which the economic stimulation is realized and carried into effect: prices, tax payments, premiums and subsidies from the budget, credit, interests, etc. For each of those instruments there is a concrete explanation of the respective mechanism necessary for its use and application.

The third part deals with the basic moments in the organization of the salaries and wages and the additional material stimulation. The part considers the main methodological and principle aspects of the organization, the basic indices, the rules for giving premiums, the kinds of premiums, the ways of calculating, the terms of payments, etc. There are also considered the other possibilities for collective and individual material stimulation of the workers and the officials.

All the parts of the report are prepared and worked out on the basis of the normative acts for the application of the economic mechanism of the public production operating at present in this country.

## ECONOMIC INCENTIVES AND INDUSTRIAL PLANNING

### 1. Economic functions of the socialist state

The public property on the means of production as well as the community of interests of the social and economic development of a country under socialism ensure an objective possibility to govern the production systematically and according to the plans from an unified economic centre. Owing to the nature of the political organisation of the socialist society - the political power is a manifestation of the union of the working class, the labouring farmers and the intellectuals - the socialist state is the owner of the most important means of production. That removes the necessity of separating the political from the economic power and the necessity of having two centres of administrations: political and economic. Along with its other functions, the socialist state begins to execute the functions of the economic centre for the governing of the national economy as well, and the very economic management assumes, by necessity the form of a state administration.

The basic economic functions of the socialist state concerning the management of the national economy, determined on the basis of the directions and resolutions of the party congresses and plenary sessions devoted to the problems of the social and economic development of this country, can be reduced in general to the following:

a/ to determine the basic objectives and goals of the development of the national economy;

b/ to determine the main tasks, which the organs of the state administration of the national economy and the economic organizations should undertake and realize in order to achieve the basic purposes of the production (the scale and the rates of the public production, the basic proportions of the national economy, the amount of the output of some of the most important material wealths, etc.);

c/ to create or determine the basic conditions, premises, and means, necessary for the realization of the tasks and the achievement of the purposes of the production;

d/ to control and regulate the proceeding of the re-production process on a national scale by its basic parameters.

One of the management functions of the socialist state proceeding from its obligation to create or determine the basic conditions, premises, and means for the realization of the process of reproduction in conformity with the outlined basic purposes and aims, is the creation of a system for the effective economic stimulation of the development of the production.

## 2. Stimulation of the development of the public production in the People's Republic of Bulgaria

The movement of the public production under socialism is realized under the influence of a complex system of material and moral stimuli. Both kinds of stimuli are equally important and necessary, and it is the main reason for their development and application in practice, and especially in the practice of the management, always in their interrelations and interdependence. In that connection the priority is of the material stimuli, although that does not mean at all that the moral stimuli result from them.

In the system for material stimulation there are two basic moments:



a/ economic stimulation;

b/ material stimulation.

The material stimulation is connected with the economic one, but it is connected above all with the establishment of the necessary interest in a given kind of activity among the members of the individual socialist production collective bodies, whereas the economic stimulation is directed above all towards the activity of the whole collective bodies, which function organizationally as economic units.

A. Economic stimulation of the socialist economic units

The socialist public production is being realized in separate production units.

These production units as a rule become independent or autonomous /both individually or through their incorporation into appropriate economic systems/ as economic units /i.e. economic organisations/ as well. The state determines the basic tasks to be undertaken by those units in their activities, as well as: their tasks proceeding from the unified plan for the social and economic development of the country, the parameters of the conditions, under which these tasks should be realized, and respectively - the means that must be used, etc. That is effected through the system of norms, limits, and indices, i.e. through the establishment of some obligatory tasks by a limited number of indices.

The tasks concerned with the structure-determining indices determine the basic natural proportions of the public production, and those concerned with the effectivity-determining indices - determine the tasks concerning the amount of the public necessary expenses for the maintenance of the production.

The economic stimulation of the socialist economic organizations is closely related, above all, to the economic results of their activities, which reflect the level of the expenditures and the realized economy of public labour. It is effected through a number of goods and money instruments, which influence the formation of the incomes and the expenditures of the economic organizations, and through the distribution of the accumulated net profit among the socialist economic organizations and the society i.e. the state as the political and the economic centre of the society.

