



# Bulgaria Report

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## Sustainable Governance Indicators 2016

## Executive Summary

In mid-2014, the incumbent Oresharski government, supported by an informal coalition of three parties in parliament, resigned in the wake of 12 months of citizen protests against it, rifts between the coalition partners and a very strong showing of the opposition parties in the elections to the European Parliament in May 2014. After the early elections in October 2014, the new government was formed as a complex coalition of four parties and alliances. It is centered around the biggest party in parliament, the center-right Citizens for the European Development of Bulgaria (GERB), and its leader Boyko Borissov, who served as prime minister from 2009 to 2013. The other three coalition participants are political forces that have entered parliament for the first time: the Reformist block (a center-right coalition of five parties), the Patriotic front (a coalition of two nationalist parties competing with the nationalist party supporting the previous government), and the new Alternative for Bulgarian Revival (ABV) party, a center-left spinoff of the large socialist party led by the ex-president Georgi Parvanov.

During the first year of the second Borissov government, economic policy performance improved due to increases in the flexibility of the labor market and the government's enhanced control over the budget. Both factors led to a significant decrease in the deficit and allowed the government to take key steps forward in improving medium-term budgetary planning. The Borissov government also adopted a major pension reform involving a gradual increase in the retirement age. These positive developments notwithstanding, Bulgaria still faces serious challenges in terms of improving overall skill levels, innovation capacity and productivity. Research and innovation continue to number among the country's main problem areas. Other serious problems include the relatively low-skilled labor force and the very slow movements toward higher levels of employment. Three main challenges in this area remain: reform of the education sector to produce a more adequate skill base for the 21st century; the negative demographic trend which, given the existing health care and pension systems, will continue to squeeze the labor market; and the need to further increase labor-market flexibility. The hostile public reaction to a relatively small inflow of refugees from Syria in 2013-2015 exposed weaknesses in Bulgaria's integration policy.

As for the quality of democracy, the Borrisov government has made some attempts to reform the judiciary and fight corruption. However, the implementation of these reforms has suffered from delays, yielding little in the way of palpable change. Traditional media remain nontransparent in terms of ownership and serve narrow special business and political interests. Under the Borrisov government, the scope for popular decision-making was expanded. The National Assembly reduced the number of signatures required for obliging parliament to call a referendum and allowed for a referendum on electoral reform that had been blocked by the previous parliament.

The Bulgarian executive's institutional capacity to plan strategically and in a coordinated manner is quite limited, but some improvements have been registered. The impact assessment of new legislation and regulation, at least with respect to the budget, has improved slightly with the creation of an independent fiscal council and with some changes in law-making rules. The absorption of EU funds has improved markedly, indicating better planning and coordinating capacity. An amendment to the Audit Office Act in January 2015 restored a more professional and less politicized governance structure.

Internationally, as a member of the European Union and international community, Bulgaria continues to behave purely reactively, and almost never proactively, on issues ranging from international financial stability to climate change and international democratic assistance. While it never obstructs measures aimed at developing the framework for international cooperation, it is never among the drivers of such changes.

## Key Challenges

Over the past decade, Bulgaria's party system has moved from a relatively stable system based on two major parties with changing identities to a state of increased fragmentation. This requires uneasy coalitions and thus heightens the probability of political crises. For example, the Borrisov II government is supported by a coalition of four parliamentary parties and coalitions, three of which are in parliament for the first time. The strong potential for political instability presents one of the major challenges facing the country, since such instability inevitably affects the economy's ability to sustain growth.

In the 2001 – 2008 period, Bulgaria managed to produce rapid economic growth primarily by attracting foreign capital to the country. This era came to an end with the unfolding of the global financial and economic crisis. In today's post-crisis period, the old mechanisms for generating growth are no

longer available, and Bulgaria consequently needs to strengthen its internal growth drivers. At present, however, it seems improbable that Bulgaria will soon be capable of raising the economy's skill levels, innovation capacity, productivity and policy effectiveness to match that of the more advanced EU member states.

In addressing this challenge, a variety of types of reforms need to be adopted. First, and quite probably foremost, the judiciary needs to be reformed with two primary objectives in mind: to eliminate the illicit mechanisms for acquiring political and economic influence and privilege that are presently enabled by the unaccountable judicial system; and to level the playing field for legitimate competitive business entrepreneurship. Second, education reforms are needed so as to limit the exclusion of various – especially minority – groups from adequate labor-market participation or even basic literacy, and to facilitate the generation of human capital of adequate quality, profile and flexibility. Third, the health care and pension systems need to be reformed to meet rising citizen expectations while simultaneously enhancing the systems' financial sustainability and limiting the pressures they exert on labor contracts. Fourth, infrastructure must continue to be enhanced, especially at the regional level. Fifth, increased support is needed to foster a high-skilled labor force, and labor-contract flexibility must be improved.

As all of these areas are characterized by a high degree of inertia and the presence of various and often opposing interest groups, the successful initiation and consolidation of reforms will require substantial improvements in the government's capacity for strategic planning, coordination and institutional learning. The growing political fragmentation observed in the last two parliaments increases the likelihood that those parties and groups opposing reform will succeed in preventing the formation of the necessary majorities.

# Policy Performance

## I. Economic Policies

### Economy

Economic Policy  
Score: 6

Since the late 1990s, Bulgarian economic policy has been characterized by a discrepancy between macro- and microeconomic policy. Whereas the country's macroeconomic policies – most notably the monetary regime, a currency board arrangement tied to the euro – have been generally effective, microeconomic policies have been less successful. Investors complain about regulation and red tape; in many sectors of the economy, competition is limited; labor-market policy creates disincentives to work or create jobs; and subsequent governments, with their emphasis on creating a low-tax and low-wage economy, have done little to increase skill levels, foster innovation or raise productivity.

After a loosening in fiscal policy in 2013-2014, the second Borrisov government has brought the deficit under control and has made government finances more predictable. However, while some reforms in the spheres of health care, education, and labor markets have been announced, most of the country's microeconomic problems have not been addressed so far.

### Labor Markets

Labor Market  
Policy  
Score: 4

Bulgaria has experienced a sharp rise in unemployment in the period 2009 – 2012, followed by a moderate decrease since 2013. Employment and unemployment structures indicate large and increasing mismatches. For one thing, the unemployed largely consist of people with low qualifications, experience and education. For another, while most people with higher education are employed, their work is very often in an area different than what they studied. The second Borrisov government has started to address these issues. In July 2015, it amended the labor code to allow for short-term labor contracts in the agricultural sector, which is an important breakthrough toward

gradually increasing flexibility in hiring. It has launched a new program, financed by EU structural funds, which aims at providing free language and computer literacy courses to unemployed and underemployed individuals (<http://azmoga.kabinata.com/>). The most recent data indicate an acceleration of job creation during 2015, which may be interpreted as a signal for improved ability of the labor market to match people with jobs.

### Taxes

Tax Policy  
Score: 7

Bulgaria's government revenues are a mix of direct taxes, indirect taxes and social security contributions. The direct taxes, both personal and corporate, are a relatively small component of the tax revenues, and are based on a strategy of having very low rates which are uniformly spread over a very broad tax base with very limited exemptions. The system of indirect taxes is centered on a VAT with a flat rate of 20% for all products except tourist packages. The other important component of the indirect tax revenues is the excises. Here Bulgaria follows the requirements of the European Union, imposing rates at the low end of what is set out in its membership obligations. Social security contributions are directed mostly toward pension and health insurance. This system has a regressive component, since there is a legal maximal monthly income above which there is no obligation to pay contributions.

