

LOOKING AT NEW ECONOMIC PARAMETERS IN NATIONAL, REGIONAL, EUROPEAN AND GLOBAL CONTEXT

The article reviews the results of scientific and applied studies and projects of academic staff and practitioners related to the current tendencies in the economic theory and practice, and the economic challenges facing the development of Bulgaria, the countries of the region of Southeast Europe, the European Union and globally presented during the international scientific forum of the Economic Research Institute at the Bulgarian Academy of Sciences, dedicated to the 70th Anniversary of the Institute.

JEL: B4; E00; F00; J00; M00; O1, O3; Q00; R1

Economic Research Institute at the Bulgarian Academy of Sciences (ERI-BAS) was an organiser and host of the held on November 21-22, 2019 in Sofia Jubilee international scientific conference "*Economic development and policies – realities and prospects*" 2019, dedicated to the 70th Anniversary of the Institute, which coincides with the celebration of 150 years since the foundation of the Bulgarian Academy of Sciences and is part of the series of traditional annual scientific conferences held by the Institute.

Researchers from Bulgaria, Poland, Romania, North Macedonia, Serbia, Turkey, Ukraine, Montenegro and Algeria took part in the scientific event. During the two-day forum, 83 presentations and 3 posters on the problems of economic development of Bulgaria, the European Union and the third countries in regional and global perspective were made by 104 authors. Among them were academics and lecturers with significant research and expert experience, representatives of 3 foreign (Macedonian, Romanian and Ukrainian) Academies and 2 Bulgarian (BAS and Agricultural Academy – Sofia) national academic institutions; 14 Bulgarian universities from all over the country and 6 foreign universities (of Bucharest, Romania; Lodz, Poland; Ouargla, Algeria; Anadolu, Turkey; Belgrad, Serbia; Montenegro); of business, as well as a guest participant from the University of Colorado, USA. This allowed for multidisciplinary exchange of ideas, opinions and results from the analysis of the state and prospects for the development of the economy of Bulgaria and other countries. Young scientists showed a strong interest in the topic of the conference – more than one-third of the presentations were prepared individually or in co-authorship

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with habilitated scientists and presented by chief assistants, assistants, postdoctoral and doctoral students from Bulgaria and abroad.

During the presentations and panel discussions, a wide range of summarised results of scientific and applied researches and projects of academic staff and practitioners were presented related to the current tendencies in the development of economic theory and practice. The tasks to be solved with this conference were to define and, where possible, to propose solutions to the problems posed by the economic challenges facing the development of Bulgaria, the countries of the region, the European Union and globally. They are in a process of constant change, which necessitates their in-depth study, analysis and evaluation of their characterising processes and phenomena.

The urgency of the topics of the conference is based on the seriousness of the problems facing Bulgaria, Europe and the modern world. In this context, five thematic areas discussed in the respective panels were proposed as the focus of the scientific event – macroeconomic dimensions of economic development; economic and financial integration in the EU and participation in the global economy; labour market and social policies; regional and sectoral development, ecology and sustainable development; the company of the 21st century.

The forum was opened with a welcome speech by the Director of the Institute, Professor Alexander Tassev. He noted that the development of the Bulgarian economy has similar problems with the countries of Southeast Europe related to the integration into the EU and the global world; therefore, the results of the research of both Bulgarian and foreign scientists, guests of the conference, are expected to cause public interest.

The tone of the scientific event was given by the **keynote speech "Macroeconomic parameters of the development of the Bulgarian economy "**. It was stated, that low inflation, balanced budget, relatively stable economic growth, liberal foreign trade regime, stable (fixed) exchange rate, high foreign exchange and fiscal reserves, low levels of external debt, etc. are important benchmarks for the effectiveness of the macroeconomic policy. Over the last 20 years (except for a few months in 2009-2010), these indicators have always looked good, but the sense of business travel and stagnation has never left Bulgaria all these years. The euphoria of EU accession has raised some vague hopes for future prosperity, but twelve years later, most people cannot feel and appreciate the positive dynamics of macroeconomic indicators. There is a serious confusion of goals with the means to achieve them and it leads to the mistake that good macroeconomic indicators are a sufficient condition for economic prosperity. Under the analysis in depth, it could be understood that even the craved high and stable economic growth is also not a goal, but only a means of achieving higher rank goals: a better standard of living and quality of life, which includes tangible improvement in each of the spheres of health, education, culture, social and legal protection, real participation in public life, etc. It was noted in the presentation, that the proposed material did not intend to review the current economic situation, but rather to draw attention to some important and unresolved problems that have been piling up for decades and threaten to become a long-term obstacle to the socio-economic development of the country (Yotzov, Loukanova, Sariiski, Nestorov, 2020).