The economic stimulation is realized mainly through the use of the following instruments: prices, tax payments, premiums and subsidies from the budget, credits, interests, norms for the distribution of the net profit of the socialist economic organisations.

#### a/ Prices

As a rule, the prices in the People's Republic of Bulgaria are established by the respective state institutions. There is only a very limited number of goods whose prices are to be fixed by a free contract between the producers and the consumers, but even that is done according to some norms preliminary established by the state, and the various controlling organs can interfere at any time, in order to prevent all the eventual transgressions.

The prices are established on the basis of the normative production expenses of a given kind of goods and the normative profitableness established by the state in advance. That profitableness is different for the different branches of the production and economy.

Its differences are a reflection of the different demands of the separate branches for the expanded reproduction under the conditions of the scientific and technical revolution and the scientific and technical progress.

As a rule there are established different prices for the different qualities of one and the same goods. By that means the economic organizations are stimulated to improve constantly the quality of the production.

For the new goods there is applied an exceptionally stimulating profitableness i.e. a profitableness which is higher than the normative one. That is done not at the expense of the selling goods prices, but at the expense of the obtained effects, i.e. part of the effects is allocated to the producers, another part to the consumers, and a third part to the budget.

As a rule the prices are changed every five years' period in order to preserve their stimulating effect for a longer period of time. Of course, there are also some current changes of some prices, as a means of exerting an economic pressure for the purpose of putting an end to the production of useless, out-dated, and out-fashioned goods, or goods of inferior quality.

#### b/ Tax payments

The socialist economy in the People's Republic of Bulgaria is regulated mainly through two basic kinds of taxes: tax on turnover and tax on the profits.

The tax on turnover is a specific kind of a tax, through the means of which the state appropriates a part of the net profit of the economic organizations, but on a basis of a differentiated approach according to the separate articles or activities of the production process of the given economic organization. That tax

is calculated in the form of a percentage on the selling prices /the market value/ of the products or as an absolute sum for each product or groups of products taken separately. The tax payment is connected only with the amount of the selling and it does not affect the amount of the pure or net profit.

By means of the tax on the turnover the state is actually appropriating only and above all that part of the profits of the economic organizations, which is not the result of the effectivity of their work or activities. As far as the tax on the turnover exerts some influence on the selling prices / market prices/, and they, on their part affect the structure of the production, it does also exert some indirect influence /and in many cases even a direct influence/ on the net profits, and by that means it turns also into a means of economic stimulation of the production.

The profits tax performs some other, essentially different functions. It appropriates a part of the profits of the economic organizations by means of percentages established in advance. By that means the economic organizations are interested to increase their profits as a result of the interaction of all the possible factors allowed by the law, because that leads to the increase of remaining part of the profit which can be used directly and independently by them.

The profits taxation is calculated on the basis of a system of differentiated norms, and that is also a means of ensuring a stimulation for the more rapid development of some of the production branches.

A characteristic thing about the profits taxation is that not the whole amount of the profit is taxed, but the remaining part of the balance profit, after the deductions for the funds for additional material stimulation and the funds for the improvement of the social, living, and cultural conditions of the members of the respective organizations are subtracted from the net profit. That is the other aspect of the economic stimulation through the profits taxation. The economic organizations are interested in the improvement of their own work and activities especially by those factors, on which the amount of the deductions for those funds of the profits depend, since they are not the object of profits taxation.

c/ Premiums and subsidies by the state

In all the cases when the state is particularly concerned with or interested in the production of some kinds of goods, but owing to different reasons it is either impossible or undesirable to stimulate their production by means of increasing their prices, the state stimulates their production by means of allowing some premiums from the state budget. By that means, though the premiums the selling price /or the market value/ of the given goods is in essence raised, but that is at the expense of the state budget and not at the expense of the consumer. The premiums from the budget are allowed above all for the stimulation of the production of a number of agricultural products. Besides, the budget allows premiums also for the stimulation of the export of some kinds of goods - either in general, or only for some separate countries.