With its low rates and uniform and broad tax base, Bulgaria's tax system fully achieves the objective of horizontal equity and creates relatively good conditions for improving competitiveness, though this is limited to some extent by red tape and a highly bureaucratic tax administration. At the same time, the flat income tax and the low direct-tax burden limit the extent of vertical equity. After sagging value-added and excise-tax revenues in 2013-2014, 2015 brought a marked increase in the collection of these taxes which has contributed to a stabilization of public finances.

### Budgets

Budgetary Policy  
Score: 8

Over the last 15 years, Bulgaria's budgets have been mostly reasonable. In 2009, the year when Bulgaria's economy took the full hit of the global economic crisis, the budget posted a deficit of 4.3%, which fell to just 0.8% by 2012. In 2013-2014, however, the fiscal stance deteriorated again. Part of the deficit increase, and the concomitant rise in the public debt, was driven by the government's support to the financial sector related to the repayment of the guaranteed deposits in the Corporate Commercial Bank (KTB). In addition, very optimistic revenue forecasts served as a justification for significantly expanding expenditures. When revenues came in at a lower level than planned, no measures were taken to curb expenditures, and by the end of 2014, the

budget deficit once again exceeded 4%. The second Borrisov government significantly curbed the deficit by improving tax collection, especially with respect to VAT and excise taxes, and by containing the growth in public spending. It succeeded in bringing down the planned deficit for 2015 close to 3% and has committed itself to a further gradual reduction down to 0.5 % in 2018. Public debt is planned to increase in pace with GDP, remaining at a relatively low and sustainable level of about 30% of GDP. Fiscal sustainability is likely to benefit from the establishment of an independent Fiscal Council, which was eventually approved by the National Assembly in April 2015 and whose members were elected in November 2015. The Council has the mandate to review budget-related laws, tax laws and all legislation affecting the long-term fiscal stance.

### Research and Innovation

R&I Policy  
Score: 3

Traditionally, Bulgaria numbers among the lowest spenders on research, development and innovation in the European Union. Successive governments have concentrated on other issues and have largely relied on foreign direct investment and European Union funds to generate economic growth. Public outlays for research and development have decreased significantly from 2009 to 2011, and have stagnated since. Subsidies for innovative start-up enterprises are available almost exclusively through European Union structural funds. Technological innovations are also stifled by cumbersome patent and copyright protection procedures.

### Global Financial System

Stabilizing  
Global Financial  
Markets  
Score: 4

Bulgaria is not among the proactive promoters of changes in the regulation of international financial markets. As a member of the European Union and the European System of Central Banks it does participate in all discussions on this matter both at the finance-minister and central-bank level. However, as one of the smaller and more insignificant financial-market centers, its role mostly consists in stating what it would like to preserve or what it disagrees with, rather than in shaping the agenda.

The failure of the fourth-largest Bulgarian bank in the summer of 2014 was contained relatively swiftly and did not spill over to other banks. This points to the resilience of the system as a whole, but also exposes serious weaknesses in Bulgaria's bank supervision mechanisms. As a result, the country has become somewhat more active in the European discussions about the architecture of the banking union.

## II. Social Policies

### Education

Education Policy  
Score: 4

The Bulgarian education system is dominated by government-owned institutions at all levels. Public spending on education as a proportion of GDP is comparable to that of other East-Central European countries. The quality of education in Bulgaria falls considerably short of the needs of a modern competitive economy, as can be seen by the country's comparatively poor PISA results. Available labor-market data indicate that there are serious skill mismatches, with secondary and tertiary schools producing a surplus of people specialized in areas where labor demand is low, and severe deficits of people specialized in areas where demand is high. According to the QS World University Ranking, only one Bulgarian university, Sofia University, ranks among the world's top 300 universities.

The level of equity in the Bulgarian education system is average to low. There are two main reasons for this. Many children in upper-income families are able to attend private schools, which seem to perform better than public schools. According to a recent ranking of 1,000 Bulgarian middle schools, only 14 of the top-50 schools are regular public schools. In addition, the school drop-out rate among minorities, especially Roma, is significantly higher than the average, meaning that schools do not provide the same opportunities for all ethnic groups. Geographic variance in the quality of the education provided by secondary and tertiary schools is very large, with schools in smaller towns and villages and in less populated areas unable to attract high-quality teaching staff.

Citation:

Ilieva-Trichkova, P., & Boyadjieva, P. (2014). Dynamics of inequalities in access to higher education: Bulgaria in a comparative perspective. *European Journal of Higher Education*, 4(2), 97-117.

Middle-school ranking available here: <http://www.danybon.com/obrazovanie/klasacia-na-uchilistata-v-bg-nvo-7-class-2015/>

Trentini, C. (2014): Ethnic Patterns of Returns to Education in Bulgaria: Do Minorities Have An Incentive to Invest in Education? *Economics of Transition*, 22(1), 105-137.



## Social Inclusion

Social Inclusion  
Policy  
Score: 4

Compared to other EU countries, Bulgaria achieves poor results in preventing exclusion and decoupling from society. Bulgaria also suffers from a relatively high level of inequality, as measured by the Gini coefficient. There is a general level of dissatisfaction with the state of society, which can be explained by the loss of subjective security during the transition to a market economy, the inability of state social policies to replace social networks disrupted by the transition, and the unfavorable international comparison in terms of material deprivation and poverty rates.

In general, Bulgaria's social policy is unsuccessful in including and integrating people with lower-than-secondary education, minorities and foreigners (mainly refugees or immigrants). The issue is not carefully studied, but the causal factors for this incapacity are complex. They include policies not sufficiently tailored to the integration needs of specific groups such as minorities and immigrants. There is a new program financed by EU structural funds that aims to provide free language and computer literacy courses to unemployed and underemployed individuals, but it remains to be seen how effective the program will be (for more information about the program: <http://azmoga.kabinata.com/>). Other factors contributing to poor social inclusion include weaknesses in policies related to the regulation of labor markets (such as the minimum wage), business entry and exit, and adjudication in the economic sphere. While these regulations are designed to safeguard certain aspects of the activities they address, at the same time, they raise barriers to inclusion of precisely disadvantaged groups. Another contributing factor to weak social inclusion is the fact that some political actors have a vested interest in keeping certain voter cohorts, usually defined by a minority, in a position of dependence.

The slight increase in the number of refugees from Syria since 2013 has been met by a widespread sense of xenophobia among the public. While there have been visible efforts by civic organizations and even spontaneous actions to coordinate efforts aimed at providing some basic food, clothing and furniture for the refugees, general hostility, coupled with ineffective policy mechanisms, has created a highly unfavorable environment for the accommodation and integration of refugees in society.

Citation:

"I can do more" program site available here: <http://azmoga.kabinata.com/>

## Health

Health Policy  
Score: 4

The Bulgarian health care system is based on a regulated dual monopoly: on the one hand a state-owned and state-controlled health fund financed through obligatory contributions by all income earners, and on the other, a union of health providers that negotiate a national framework health contract with the fund. Public health care spending relative to GDP is similar to other countries in East-Central Europe and increased by about one percentage point of national income in the last decade. The system is inclusive and provides at least some level of health care for all who need it.

Inclusiveness, however, is undermined significantly by the fairly widespread practice of unregulated payments to doctors. Those who can afford to make these payments, receive faster, better care. The quality of health care services is average to lower. While life expectancy has risen and infant mortality has dropped, overall mortality and morbidity have remained high. A major efficiency problem of the Bulgarian health system is the lack of incentives for preventive measures and for stimulating healthier lifestyles, given that prevention is by far the least costly way of improving the health situation. There have been some improvements in the organization of emergency care in 2015, and some steps have been announced at the political level toward the introduction of an electronic health card, but the major challenges remain.