The work of the conference continued according to the established panels, each in two sessions. The wide thematic spectrum of presentations in all the panels allows them to be grouped into several relevant thematic and problem areas.

1. Macroeconomic dimensions of economic development

The first group of presentations treated the *theoretical issues of the contemporary economic thought and the need to search for new approaches and paradigms of economic development*.

Vassil Todorov presented the research programme "Classical trend in modern economic theory", currently performed at ERI-BAS with the participation of the University for National and World Economy and scientists from other universities. It is looking for an alternative to the dominated in the modern economic theory neoclassical views that are inadequate to reality. A starting point of the alternative is the classical economic theory. The main argumentations covered by the programme were presented as well (Todorov, 2020). *Dyanko Minchev* argued in his presentation that any proposals for changes in Bulgaria's economic policy will be ineffective as long as they are built on the methodology of neoclassical theory. Advances could be made by taking another approach to reality, which is based on the view that the economy is embedded in society and by introducing a new theory in economics that offers an alternative to economics (Minchev, 2020). The main objective of the presentation by *Maya Tsoklinova* was to analyse and discuss the neoclassical approach to the problems of market failure and sustainable development, as well as to focus on the heterodox economic concept and its theoretical views on the problems mentioned above. Sustainable development was presented as development under the condition of a functioning unity in the triad "nature-society-economy". The role of the heterodox approach, which looks at the mutual influences of the three elements of nature-society-economy as an alternative to the dominant neoclassical economic theory, was highlighted (Tsoklinova, 2020). *Rossitsa Chobanova* argued the need for the formulation and implementation of economic development policies, which is derived from the discrepancy between the formulated goals for renewal and the results achieved in its implementation. The discrepancy is expressed in the constant low research and development intensity since the beginning of the transition, in the gradual withdrawal of the state from the formation and implementation of scientific and innovation policy, in disregard of new processes and trends resulting from the entry and use of new information and communication technologies, as well as globalisation, in maintaining low innovation performance among European countries (Chobanova, 2020). The economic development was in the focus of the presentation by *Taki Fiti* and *Tatjana Drangovska* (North Macedonia), where two important questions were elaborated: What can fiscal policy, as one of the key macroeconomic policies next to monetary policy, do for economic growth, and What factors determine sustainable economic growth and development? It was underlined, that fiscal and monetary policies have primarily a stabilisation function. However, the more emphasis placed on the stabilisation function than on the development function of policies does not implicate that they are not correlated with economic growth. Fiscal policy is generally much more directly correlated to economic growth, mainly because of two

reasons: first, public investments, especially investments in large infrastructure objects (roads, rails, energy facilities, gasification etc.) are an extremely important development component in the budgets of modern countries, and second, fiscal policy affects aggregate demand – the tax structure, and changes in taxes (tax burden) has a large influence on the behaviour of economic subjects, i.e. on the incentives of people to invest and to work, hence on economic growth and development. The changes (new considerations) in fiscal policy in the post-crisis period – after the Great Recession, were also noted. The authors concluded that healthy public finances are a crucial assumption for sustainable economic development, determined by the following main factors: technological innovation, the efficiency of institutions, the policies for income distribution and environmental protection (Fiti, Drangovska, 2020). *Garabed Minassian* treated the non-economic constraints of economic growth. He proved that using and operating with figure management economic parameters at macroeconomic level is not enough to intensify the economy. The emphasis here is on the available and constraining effect of a number of non-economic factors which have been widely ignored in practice. Four groups of non-economic constraints are identified: (1) political; (2) institutional; (3) psychological; (4) sociological. When the latter's constraining effects are neglected, the macroeconomic instruments of management stop acting. The major conclusion was that if the cultivation of an informed and politically and economically educated society fails, the country would not be able to break away from its ranking at the very rear of economic development in the EU (Minassian, 2020).

Thematically, the second group was referred to some *particular aspects of macroeconomics*.