By means of premiums from the state budget is stimulated, above all, the increase of the export for the developing countries, with which the People's Republic of Bulgaria is in friendly relations, as well as the export of goods, whose production is not very profitable for the respective economic organizations, but the state is interested both in their production and export abroad for one reason or another.

There are also some subsidies allowed by the state budget to some economic state organizations. Whereas the premiums are allowed mainly for the production of goods, which are unprofitable by themselves, the subsidies are intended to cover the losses of the economic organizations from the production or the export of some goods which are unprofitable as well, but the state is interested in their production. Consequently, the subsidies serve not to cover losses on the whole i.e. losses resulting from bad work, but to cover, so to say, losses that are envisaged in advance, losses that are the result of a conscious fixing of the prices of some products or goods below the level of the amount of the production expenses for them. That is done mainly in the following cases:

- when the production conditions cause high production expenses, but there is no possibility of improving them, and the national economy stands in need of those kinds of production;

- when the state, owing to some social reasons keeps consciously the prices of some kinds of goods below the level of the amount of their production expenses. These are mainly the clothes and shoes for children, some accessories for children, some food products, etc.

d/ Credits and interests

The credits and the interests are other forms of economic stimulation of the production. Through them /by allowing purposeful credits through the Bulgarian National Bank, and by means of differentiating the interest percentage/ the state stimulates the capital investments, the production and the trade in accordance with the policy, which the state has adopted for the social and the economic development of the country, as envisaged by the unified state plan. The allowing of credits for capital investments enables the state economic organizations to expand or modernise their production, and by that means to reduce their production expenses. Through the establishment of different terms for the paying off of the loans and through the differentiation of the interest percentage /the interests are payed from the profit after laying taxes on it/ there are created additional economic stimuli for the state economic organizations.

e/ Normative distribution of the profit

By means of the normative distribution of the profit there are ensured some of the most effective economic stimuli for the development of the production under socialism. The essence of the normative distribution consists in the fact that the state, as the owner of the basic /fundamental/ means of production, does not appropriate the whole profit, as any other owner would do, but establishes in advance a set of long-term norms /usually for the period of five years/, on the basis of which the profit is distributed between the economic organisations and the budget. That is what stimulates the personal interest of the producers to increase their profits, as a result of the improvement of their work /increasing the

production, reducing the production expenses, improvement of the quality of the production, introduction of new productions, implementing the scientific and technical achievements in the production, etc./.

There are two basic moments in the normative distribution of the profits:

- distribution between the economic organizations and the state budget;

- distribution of the part allowed to the economic organization for its different funds and purposes.

As it has been already noted, the distribution between the economic organizations and the state budget is effected through the taxation. Before the taxation, however, there is effected a kind of a primary distribution of a part of the profit - namely that profit which is the result of the increased effectivity of the production, which effectivity and distribution is very important. That distribution is effected through the norming of the production expenses. The state establishes for each economic organization a definite norm for the expense /amount/ of the labour payment for 100 leva general income, by taking into account the conditions of labour, the obligatory structure of the production, the price level, etc. By that means, at every increase of the general income through improved economic work, the economic organizations are allowed to use more money for labour payment than those calculated on the basis of the fixed norms, rates, quotas, etc. envisaged for the production expenses. All the means which are their due, as being more than the actual labour and production expenses, are subtracted from the profit before it is taxed, and they are used for additional material stimulation.



The remaining part of the profit, after its taxation is distributed on the basis of long-term norms about the maintenance of the central management of the economic organizations and for some other specific monetary funds, the most important of which is the fund intended for the financing of the capital investments, the modernisation, and the expansion of the production.

B. Economic stimulation of the branches of the socialist economic organizations

As a rule the socialist economic organizations are large economic systems, which incorporate, according to some definite criteria, scores of production units, factories, plants, etc. These production units materialise their work and activities as internal branches i.e. they receive directions about their work, including the norms for the expenses, directly from their respective economic organizations.

The economic organizations set norms for the production expenses of their branches, by establishing and determining for them the prices for the different kinds of articles, goods, or products. These prices do not include any income, but they comprise only the normative expenses for all the kinds of materials, including the deductions for wear and tear and the labour payment. The normative expenses for the materials are calculated on the basis of the technical norms for the quantity of the separate kinds of materials, necessary for the production of a given article, for the operation of the machines and equipments, etc.