Atanasova, E., Pavlova, M., Moutafova, E., Rechel, B., & Groot, W. (2013). Out-of-pocket payments for health care services in Bulgaria: financial burden and barrier to access. *The European Journal of Public Health*, 23(6), 916-922.

## Families

Family Policy  
Score: 6

Family-policy debates in Bulgaria have focused on parental-leave benefits rather than on supporting mothers' ability to work. While the share of children aged three to six enrolled in kindergartens has increased by over ten percentage points in the last decade, public child care facilities are still less developed than in most other OECD and EU countries. Labor-market discrimination against pregnant women and mothers of small children is common, undermining the objective of providing free choice for women. However, Bulgarian grandparents are traditionally very involved in caring for children, which for some parents is an effective social-network mechanism reducing the need for state involvement. Moreover, the parental-leave legislation favors mothers' labor-market integration by guaranteeing mothers a right to return to their job even after two years of parental leave, and by allowing fathers to take parental leave as well.

## Pensions

Pension Policy  
Score: 5

Bulgaria has a mixed pension system consisting of three pillars: a public pay-as-you-go pillar financed by social-insurance contributions, an obligatory fully funded private-pension-fund pillar and a voluntary third pillar. The second pillar was started in 2002 for people born after 1959, and is not yet paying out many pensions.

While the pension system substantially reduces poverty among the elderly, the poverty rate among senior citizens remains high from a comparative perspective. The Bulgarian pension system also suffers from a lack of intergenerational fairness and fiscal sustainability. Given the present demographic dynamics and the existing system's configuration, both the implicit public-pension debt and the real pension burden will increase significantly over time. These problems have been aggravated by the 2013 government's decision to terminate the gradual increase in the retirement age originally adopted in 2011 by the first Borrisov government.

The second Borrisov government has sought to restore the increase in the retirement age. A pension reform adopted in July 2015 following extensive consultations with the social partners has called for a gradual increase in the retirement age by two and three months a year until it reaches 65 for both men and women, in 2029 and 2037 respectively. In a move to strengthen the public first pillar, the Borrisov government also introduced new options for opting out of the second pillar. These options have been criticized for weakening the fully funded component of the Bulgarian pension system and for increasing dependence on the public pension pillar, the long-term sustainability of which is questionable.

## Integration

Integration Policy  
Score: 3

Bulgaria does not have a developed policy for integrating migrants, largely because their number is fairly limited. Until recently, Bulgaria has only been a transit point for migration flows to other EU countries. According to estimates, the share of migrants in the total population amounts to less than 1%, with most migrants being people of traditional Bulgarian origin from neighboring countries.

In 2013/14, a small wave of several thousand refugees from Syria showed the limited capacity of the Bulgarian society to accommodate migrants. Accommodations for the migrants proved to be extremely poor; food, clothing and heating were generally insufficient; and no real attempts were undertaken

to integrate migrants into the local society. In many municipalities, the local population rose in protest against hosting migrants in their vicinity and against the prospect of migrant children attending local schools, thereby exacerbating the integration problems. Tensions regarding this problem increased in 2015 as the number of refugees spiked. Bulgaria's policy response has focused on trying to prevent migrants from entering the country rather than improving the coordination of and mechanisms for accommodating and integrating them. In fact, the country continues to pursue segregation in areas such as education, where language proficiency requirements prevent most refugee/migrant children from enrolling in school.

Citation:

Amnesty International, Bulgaria Report, 2015,

<https://www.amnesty.org/en/countries/europe-and-central-asia/bulgaria/report-bulgaria>

### Safe Living

Safe Living  
Conditions  
Score: 5

While Bulgaria does have a serious problem with organized crime, normal citizens can live relatively safely and crime statistics have fallen in recent years. The strong feeling of personal insecurity revealed by various surveys relates more to economic insecurity than to fear of crime. In 2015, however, trust in the police reached an all time low. One explanation is the role the police played during the protests in 2013-2014. In addition, the police force, led by its professional trade union, firmly opposed a popular reform package announced by the Ministry of Interior in autumn 2015. This reform package aimed to prevent and combat corruption in the police force through a set of wide-ranging measures from compulsory property declarations to lie-detector tests and integrity testing. While governments rhetorically declare Schengen accession a priority, progress with international cooperation in security matters has remained limited, as reflected in the repeated postponements of Bulgaria's admission to the Schengen Area.

### Global Inequalities

Global Social  
Policy  
Score: 3

The promotion of equal socioeconomic opportunities in developing countries is not on the agenda of Bulgarian society and its government. Bulgarian officials take positions on this issue only when they are required to do so by the agendas of international bodies such as the European Union and the United Nations. On such occasions, the behavior of Bulgarian officials is reactive and not proactive. However, Bulgaria does not resort to protectionist trade barriers beyond the structure of such barriers imposed by the European Union, and does not impede or attempt to undermine efforts by the international community to promote equal opportunities in developing countries.

### III. Environmental Policies

#### Environment

Environmental  
Policy  
Score: 6

Given the heavy damage to the environment inherited from the socialist economy, the overriding priority of environmental policy in Bulgaria over the last two decades has been to reduce pollution. Issues such as climate policy, renewable water resources, forest policy and biodiversity have been placed on the agenda by EU initiatives.

Bulgaria's per capita CO<sub>2</sub> emissions are relatively low and might further decrease with improvements in energy efficiency, the substitution of lower (gas) for higher (coal) emission fuels for power plants, and the rise in the share of renewables in the energy mix. Climate policy has concentrated on subsidizing renewable energy sources, especially solar and wind. Energy supply from renewables has increased at a high pace and equals more than 20% of final energy consumption. However, the subsidies proved to be overly generous, which had the undesired effect of effectively raising prices for end consumers, who subsequently rose in protest. As a result, contracts have been renegotiated and subsidies brought down, which is likely to slow down the rise in the share of renewables.

As for renewable water resources, governance largely rests at the level of municipalities, creating problems of coordination and strategy development. A further strategic problem in this area arises from the fact that much of the renewable water resources in Bulgaria also affect neighboring countries (i.e., Romania, Turkey, Greece), requiring international coordination. Bulgaria still lacks a clear water-resources strategy.

Forests in Bulgaria are either private, municipal or state property. This fact impedes the development and implementation of coordinated forestry policy actions. However, Bulgaria forest coverage is above the global average and, more importantly, has grown over the last two decades. This indicates that the existing model is performing relatively well and possibly needs incremental adjustments.

In terms of biodiversity policies, Bulgaria is an active participant in Natura 2000, the European Union's largest network for the preservation of biodiversity. With approximately a quarter of its territory dedicated to Natura 2000, Bulgaria is significantly above the average for the European Union. As

opposed to many other issues, there is an active civil-society sector working on biodiversity and conservation issues, which is capable of applying political pressure and sometimes achieves results. However, powerful business actors with access to policymakers often manage to violate environmental-protection policies in order to further business interests. Most violations of this kind take place in the tourism and mining sectors.

### Global Environmental Protection

Global  
Environmental  
Policy  
Score: 5

The Bulgarian government does not engage in the active promotion of collective action on climate and other global environmental issues. While it sticks to existing regimes, it takes positions only when the agendas of EU-level meetings require discussions of such topics. Along with other East-Central European member states, Bulgaria has opposed the most ambitious EU targets for the reduction of carbon dioxide emissions.