The *discretionary macroeconomic policy in Bulgaria* was an object of two presentations. *Dimitar Zlatinov* examined the limitations on discretionary macroeconomic policy in Bulgaria stemming from the Currency Board Arrangements, EU membership, and the high trade and financial openness of the Bulgarian economy. The indicators to evaluate the efficiency and effectiveness of fiscal and monetary policies were proposed. The applicability of this set of indicators was tested in 2000-2018 and showed the atypical nature of the macroeconomic policy in Bulgaria. The main conclusion was made that the efficiency and effectiveness of macroeconomic policy can only be sought if it contributes to the implementation of the structural reforms, that have the greatest potential to affect the economic environment as a whole (Zlatinov, 2020). *Tsvetomir Tsvetkov* investigated whether it is necessary to implement a stabilising fiscal expansionist discretionary policy in a small open economy under monetary board and Maastricht criteria. The impact of stabilisation policy on the currency board was also examined. The discretionary fiscal policy is not proven to jeopardise the existence of the currency board and does not lead to a risky reduction of the fiscal reserve, and that, in currency board term fiscal expansionary discretionary policy acts as a mechanism that balances economic dynamics that is subject to currency board shocks (Tsvetkov, 2020).

Proposals for improvement of *normative tax regulations in Bulgaria* were made in the presentation by *Yosif Avramov*. Primarily it solicits the entrance of two fundamentally new taxes that are discussed for a long time among the EU countries, but due to different reasons, their enforcement is delayed as well as of one-off tax on the wealth. The entrance of a minimum that is nontaxable in Bulgaria was offered. It was also proposed the

permanent Monitoring Committee on the Revenue Agencies and Combating the Parallel Economy and Smuggling at National Assembly to be closed (Avramov, 2020).

The analysis of **gross added value by economic activities in Bulgaria and EU-28** was presented by *Konstantin Kolev*. The goal was to examine the gross added value by economic activities in Bulgaria and EU-28 and on this ground to reveal the basic sectors for Bulgarian economy with potential for development on its territory. The study was based on shift-share analysis and concept of the economic basis. Their application permits the economic activities to be grouped on the Cartesian coordinate system: in the first quadrant are distributed basic economic activities with opportunities for development (Growing Base Industries); in the second quadrant are put basic economic activities with bad opportunities for development (Transforming Industries); in the third quadrant are set up non-basic economic activities without opportunities for development (Declining Industries); in the fourth quadrant are distributed non-basic economic activities with opportunities for development (Emerging Industries) (Kolev, 2020).

Stefan Simeonov, Daniel Nikolaev and Teodor Todorov studied the factors influence on the activity on the **Bulgarian stock exchange**. It was underlined that this study is a continuation of a study examining the impact of various factors on the investment activity of the stock exchange, in particular on the Bulgarian Stock Exchange. The aim was to identify the leading determinants that have a significant impact on stock market activity. As indicators of stock exchange activity here, the stock exchange volume and the stock exchange turnover were used. The function of the dependencies for seventeen variables, which leads to the expectation of a nonlinear model, was investigated. The empirical survey determined the broad stock index BGBX40, followed by interest rates, represented by Leonia+, and the price of silver as the leading factors with positive influence for stock exchange activity. A negative relation was found from the USD exchange rate and although less influential from the state of the European stock market, presented with STOXX600 (Simeonov et al., 2020).

The third group of presentations mainly concerned questions about **financial stability/instability in global, European and national perspective**.

Natalya Sheludko (Ukraine) treated the problem of global financial instability as the "new reality". It was substantiated that in the medium-term agenda, despite the fact that the leading central banks managed to pacify the global crisis of 2007-2008, to improve the prospects for the developed economies and to begin the processes of normalising the monetary policy, there remain the following questions of: high levels of global and national debts; high risks in the non-financial sector; persistently low-interest rates in many developed countries; targeted use of national currencies in order to achieve unilateral trading advantages, new challenges related to the restructuring of the financial intermediation sector on the fintech principles, etc. This is exactly the modern "new reality" under which turbulent processes of shaping the new political and economic structure of the world will take place in the coming years (Sheludko, 2020). *Silvia Kirova* analysed the evolving role of central banks for financial stability in the European perspective. The presentation traced the transformation of central bank function after the Global financial crisis, emphasising on the growing importance of the financial stability function, studied in the European context (Kirova, 2020). *Aglia Kaneva* made a forecast of the change in the