The normative expenses for labour payment /salaries and wages/ are determined and calculated on the basis of technical norms for labour expenditure and some additional allowances to them, for prize payment of the workers and officials for fulfilling the basic production and economic tasks. It is on the basis of those additional or extra allowances, serving for the formation of a fund for additional material stimulation, and out of which the extra allowances are paid, that the economic stimulation of the production within the internal branches of the socialist economic organizations are effected. Depending on their own interests, the economic organizations increase or reduce those allowances, and by that means they either stimulate or limit the production of one kind of goods or another.

The other means of economic stimulation of the internal branches on the part of the socialist economic organizations is the distribution of the economy /the savings/ realized through the reduction of the production expenses. That distribution is effected on the basis of the following principles:

a/ when the economized sum is envisaged by the branches in their counter-plans - 100% /or the whole amount/of the economized labour expenses and 40% of the economy of /or the savings from/ material expenses and from the effect for the improvement of the quality are deduced from the profit, and are intended for a special fund for material stimulation;

b/ when the realized economized sums are not envisaged in the counterplans of the branches and organizations, the deductions for the material stimulation fund, are calculated by reducing the above-mentioned norms with 50% and 20% - respectively.

Material stimulation funds are formed not only in the branches of the economic organizations, but within their internal units /work-shops, etc./, and in the central management of the organizations, as well.

The amount of the means for additional material stimulation of the central management /administration/ of the economic organizations is determined and calculated on the basis of the effectivity of their production and economic work and activities as a whole.

3. Basic aspects in the organization of the salaries and wages, as well as the additional material stimulation of the workers and the officials

As it has been already indicated above, the economic stimulation reaches the individual workers and officials in the form of personal material interest. That interest on its part is expressed in the organization of the salaries and wages /labour payment/ and the additional material stimulation.

There are two basic aspects in the organization of the labour payment /salaries and wages/ in the People's Republic of Bulgaria:

- remuneration for the amount of the realized work;
- premium remunerations for economic effectivity which characterizes the realization of the all the quantitative indices of the production plans or tasks.

The remuneration for the amount of the realized work is payed off mainly through two basic systems for the organization of the labour payment /salaries and wages/:

- piece-rate system;
- periodical-premium system.

The piece-rate system is established on the basis of labour norms and tariff rates for the separate kinds of works or operations. The period-premium system is built on the basis of the tariff rates /the pay-roll salaries of the officials/ and the assignments for the whole bulk of the realized work. By that system the pay-roll salary for the respective period /per day or per month/ is paid plus a premium in a percentage added to the salary for the realization or overfulfillment of the planned total amount of work.

By means of these two systems for labour payment /salaries and wages/ the payment of the labour remunerations is effected on the basis of the quantity of the realized work and the quality /qualification/ of the realized labour.

Quite different is the role of the premium remunerations for the economic effectivity of the realized work, paid off from the means deduced from the profit intended for additional material stimulation. These premiums are part of the net profit, realized by means of increasing the economic effectivity of the production and economic work and activities. Through them the workers and the officials become personally interested in the realization of the production assignments at a constantly maintained tendency to reduce the necessary public expenses of living as well of substantiated labour.

#### A. Annual premium awarding

The annual giving of premium /bonus/ is effected through a part of the means accumulated in the "Additional material stimulation" fund, as a result of the reduced actual production expenses below the level of those established normatively.

All the members of the staff have the right to receive premiums /bonus/, under the condition that there are ensured means for such a payment. During the planning of the production and economic work and activities in the production branches of the economic organizations, the amount of the means envisaged for annual premiums should be at least equal to a half of the pay-roll salary or wages /per month/ for the whole staff. The actual annual premium /bonus/ of any person should not exceed /be higher than/ 10% of all the labour remunerations he has received during the year.

When the units of the production branches are detached from the organisation and operate on the basis of independent internal economic system i.e. when they are not financed by the state, and form an independent additional material stimulation fund, their staff can receive annual premium /bonus/ from two sources:

- from the means accumulated for that purpose in the respective fund of the unit /these means reflect the annual results of the work of the unit/;

- from the means intended for annual premiums /bonus/, accumulated by the whole branch for its general expenses and purposes /these means reflect the annual results of the work of the branch as a whole/.