# Quality of Democracy

## Electoral Processes

Candidacy  
Procedures  
Score: 9

The registration of parties and candidates is broadly fair and transparent, and was further eased by a new electoral code adopted in March 2014. The registration of candidates for elections involves two steps. The first is to register a party, a coalition of parties or a nominating committee with the central electoral commission. The second step comprises the nomination of candidates by registered parties, coalitions or nominating committees. For the registration of parties or nominating committees, a bank deposit and a certain number of citizen signatures are required. The existing requirements are reasonable – they are not too stringent to prevent serious parties and candidates from registering, but do to some extent prevent a confusingly large number of participants in the elections. What is more controversial are the personal requirements for candidates, partly enshrined in the Bulgarian constitution. Under the present legislation people holding citizenship of a country outside the European Union are not allowed to run in elections. Citizens of EU member countries can only run in elections for municipal councils and for European Parliament. While this provision has not played any role in practice yet, international observers have criticized it for violating the European Convention on Human Rights. An often-criticized constitutional clause that prohibits the formation of “ethnically based” parties continues to be de jure relevant, but de facto meaningless. No parties that could be classified as “ethnically based” have faced any challenges to their registration or electoral participation as a result of the constitutional prohibition.

The 2014 electoral code augmented voters’ ability to rearrange the order of candidates on party lists. In all elections held since this change - including the local elections in October 2015 – voters actively used this opportunity, and actually changed the order of the lists for many parties and districts. However, this “preferential vote” innovation has also introduced some voter confusion. In most instances of party-list reordering, there are strong reasons to believe that voters did intend to show preference, but simply did not understand how to use the ballot. They marked the number of the party they wanted to support in both columns– the party column and the candidate list column. As a result, the party list was re-arranged and candidates who lacked both sufficient party

support (since they were placed in what the party perceived as an “unelectable” position) and popular support (since voters did not actively select them) ended up making it into parliament or into the municipal council. Whether this will improve in the future as voters gain familiarity with the procedure remains an open question.

Media Access  
Score: 6

Media access for candidates and parties differs drastically between publicly and privately run media. The public broadcast media – one TV and one radio station with several channels each – are required by law to provide full and balanced coverage and to set aside time for every candidate and registered party or coalition to make their own presentations. In contrast, access to the privately held media, especially print media, is less equal. Many private media firms are in the hands of business groups heavily involved in dealings with the state. These organizations tend to present the ruling majority in a positive light, or to block the access of competing political candidates, in exchange for favorable business deals. In the case of local elections, many of these media outlets support specific local candidates and ad hoc coalitions connected to these special interests.

Voting and  
Registrations  
Rights  
Score: 7

Bulgarian voters are registered by default through voter lists maintained by the municipalities. Voter lists are published in advance of election day, and voters can also check their presence on the lists online. Every person who is not included in the voter list at their place of residence can ask to be included, and if not included can appeal to the courts. Bulgarian citizens residing abroad have the right to vote in parliamentary and presidential elections, as well as in national referenda. They can do this at the various consular services of Bulgaria, or if they establish a polling station themselves in accordance with procedures specified in the election code. These procedures are not onerous. The overwhelming majority of Bulgarian citizens who are interested in voting, can freely and easily exercise this right, and Bulgarian turnout figures are comparable with those other European democracies that do not use compulsory voting, especially if one takes the high number of migrants into account.

A small constraint regarding voting rights comes from the disenfranchisement of the prison population. Contrary to the European Convention on Human Rights, people serving prison sentences are not allowed to vote. A second feature of Bulgarian electoral law that can potentially reduce turnout is the absence of vote-by-mail provisions. However, citizens who want to vote outside of their permanent place of residence can obtain a special permit from their municipality. While improving the opportunities for absentee balloting, this provision can be used by parties to organize multiple voting. A national referendum in October 2015, in which the proposal to introduce distance electronic voting received overwhelming support, did not have sufficient turnout to make the provision directly applicable, but the turnout was



Party Financing  
Score: 5

sufficient to oblige parliament to decide on the issue in 2016. If adopted in the electoral code, such a provision will further increase voting opportunities for Bulgarian citizens living abroad or outside of their voting districts within the country.

Party financing in Bulgaria is regulated by the Political Parties Act. Parties are financed through a combination of a state subsidy, membership dues, property income, and sale of publications and royalties. They are also allowed to draw bank credit up to a set cap. Anonymous donations are not allowed, and donations can be made only by individuals, not by companies or other legal entities. The audit office oversees party financing in Bulgaria. Every year parties are obliged to submit a full financial report, including a description of all their properties and an income statement. Reports from parties with budgets larger than €25,000 must be certified by an independent financial auditor. In addition to the annual reports, parties, coalitions or nominating committees are obliged to submit special financial reports after each electoral campaign. The audit office is obliged to publish all these reports online, perform a thorough audit of the reports, and prepare and publish online its own auditing report. Parties are subject to sanctions for irregularities in their financial reporting. The likelihood of political sanctions being exercised are increased as well by the fact that all reports are made available online.

One problem with party financing in Bulgaria is that the legal framework has tended to benefit the larger parties. This has mainly been because the funding that parties receive from the state is linked to the number of votes cast for them in the most recent parliamentary election. This has made it difficult for small new parties to emerge without significant private financial support. A 2014 amendment to the Audit Office Law created serious doubts about the independence of the Office and the trustworthiness of its oversight of party financing. These doubts have abated since the reversal of the controversial amendment in January 2015. Despite legal provisions to the contrary, however, in practice, non-regulated party financing seems to be available, as all parties have “concentric circles” of firms that finance the parties in exchange for political patronage.

Citation:

Rashkova, Ekaterina R., Maria Spirova (2014). Party regulation and the conditioning of small political parties: evidence from Bulgaria, in: *East European Politics* 30(3), 315-329.

Popular Decision-  
Making  
Score: 7

There are several forms of direct democracy in Bulgaria, at both the local and national levels. The set of eligible issues is limited, as budgetary issues cannot be addressed in municipal or national referenda. At the national level, the structure of the Council of Ministers, and the personnel of the Council of Ministers, Supreme Judicial Council and Constitutional Court cannot be decided on the basis of referenda. Citizens’ committees can address the

National Assembly to call a referendum if they collect at least 200,000 signatures in favor of holding a referendum. If the number of signatures exceed 400,000, the Assembly is obliged to call a referendum. This upper threshold was decreased by 20% from 500,000 signatures in July 2015. Parliament can, within certain limits set by the law, edit the questions posed. The outcome of referenda is binding only if voter turnout is higher than in the last general election. Given these requirements, referenda have been rare. In spring 2014, parliament used its discretion to block a referendum on electoral reform even though the petition for it had obtained almost the required 500,000 signatures. After the 2014 elections, the newly elected parliament changed that decision, and a national referendum on one of the proposals from the petition was held together with the local elections in October 2015. The proposal, calling for the introduction of distance electronic voting, received overwhelming support. Turnout was lower than in the last parliamentary election, preventing the proposal from becoming a binding proposal. However, turnout was significantly higher than the minimal threshold required to oblige parliament to address, debate and decide on the proposal.

Requirements for local referenda are less stringent than for national, and 10% of voters with permanent residence in the municipality can make a binding proposal for a referendum. If more than 40% of voters with permanent residence participate, the local referendum is binding for the local government. Unlike in previous years, no local referenda took place in the period under review.

#### Access to Information

Media Freedom  
Score: 4

In legal terms, media in Bulgaria are independent of the government. All electronic media – public or private – are subject to licensing by two independent state agencies: the Council for Electronic Media (issuing programming licenses) and the Commission for Regulation of Communications (for radio frequencies and other technological aspects of electronic media). The Council for Electronic Media also appoints the management of the Bulgarian National Television and the Bulgarian National Radio organizations. No specific regulation exists for print media.