The annual bonus of any person, paid from the means accumulated in the internal units of the production branches of the economic organizations, are not limited in amount.

The annual premium /bonus/ is paid under the condition that the annual production plan or assignments for the production and economic work /activities/ is fulfilled. In this way, the collectivism in labour, and the interest of the workers and officials in the realization of the general as well as the personal plans is stimulated.

B. Prizes paid from the management fund

A part of the means intended for additional material stimulation are allocated as a fund directly at the disposal of the head of the respective section /the economic organization, the branch, the unit, etc./ for the current payment of collective as well as individual prizes. That part is established on the basis of long-term normative acts as follows:

a/ for the head of the economic organization - not more than 15%;

b/ for the head of the branch - not more than 10%;

c/ for the head of the unit - not more than 20%;

The concrete amount of the normatives is determined and established by the general meetings of the workers and the specialists working in the units, or respectively by the production committees, and the economic councils in the economic organizations and their branches.

The means allocated for current prizes or rewarding, are used by the respective heads of the organisations /branches or units/ for rewarding a single time the workers and the specialists in every concrete case of their fulfilling some important or urgent production or economic assignments, which are of great importance for the normal proceeding of the production process or activities, as well as for constant successful performance of their labour obligations or plans; for implementing new effective achievements, or implementing new methods and technologies, and spreading advanced methods and experience.

There is no limitations concerning the rate of the single time rewards /or prizes/ given to the workers or the officials.

C. Premiums for the fulfillment and the over fulfillment of the assigned tasks for the increasing of the effectivity of the production and economic work

From the means accumulated in the additional material stimulation fund the workers and the officials are paid premiums /bonus/ for the fulfillment and over-fulfillment of the assignments for the increasing of the effectivity of the production /and for some of the officials - for quantitative assignments/, as follows:

a/ to the workers:

- for the technical level and the quality of the production;
- for the operation of the machines and the equipments;
- for economized raw materials, fuel, energy, other materials, etc. and hence saving some material expenses;
- for realized economies of living labour;
- for the achievement, observance, or reduction of the normative prime cost /working cost or net price/ of the respective unit;
- for the introduction or implementation of new productions, capacities, equipments, technologies, etc.

The premiums /bonus/ of the workers are not limited in rate. They depend only on the rate of the achieved effectivity for which they are being paid. The sum of the premium /bonus/ is established and calculated above all as a part of the effectivity /the economy or reduction/.

and in some cases as a percentage addition to the tariff salary /or wages of the respective worker.

The normatives for giving premiums /or bonus/ to the workers /as a part of the effect or as a percentage to the salary/ are established by the economic committee or the trade-union committee of the respective branch of the economic organization. They can be differentiated for the internal units, the separate places of work, according to the kinds of materials, etc., depending on the differences in the production conditions and the differences in the objective possibilities for the increasing of the effectivity.

The premiums /bonus/ of the workers are paid in all the cases, irrespective of whether or not the respective branches have sufficient means for that purpose. When its means are insufficient, it can obtain them from the reserve fund of the economic organization or through a bank loan.

When there is a deterioration in the indices for the reception of premiums /bonus/, the workers directly responsible for it are fined or sanctioned by means of a deduction from their salaries or wages. These sanctions are resorted to only in case of deterioration in the results through the fault of individual workers but not when that is the result of objective reasons or when it is through the fault of the whole management or the heads of the respective organizations, branches, units, etc. The sum of the sanction /the fine/ must not reduce the salary or the wages of the worker ~~below~~ ~~to~~ with more than 10%.



b/ to the officials

The officials receive premiums /bonus/ from the additional materials stimulation fund for fulfilling, over-fulfilling of the whole plan or only for the over-fulfillment of the assignments by the separate indices. The premium /bonus/ paying is effected on the basis of two obligatory indices and after the observance of a preliminary condition. For some categories of officials there is envisaged a possibility for receiving premiums /bonus/ on the basis of one index /factor/ and after the observance of one or two additional conditions, agreed on in advance. The indices /factors/ as well as the conditions for receiving premiums /bonus/ are determined by a set of regulations established and authorized by the state for the organization of the labour payment /salaries and wages/. There is envisaged a possibility in those regulations for choosing among several of the indices or the conditions, depending on the nature and the conditions of labour in the respective economic organizations and their branches.