In practice, however, the independence of the media in Bulgaria is limited. Many media organizations depend heavily on advertising and other revenues from the government or from government-owned enterprises and/or have owners involved in business deals with the government. The financial dependence of various media on the government budget has increased in recent years. Transparency regarding the ultimate ownership of private media organizations is very low, increasing the opportunities for and the suspicions

regarding illicit use of media to further hidden political and business agendas. That said, government influence over the media does not necessarily mean that freedom of speech is circumscribed. Bulgaria has a diverse media landscape and the positions expressed cover the full political spectrum. Virulent anti-government rhetoric does exist and the government does not seem to take serious steps to suppress or marginalize the media outlets that engage in it. Media independence is compromised by a lack of ownership transparency and the low degree of editorial independence at pro-government media outlets, rather than by the harassment (legal or physical) or suppression of opposition outlets.

Citation:

Smilova, Ruzha/Smilov, Daniel/Ganev, Gyorgy, 2012: Democracy and the Media in Bulgaria: Who Represents the People? in: Evangelia Psychogiopoulou (ed.), *Understanding Media Policies. A European Perspective*. Basingstoke/ London: Palgrave Macmillan, pp. 37-54.

Media Pluralism  
Score: 5

Media pluralism in Bulgaria is supported by a quite diversified ownership structure. The sheer plurality of media outlets ensures relatively broad coverage of different points of view. At the same time, however, the ownership structure is often opaque. It is often unclear who the actual owners are and what their business and political interests are – especially in the case of offshore-owned media. A very significant recent development is the rising importance of online media, including blogging and various independent sites, which have begun to influence the overall information process. These online resources played a prominent role in the campaign for the referendum on electoral reform in October 2015.

Access to  
Government  
Information  
Score: 7

Access to government information for citizens is guaranteed by the Bulgarian constitution and regulated by the Access to Public Information Act originally adopted in 2000. The provisions, which have been refined several times, allow a very high level of access for citizens to government information and are subject to judicial oversight through court appeals. The opportunity for court appeals has been actively used by civil-society actors and organizations, and a robust court practice has developed. In recent years, the amount of government information made freely and promptly available on the Internet has increased markedly, and the number of formal requests for information has declined. Historically there have been instances in which information, which ultimately proved to be important for the public and for the political process, became available through access to information actions. However, the annual reports of the Access to Information Program, an NGO established in 1996, indicate that a number of government institutions still try to impede freedom of access to information. The most common excuse for refusing to release such information is that interests of third parties may be affected, while confidentiality and classified information considerations come a distant second. Delays in the provision of information also persist.

## Civil Rights and Political Liberties

Civil Rights  
Score: 5

The Bulgarian constitution and legislation provide a comprehensive, gradually improving framework guaranteeing civil rights and their protection. In practice, rights are generally respected by state agencies and citizens have legal recourse when infringements of these rights do occur. Bulgarian citizens actively use the administrative-justice process to challenge the actions of state agencies, and the courts regularly side with citizen plaintiffs.

The most frequent and serious rights violations are the overuse of force by law-enforcing government bodies, especially against Roma. There are also sporadic reports of arbitrary court decisions in bankruptcy cases, which undermine the perception that property rights are secure. The length of legal proceedings represents a significant problem.

Political Liberties  
Score: 8

Political liberties are guaranteed in Bulgaria by the constitution and relevant laws. Bulgarians enjoy the freedom to express themselves, to assemble and organize themselves (including explicitly politically), to hold religious beliefs and to petition the government. A wave of politically effective public protests in 2013-2014 clearly reaffirmed the rights of Bulgarians to assemble and speak freely, even though there were some police infringements of rights and intimidation attempts. The freedom of expression has suffered from the declining independence of the traditional media, but has been strengthened by the opportunities provided by Internet.

Non-discrimination  
Score: 6

The Bulgarian constitution, the 2004 Anti-Discrimination Act and various EU directives guarantee protection against discrimination. There is a Commission for Protection against Discrimination, and citizens have access to the courts in cases of suspected discrimination. In practice, however, episodes of discrimination can be frequently observed. Discrimination against the highly marginalized Roma minority remains a major issue. On a smaller scale, discrimination against other groups can also be observed. For example, many groups – including people with mental and physical disabilities, women, and members of sexual minorities – face discrimination within the labor market. Elderly people and those with comparatively low socioeconomic status often face discrimination with regard to the provision of health services. As the inflow of refugees and migrants from the Middle East has increased since 2013, discrimination against foreigners and Muslims has become an important public issue.

## Rule of Law

Legal Certainty  
Score: 5

Bulgaria's government and administration refer heavily to the law and take pains to justify their actions in formal and legal terms. However, two features of the legal environment reduce legal certainty. First, the law gives the administration sizeable scope for discretion. Second, the existing legislation suffers from many internal inconsistencies and contradictions that make it possible to find formal legal justifications for widely varying decisions. For both reasons, executive action is sometimes unpredictable.

Judicial Review  
Score: 5

Courts in Bulgaria are formally independent from other branches of power and have large competencies to review the actions and normative acts of the executive. In practice, however, court reasoning and decisions are sometimes influenced by outside factors, including informal political pressure and more importantly the influence of private-sector groups and individuals through corruption and nepotism. The performance of the Bulgarian judicial system is considered to be relatively poor, both within the country and by the European Commission, which has regularly reported on this matter under the Cooperation and Verification Mechanism for Bulgaria. In January 2015, the National Assembly endorsed a comprehensive blueprint for the reform of the judiciary. Its implementation was delayed by controversies over constitutional amendments necessary for reforming the Supreme Judicial Council, a body with wide-ranging powers over the appointment, appraisal, promotion, and disciplining of judges and prosecutors.

Citation:

European Commission (2016): Report from the Commission to the European Parliament and the Council on Progress in Bulgaria under the Co-operation and Verification Mechanism. COM(2016) 40, Brussels ([http://ec.europa.eu/cvm/docs/com\\_2016\\_40\\_en.pdf](http://ec.europa.eu/cvm/docs/com_2016_40_en.pdf)).

Appointment of  
Justices  
Score: 5

The procedures for appointing constitutional court justices in Bulgaria do not include special majority requirements, thus enabling political appointments. However, political control over the judiciary is limited by the fact that three different bodies are involved and appointments are spread over time. The 12 justices of the Constitutional Court are appointed on an equal quota principle with simple majorities by the president, the National Assembly and a joint plenary of the justices of the two supreme courts (the Supreme Court of Cassation and the Supreme Administrative Court). Justices serve nine-year mandates, with four justices being replaced every three years.

Corruption  
Prevention  
Score: 4

As successive European Commission reports under the Cooperation and Verification Mechanism have shown, Bulgaria's formal legal anti-corruption framework is quite extensive, but has not proven very effective. Despite some improvement in the standard corruption perception indices in the past three years, corruption has remained a serious problem. While the executive and

state prosecutors have initiated numerous criminal prosecutions against high-profile political actors, the conviction rate in those high-profile cases has been very small. In 2015, the Borrisov government prepared a comprehensive national anti-corruption strategy which provided for the creation of a unified anti-corruption authority bundling the functions of three existing institutions and included new provisions on the control of conflicts of interests and private property of public officials. However, the new draft law failed to pass the first reading in the National Assembly in September 2015, thus raising doubts about the governing coalition's commitment to fighting corruption.

Citation:

European Commission (2016): Report from the Commission to the European Parliament and the Council on Progress in Bulgaria under the Co-operation and Verification Mechanism. COM(2016) 40, Brussels ([http://ec.europa.eu/cvm/docs/com\\_2016\\_40\\_en.pdf](http://ec.europa.eu/cvm/docs/com_2016_40_en.pdf)).