The premium /bonus/ paying for the fulfillment and over-fulfillment of the assignments is calculated on the basis of the results achieved, serving as a basis, as follows:

- for the economic organisation - the level established by the Council of Ministers, respectively by the department;
- for the branches of the economic organisations - the level established on the basis of internal norms for labour payment expenses, material expenses, the assignments for the quality and the technological level of the production, and for the remaining norms, limits, and indices,
- the level, established and authorized by the economic organization;
- for the links of the branches i.e. the units which are independent and not financed by the state, the level, established in the internal norms for labour expenses, material expenses, the assignments about the

the quality and the technical level of the production, as well as by the other indices for premium /bonus/ paying.

The norms for premium /bonus/ paying are determined as a percentage added to the pay-roll salaries and wages - separately for the fulfillment and for the unit of over-fulfillment. Those norms are established and calculated as follows:

- for the units of the branches by the economic council and the trade-union committee;

- for the administration /management/ of the branches of the economic organisation - by the executive bureau of the organisation and the central committee of the respective trade-union;

- for the central administration /management/ of the state economic organisation - by the respective ministry and the central committee of the respective trade union.

In the units of the branches functioning without being financed by the state, and which form their own additional material stimulation fund the premiums /bonus/ of the officials for the over-fulfillment of the plans or assignments are payed from the means accumulated in their own fund, and the premiums /bonus/ for the ~~over~~ fulfillment only - from the means accumulated for the fund of general expenses of the branch.

The premium /bonus/ paying is calculated on the basis of the following indices and conditions:

For the economic organisations

- the first obligatory index /factor/: profitableness of the whole economic work or activity, established as a relation between the profit and the average annual amount in hand of the production funds /basic as well as turnover/;

- the second obligatory index is selected among the followings:

- basic natural production plans or assignments;

- productivity of labour;
- returnability of the exports;
- export plans or assignments in bulk or currency;
- condition for receiving premium /bonus/: fulfillment of the obligatory assignments by the plan for technical advance /or progress/.

For the production branches of the economic organizations and their internal units

- first obligatory index: the normative working cost /prime cost or net price/ of the whole production work and activity;
- second obligatory index: obligatory assignments for the production in kind;
- the condition for receiving premium /bonus/ is the fulfillment of the obligatory assignments by the plan for technical advance.

The management staff and the specialists in the management receive premium /bonus/ for the general assignments of the branch by the indices indicated above, and in the internal units the premium giving is intended for the concrete assignments proceeding from those indices and established for the separate links.

- The directors general of the economic organizations receive premium /bonus/ for personal assignments, conditions, and rules, established by the Council of Ministers.

The premiums /bonus/ of the officials are paid annually as a rule, after the economic work and activities are concluded and the annual results by the indices for premium giving are established. They are paid separately from the general premiums for the annual results. The sums of the personal premiums are limited, depending on the category of the branch. Thus, for instance for the central administration /management/ of the economic organization the sum of the personal premium cannot be higher than 100% added to the annual pay-roll salary.

For the branches of the economic organizations and their internal units, as well as for the economic organizations that are not incorporations that limitation is as follows:

- for the first group of organizations and branches - 80%
- for the second group of organizations and branches - 70%
- for the third group of organizations and branches - 50%

The distribution of the state economic organizations and the branches of the economic organizations in different groups is determined and conducted by the Ministry of Labour and Social Security, in accord with the Central Council of the Bulgarian Trade Unions.