# Governance

## I. Executive Capacity

### Strategic Capacity

Strategic  
Planning  
Score: 5

The most important systematic strategic-planning process is related to the requirements of EU membership and the necessity of preparing strategy and reform programs within the EU framework. The Ministry of Finance is in charge of preparing the national reform programs foreseen as a part of the European Union's 2020 strategy. There is not much more strategic-planning capacity at the center of government. However, the national strategies on security, energy, governance and development of water resources, development of scientific research, Roma integration, physical education and sport, which were adopted during the 2009 – 2013 term, have provided some long-term orientation. These strategies were prepared in coordination with various ministries and on the basis of extensive discussions with the relevant expert communities. They are overseen by the line ministries and parliamentary committees responsible for these policy areas.

Scholarly Advice  
Score: 5

In Bulgaria, there are various ways to consult stakeholders and experts, including a special online portal at the Council of Ministers and more than 70 advisory councils. The government has also started to seek out expertise by forming public councils linked to specific ministries. There are no formal routines for consulting academic experts during the course of government decision-making, but representatives of academia and research institutes are traditionally included in the process on an ad hoc basis.

### Interministerial Coordination

GO Expertise  
Score: 4

The official government office in Bulgaria, the Council of Ministers' administration, plays a mainly administrative role. It prepares cabinet meetings but lacks the capacity for in-depth evaluation of the policy content of line-ministry proposals. Specialized directorates within the Council of Ministers' administration do review submissions from the line ministries, but deal less

with substance than with ensuring that submissions are presented in the appropriate format. The prime minister's own political-cabinet staff is relatively small and has little expertise to evaluate the policy content of line-ministry proposals.

GO Gatekeeping  
Score: 4

In Bulgaria, neither the Council of Ministers' administration nor the prime minister and his political cabinet have the legal authority to return materials on the basis of policy considerations. However, Prime Minister Borrisov has been able to capitalize on his informal authority to some extent.

Line Ministries  
Score: 6

Line ministries tend to prepare policy proposals independently and introduce them to the prime minister and the Council of Ministers when they are completed. The prime minister and the Council of Ministers' administration are consulted in advance only when the proposals cross ministerial lines and on issues related to legal compatibility with other proposed or existing legislation. Even in such cases, the involvement of the Council of Ministers' administration tends to focus mainly on technical and drafting issues. There are no official procedures for consulting the prime minister during the preparation of policy proposals.

Cabinet  
Committees  
Score: 4

The Bulgarian cabinet does not resort to specific cabinet or ministerial committees as a way of coordinating proposals for cabinet meetings. However, there are many cross-cutting advisory councils that include several ministers or high-ranking representatives of different ministries and have some coordinating functions. These might thus be seen as functional equivalents to ministerial or cabinet committees. However, the role of the councils, which often have a rather broad membership, is quite limited in substantive terms.

Ministerial  
Bureaucracy  
Score: 4

While a comprehensive framework for coordination between ministry officials and civil servants exists, the quality of the coordination process is low, meaning that many issues have to be resolved at the political level. Within the ministries, a departmentalist culture prevails. This is especially true during coalition governments, when coordination between line ministries under ministers from different parties is virtually nonexistent. A case in point in the period under review was the reform of pensions. In 2014-2015, the Ministry of Finance went to the public with reform plans that were not coordinated in advance with the National Social Insurance Institute, the agency responsible for handling the first pension pillar.

Informal  
Coordination  
Score: 5

Given the weakness of formal mechanisms of interministerial coordination, informal coordination mechanisms have played a vital role in Bulgaria. Informal coordination featured prominently in each Bulgarian government of the 21st century thus far. This process is aided by the fact that all of these governments have been either coalitions, or minority governments. While this informal coordination and consultation is helpful in overcoming gaps in the formal coordination procedures, it also makes the policymaking process more susceptible to penetration by illicit, special interest agendas.



### Evidence-based Instruments

RIA Application  
Score: 5

According to article 28 of the Law on Normative Acts in Bulgaria, every draft for a normative act (starting from the acts with highest power such as codes and laws, down to municipal regulations and instructions) needs to be accompanied by explicit motivation and by a report including an obligatory assessment of results. In theory, the accompanying report is supposed to look at all the effects of the proposed legislation – budgetary, economic, social and environmental – and its impact on the effectiveness of other policies. Since there are no explicit provisions in the law about the concrete content and coverage of these assessments, in practice, impact assessments are mostly formal, incomplete and perfunctory. In accordance with the law every normative act is accompanied by a motivation and a report, but only budgetary and environmental impact assessments are conducted in depth. The establishment of an independent Fiscal Council, which was eventually approved by the National Assembly in April 2015 and whose members were elected in November 2015, is likely to increase the quality of budgetary impact assessment.

Quality of RIA  
Process  
Score: 4

With the exception of the assessment of budgetary and environmental impacts of proposed legislation, RIA has a largely formalized nature in Bulgaria. There is no centralized and independent impact assessment unit, and there are no formal requirements for the content of the assessment or procedures for evaluating its quality. Instead, initial assessments are performed by the body proposing the legislation. Once the proposed draft has entered the phase of public consultation, civil-society and academic actors are able to offer their own assessments, which then become a part of the documentation accompanying the proposal and are available to the public online. There are a number of examples of such assessments, but they encompass a very small proportion of new proposals, and also tend to focus on separate aspects of the potential impact, like economic activity or the environment, rather than the entirety of the situation.

Sustainability  
Check  
Score: 4

Most of the regulatory impact assessments in Bulgaria are merely formal, with the exception of budgetary and environmental issues. The creation of an independent Fiscal council in 2015 represents a major step forward in improving the fiscal sustainability check on proposed regulations and policies. Environmental checks focus mostly on issues of pollution and wilderness protection and less on greenhouse gas emissions. Other economic and social impacts are generally addressed superficially, and the input of non-government actors in the public-consultation process is generally ignored.

### Societal Consultation

Negotiating  
Public Support  
Score: 5

Partly following traditions established during the socialist period, Bulgaria has developed a number of bodies that represent various interests in the process of policymaking. A prime example of this tradition is the National Council for Tripartite Cooperation, which includes representatives of the government, trade unions and employer associations. Over the years this council has evolved into a major forum not only for advice and consultation, but also for the negotiation of various policies and the adoption of specific proposals that are later formally confirmed legislatively. Other societal actors, including minority organizations, environmental and other interest groups are represented in the more than 70 advisory councils at different levels of government. In practice, however, their influence on decisions is limited. After the wave of protests in 2013-2014, many agencies, and especially independent regulators, opened up their work to public scrutiny and possible proposals during the process of deliberation. This was the case, for example, in the field of energy regulation, which was a major issue fueling the protests.

Citation:

Bohle, Dorothee, and Béla Greskovits. *Capitalist diversity on Europe's periphery*. Cornell University Press, 2012.

### Policy Communication

Coherent  
Communication  
Score: 4

The coherence of government communication in Bulgaria is relatively low. The communication activities of the various ministries are not centrally coordinated, so it is easy for the media to identify inconsistencies and contradictions in the information and positions of different ministries. Inasmuch as there is coordination between different messages, it is accomplished mostly through the political cabinets and the public-relations experts of the ministries rather than as a matter of formalized administrative communication-coordination procedure. Many civil observers of the policymaking process feel that all too often public announcements and communications aim at hiding rather than highlighting and explaining the true intentions of proposed regulations and policies.

### Implementation

Government  
Efficiency  
Score: 6

In general, Bulgarian governments avoid setting policy-performance benchmarks that are available to the public. The two main exceptions are within the area of macroeconomic policy, especially regarding the budget, and

compliance with the high-profile requirements of EU membership. The second Borissov government has succeeded in significantly decreasing the fiscal deficit. With respect to the European Union, Bulgaria has not yet achieved its long-standing objectives of joining the Schengen Area and of starting the process of joining the euro area. After a very poor absorption of EU funds in 2013-2014, performance in this area has improved dramatically in 2015. While the second Borissov government has announced major reforms in a number of areas, only a few have been implemented in its first year in office.

Ministerial  
Compliance  
Score: 8

The prime minister does not have significant legal powers vis-à-vis his ministerial colleagues. The 1991 constitution defines the Council of Ministers as a collective body, with the prime minister being only “an equal among equals.” The position of the prime minister thus strongly depends on his or her informal political authority. When the prime minister is a party leader and features a relatively strong personality, as in the case of the Borissov governments, the informal influence is significant. The right of the prime minister to fire deputy ministers is a major power in ensuring that ministries comply with the cabinet’s priorities.

Monitoring  
Ministries  
Score: 4

The Council of Ministers’ administration lacks the capacity to monitor the implementation activities of the line ministries. The chief secretary of the Council of Ministers’ administration and the specialized directorates of the administration can, however, oversee most of the line ministries’ policy activities, especially in the areas financed through EU funds. The chief secretary and the directorates also provide some administrative support to the prime minister and the head of his political cabinet, who exercise more direct control over the ministries on a political basis. The exercise of this control tends to be informal, through the party apparatuses, rather than formal.

Monitoring  
Agencies,  
Bureaucracies  
Score: 4

The capacity of ministries to monitor the implementation activities of the bureaucracies and executive agencies within their task areas is quite limited in institutional terms. The monitoring that does take place tends to focus only on priority areas – such as the absorption of EU funds – and tends to rely on informal rather than formal mechanisms.

Task Funding  
Score: 5

Local governments in Bulgaria get most of their revenues from the central government. Activities delegated to municipalities by the central government are financed in two ways; first, a portion of the revenues from some general taxes is designated for the municipal budgets, and second, the central government pays a subsidy. Every year, the Ministry of Finance claims that all delegated activities have been fully and adequately funded, while the National Association of Municipalities in Bulgaria claims that the actual costs for the municipalities are higher than the state budget law envisages, thus de facto forcing municipalities to finance delegated central-government activities. However, due to the fact that, with the exception of a few large city municipalities, central government transfers constitute a large share of a

municipality's budget, most of the shortages in mandated budgets remain covered by the central budget.

Constitutional  
Discretion  
Score: 4

Bulgaria is a unitary state with two levels of government – national and municipal. The constitution vests municipalities with a relatively broad set of powers and competencies, and the law generally respects this independence. However, in reality most Bulgarian municipalities are financially dependent on central government transfers, because their own revenue base is inadequate for generating the necessary revenues. On occasion, the central government attempts to capitalize on this dependence or has favored local governments affiliated with the governing coalition.

National  
Standards  
Score: 4

In Bulgaria, the effectiveness of national-government oversight and compliance with national standards in the decentralized provision of public services differ among functional spheres. For example, education is provided by local schools on the basis of funds delegated by the national or the local government, with standards upheld relatively objectively and effectively through external evaluation and regional and local inspection. However, in the sphere of environmental, waste-management and forestry standards, as well as in the local-level health care sector, monitoring is uneven and some localities have much lower standards than others.

### Adaptability

Domestic  
Adaptability  
Score: 6

During the process of EU accession, the Bulgarian administration at the national, regional and local levels underwent a very significant adaptive process that involved changes in structures and areas of activity. This included the creation of regional development councils able to prepare regional-development strategies at the level of EU NUTS 2 regions, a novelty in Bulgarian governance history. The EU accession and membership process also meant that new channels for coordination and common decision-making had to be created in order to enable ministries to develop national positions on the various EU policies being discussed. Notwithstanding these changes, the primary governmental structures and their methods of operation have remained largely unchanged. One area in which organizational changes related to supranational developments seem to be leading to an improvement is the implementation of EU funded programs, especially in some spheres such as transportation and environmental protection infrastructure.

International  
Coordination  
Score: 4

While the capacity of Bulgarian government bodies to correspond with, coordinate and participate in international processes and initiatives has improved markedly over recent years, the fact remains that Bulgaria is still primarily reactive in terms of international efforts to foster the provision of global public goods. This is due both to a lack of capacity and a risk-minimizing strategy of avoiding the commitments involved in taking proactive

positions. More often than not, Bulgaria tends to take part in international efforts but wait for the international community to formulate policies, set goals and benchmarks. It then does its best to implement those domestically. Inasmuch as there is coordination and assessment going on, it is for these reactive purposes. A recent example of this type of behavior has been Bulgaria's dithering regarding the international sanctions against Russia. The country has taken on a more active role in shaping the EU's response to the recent "refugee crisis."

### Organizational Reform

Self-monitoring  
Score: 4

There are no formal ex ante mechanisms for monitoring whether institutional arrangements of governing are appropriate. It is only ex post, when a problem becomes serious enough or a crisis emerges, that reflection regarding the structure of governance and institutional arrangements begins, and such cases are usually spurred by public pressure or pressure from some other government body. Deliberations on proposed legislation serve less often to prompt such debates.

Institutional  
Reform  
Score: 5

Bulgarian government bodies do have the capacity to reform, both in the case of reforms initiated from within and reforms originating externally. However, they do not seem to have a strategy for planning such reforms. Instead, reforms happen as a result of a crisis that forces change. Furthermore, the capacity for change is particularly limited when it comes to primary governance structures such as the cabinet, the prime minister and the government office.

## II. Executive Accountability

### Citizens' Participatory Competence

Policy  
Knowledge  
Score: 5

The distribution of knowledge about government policies in Bulgaria is highly uneven. Citizens who are active, especially through participation in non-governmental organizations or grassroots activities, seem to have a very strong grasp of current policies in their sphere of interest. The general public, however, seems distrustful and uninterested. Citizens' knowledge of how the government is actually organized and works, the division of competencies and the way decision-making and implementation proceeds is also not high. However, general interest in how the government operates and how policies are formulated and implemented rose significantly in the wake of the protests in 2013-2014. In 2015, the focus of public attention has narrowed on issues

more directly related to large social groups, such as proposed changes in the pension system or reforms in the energy sector.

Citation:

Fraile, M. (2013). Do information-rich contexts reduce knowledge inequalities? the contextual determinants of political knowledge in europe. *Acta Politica*, 48(2), 119-143.

### Legislative Actors' Resources

Parliamentary  
Resources  
Score: 4

The Bulgarian legislature has a budget of less than one-tenth of 1% of national income, with more than three-quarters of that being spent on deputies' salaries, current maintenance and capital expenditures. Thus the resources available to deputies in terms of expert staff, administrative support and independent research are very limited. This means that the capacity of the National Assembly to effectively assess and monitor the policies and activities of the executive is also limited. This limitation is not structural, but rather of a political character, since the Bulgarian legislature has full discretion over the budget and could secure the resources for enhanced monitoring.

Obtaining  
Documents  
Score: 7

Under the Rules of Organization and Procedure of the National Assembly, parliamentary committees can obtain any documents from any public or private person in the country. A chairperson of a standing committee is obliged to acquire such documents if one-third of the members of the committee ask for them. Thus, on paper, parliamentary committees have full access to government documents. In practice, some documents are withheld from parliament with arguments about confidentiality or national security. In 2015, for instance, the government delivered only a highly edited version of an expert report on the 2014 banking crisis to parliament, pointing to the need for a high level of sensitivity and confidentiality, the importance of its findings for ongoing investigations and the threat of leakage through parliament. The institution of "parliamentary questions" put to the executive also gives individual members of parliament access to the executive branch. In practice, representatives of the executive can delay the execution of these requests, because responsibilities are not clearly specified and sanctions are not defined. There have been numerous instances of such delays.