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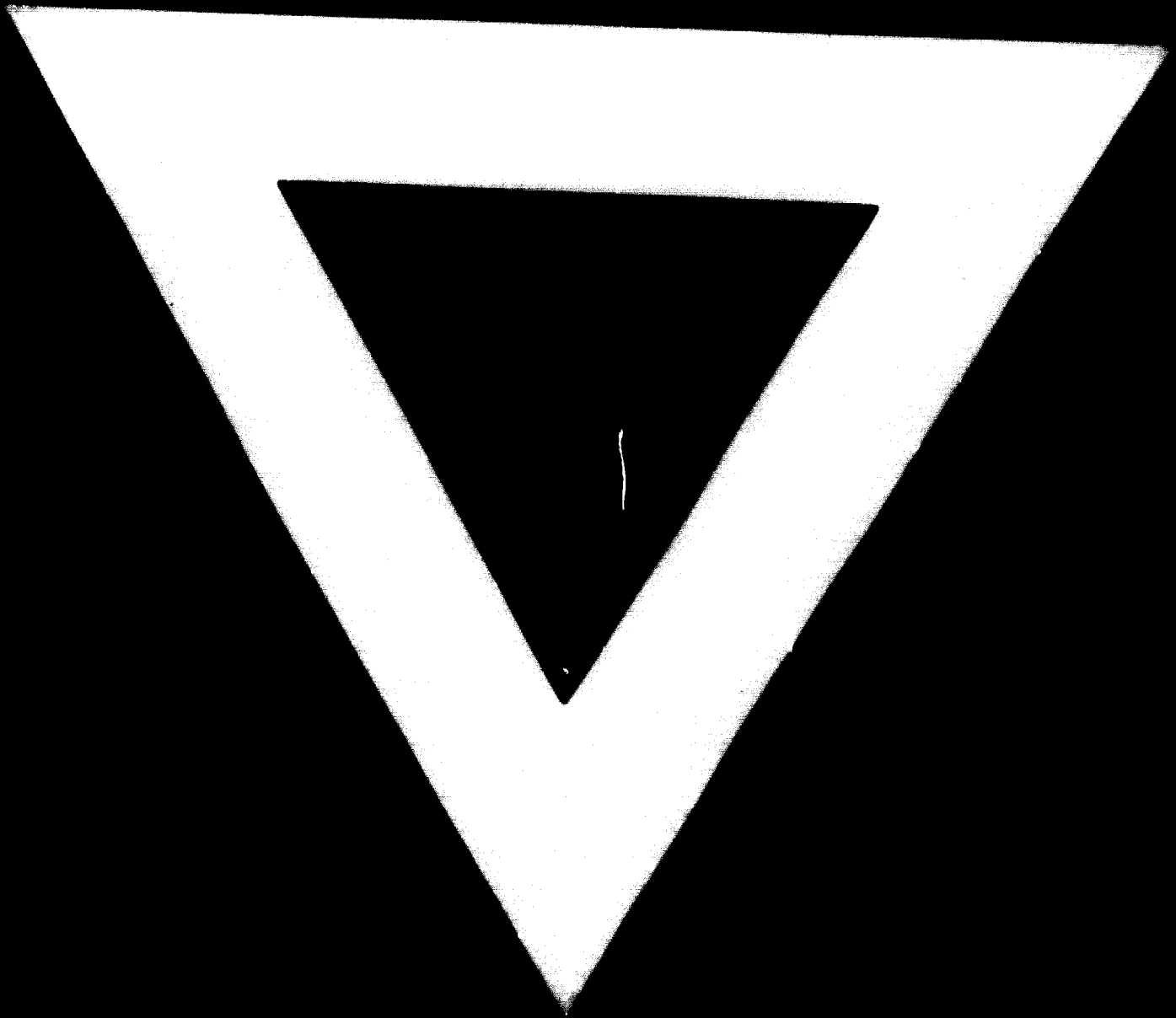
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Besides from the means accumulated in the additional material stimulation funds, the heads of the management staff, the specialists and the workers can also receive premiums /bonus/ for the economic effect of those enterprises or initiatives which they have initiated and implemented, and which produce some concrete economic effect.

The maximum sum of such a premium is 80,000 leva, and it is payed off irrespective of the number of the persons who have taken part in the preparation and the implementation of the arrangement, and it is independent of the remaining kinds of premiums. The means for the premiums are deduced directly from the profit, independently from the deductions for the additional material stimulation fund.





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