Summoning  
Ministers  
Score: 7

Legally, parliamentary committees have the power to summon ministers and the prime minister, and under the Rules of Organization and Procedure of the National Assembly, these executive-branch figures are obliged to comply. When a minister or the prime minister is asked a parliamentary question, he or she has to respond in person in the National Assembly in due time. However, in practice, there is no sanction for non-compliance except the possible loss of reputation and political image. Members of the executive can afford to ignore such summons indefinitely, often using other duties and obligations as an excuse for their lack of response. On many occasions they do comply, but

<p>Summoning Experts Score: 10</p>	<p>frequently only after significant delays, and sometimes never.</p> <p>Under the Rules of Organization and Procedure of the National Assembly, parliamentary committees are able to invite experts who are under an obligation to assist members of parliament in performing their duties. Experts are obliged to provide the committees with any information and documents that the latter require for their work. While experts cannot be obliged to attend the committee meetings, these invitations carry considerable prestige and an opportunity to have an input in the legislative process, thus providing incentive to respond promptly. Since the expert work is paid and the parliamentary budget small, committees have to be selective and cannot invite a broad range of experts.</p>
<p>Task Area Congruence Score: 9</p>	<p>For the last several parliamentary terms, Bulgaria has maintained standing parliamentary committees that closely follow the structure of the Council of Ministers. Whenever a parliamentary committee covers areas under the competencies of more than one ministry, these areas are typically closely related – for instance, foreign affairs and defense, youth and sports, or the various economic sectors.</p>
<p>Audit Office Score: 8</p>	<p>A completely new Audit Office Act was adopted in 2014 in Bulgaria, changing the office’s governance structure to comprise a large collective body at the top that is elected by parliament on the basis of political quotas. Then another completely new Audit Office Act was adopted by the next parliament in January 2015, this time introducing a small governing body with members required to have a much higher professional and expert standing. In both cases, the new laws served as an excuse for the early termination of the mandates of the existing audit office leadership. While the new governance structure appears to be more appropriate than its predecessor, the repeated overhaul of the Audit Office Act has undermined the independence and credibility of the audit office. In the future, every parliamentary majority will be tempted to exert pressure on the audit office simply by threatening that its mandate will be terminated through the pro-forma adoption of a new law.</p>
<p>Ombuds Office Score: 7</p>	<p>There is a national ombuds office (the Ombudsman of the Republic of Bulgaria), which is not part of parliament, but is elected by parliament for five years. The Ombudsman is independent in its activities and is subject only to the national constitution, laws and international treaties adopted by Bulgaria. Other than putting arguments to the relevant administrative body and making its opinion public, however, the office has no powers. According to its report to the National Assembly, the Ombudsman gave assistance to 17,818 people in 2014. The office actively investigated 5,010 complaints. Most of the complaints made in the last few years (30% of the complaints in 2014) related to public utilities (mobile and landline phone operators; electricity, heating and water providers). Recently, many of these utility companies have developed their own ombudsman offices, which may alleviate some of the national</p>

ombudsman's workload. The fact that the ombudsman has been approached on matters of widespread public concern indicates that the office is seen as a legitimate advocate of citizen rights and the public interest.

In July 2015, parliament elected a new national ombudsman. Unlike her predecessors, who had political affiliations but were largely independent professionals, Maya Manolova came straight from the leadership of one of the major parties. She has been a well-known member of parliament from the Bulgarian Socialist Party and acquired additional recognition in 2013-2014 as one of the most outspoken adversaries of the citizens' protests. Her highly politicized public image will pose a major challenge to her winning citizens' confidence in her as an advocate and defender of public interests.

### Media

Media Reporting  
Score: 4

Bulgaria's media sector is characterized by three main features. First, it suffers from heavy bias, focusing on sensationalism and scandal as a means of gaining public attention rather than producing in-depth and consistent coverage and analysis of important societal processes. Second, in recent years, due to a combination of economic crisis and increasing competition from new media, the mainstream media (both press and electronic) have become heavily dependent on government money for advertising and information campaigns, a fact that enables the government to exert influence. Thirdly, most print-media organizations can be considered as appendages to their owners and publishers' businesses; as a consequence, high-quality journalism definitely takes a back seat relative to other business interests. In their coverage of government policies, most major media organizations concentrate on short-term sensationalist aspects. They tend to frame government decisions as personalized power politics, diverting attention away from the substance of the policy toward the entertainment dimension. Usually there is no coverage of the preparatory stages of policy decisions. When coverage begins, basic information about a given decision or policy is provided, but typically without any deep analysis of its substance and societal importance. Exceptions – such as the very substantial and in-depth discussion of the South Stream gas pipeline project in 2013 and 2014 or the analyses of the failed fourth-largest bank in the period 2014 and 2015 – are rare.

### Parties and Interest Associations

Intra-party  
Democracy  
Score: 4

Three parties have obtained more than 10% of the popular vote in the last three general elections (2009, 2013 and 2014) in Bulgaria: Citizens for the European Development of Bulgaria (GERB), the Bulgarian Socialist Party (BSP), and the Movement for Rights and Freedoms (MRF), which is effectively the party



of the ethnic Turkish minority in Bulgaria. Of the three, the most democratic is the BSP, a party with more than a century of tradition. The party program is adopted at a congress of delegates elected by the party members. Electoral platforms and candidate lists are prepared in a relatively centralized manner, but local party organizations do have an input and the party has several factions that vie for influence over the party's central decision-making institution. The other two parties are leader-dominated. Regardless of the internal democratic mechanisms envisaged in their statutes, most decisions are concentrated in the hands of the leader and a few members of his circle. While in GERB, which has a larger support and membership, the influence of different groups and constituencies can be effective, the specific characteristics of the MRF make its decision-making process very opaque and highly concentrated.

Association  
Competence  
(Business)  
Score: 6

The capacity of the three major employers' and business associations to make policy proposals is relatively well developed. These bodies can influence and propose policies in at least three ways: first, through their participation in the National Council for Tripartite Cooperation; second, through various EU-funded projects aimed at improving competitiveness and the business environment; and third, through their own capacity to perform research, formulate proposals and initiate public debates. All three have been relatively active in this regard throughout the period in review. This includes a growing tradition of cooperating with academic institutions and scholars, think tanks and other interest groups. The three associations do not always work together or develop common policy analysis, and achieve unanimity only rarely, such as in the case of opposition to proposed increases in the regulated price of electricity for businesses in 2015. In Bulgaria there are two trade union confederations, and they are also represented in the National Council for Tripartite Cooperation. In contrast to the employers' associations, the unions rely more heavily on their internal expertise in drafting and promoting proposals, cooperating comparatively less with academia. The range of topics on which trade unions take active positions and make proposals goes beyond the issues of the labor market – in effect, they behave like political parties.

Association  
Competence  
(Others)  
Score: 4

The most active non-economic interest groups in Bulgaria are largely engaged in four fields: education (especially parents' associations), health (patients' organizations), minorities and the environment. While there are many associations and they often act in accord, they seem more activist than analytical in their efforts. Their proposals are rarely accompanied by attempts to encompass the relevant issues fully, or to argue in favor of or against specific proposals on analytical grounds. The religious communities in Bulgaria have their channels of political influence, but are not broadly active in the public sphere. The Bulgarian Orthodox Church takes public positions only on rare occasions, as in the introduction of religious classes at school.

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