after-tax profit of banks in Bulgaria in a short-term period. The forecasting was implemented by trend models. The tendency of development in the financial result of banks has been modelled for the period 2007-2018. Based on the presumption that the established regularities will be preserved in the forecast period as well, an estimate has been developed for the future values of the after-tax profit of banks in 2019 and 2020 (Kaneva, 2020). Yevhen Bublyk (Ukraine) analysed the changes in unconventional monetary policies in core countries and the consequences for emerging markets. The characteristics of the modern view of scientists and international financial institutions on the benefits of financial openness of the economy as a factor of growth were examined. The signs of a more rational approach to the introduction of financial openness, which involves the use of policies to control and manage international capital flows, have been identified. The modern views were compared with the classical origins of the theory of free movement of capital and the analysis of empirical data on the practical impact of financial openness on economic growth. It was substantiated that the modern rational approach is more consistent with the classical origins of the theory of financial integration and the practical need to ensure the financial stability of economic development (Bublyk, 2020). Svitlana Brus (Ukraine) developed the topic of the changing investment landscape – trends for Ukrainian pension funds. Pension funds are characterised by a policy of forming a portfolio of investment instruments of the lowest risk, but the main condition is the receipt of investment income, which would not only ensure the growth of pension assets, but also protect of funds from inflationary risks. Pension funds have large volumes of assets and are the largest investors offering large volumes and long-term financial resources to the market. Important trends affecting the formation and diversification of securities portfolios by pension funds are the impact of the global financial crisis on changing investment strategies; increased investment in alternative investment instruments, due to the low yield of traditional instruments; increasing the share of pension funds in infrastructure projects and OTC assets; the reorientation of investments by countries with transitive economies from the internal market to foreign ones (Brus, 2020).

The last fourth group treated some problems, that arise from the development of *the digital economy*.

Sorin-Nicolae Curcă (Romania) analysed the global financial system in the context of digital technologies development. He argued that the post-crisis period had been characterised by accelerated development of digital technologies. This evolution has involved multi-level transformations within the financial sector. In this context, the impact that digital technology development had on the financial system from the perspective of the effects on the operational activity and the changes made by the Fintech sector were analysed. In this respect, it was envisaged the presentation of technologies that have developed applicability in the field of finance, with an emphasis on highlighting the benefits and risks they imply, the evolution of the Fintech sector and the changes generated by it in the structure of the financial system, consumer behaviour and the activity of traditional financial institutions, respectively the evolution of regulatory frameworks (Curcă, 2020). Kateryna Anufriieva and Yuliia Shapoval (Ukraine) explored the problem of FinTech as a driver for financial inclusion and expanding opportunities for financial inclusion through Big Data, artificial intelligence, machine learning, and cloud services. The role of financial inclusion in achieving sustainable development goals was

substantiated. It was noted that the development of Fintech contributes to financial inclusion, including by reducing costs and expanding the range of services: new technologies facilitate the collection and processing of large amounts of information, thereby improving its management process. The authors assessed the implications of Fintech for central banking services. The risks of financial instability if expanding financial inclusion by rapid advances in Fintech without proper control were also shown. It was underlined that the problems of data protection, cybersecurity and competition are still under consideration. The conclusion was made that in order to balance Fintech opportunities and risks, Fintech issues must be integrated into national strategies for financial inclusion, including infrastructure and regulatory environment (Anufrieva, Shapoval, 2020). *George-Cornel Dumitrescu* (Romania) continued with a comparative analysis of the digital economy and society index in Romania and Bulgaria. He noted that the European Parliament and the Council have among their objectives to rank its High-Performance Computing facilities in the world top-three by 2023, by building up a robust EU High-Performance Computing industry. To this end, the Digital Europe programme aims at providing funding for projects in five significant areas of interest, namely supercomputing, artificial intelligence, cybersecurity, advanced digital skills, and ensuring extensive use of digital technologies across the economy and society. The status of digital economy and society in Romania and Bulgaria using the digital economy and society index and its components was analysed (Dumitrescu, 2020).

2. Bulgaria and the Economic and financial integration in the EU. Opportunities and challenges of participation in the global economy

The first thematic area covered *Bulgaria's participation in international trade and the export orientation of the Bulgarian economy*.

Emil Panusheff analysed Bulgaria's foreign trade positions in the changing international regulations. He argued that Bulgaria's foreign economic relations are determined by its participation in the European global value chains. The changed external environment necessitates the finding of new models of international specialisation that will improve Bulgaria's participation in the integration processes. The international economic environment is being transformed by global value chains and is not in line with WTO agreements. Bulgaria's foreign economic orientation must adapt to institutional changes and international regulations (Panusheff, 2020). In her presentation *Daniela Bobeva* aimed at assessing the scope and sustainability of trade imbalances and the macroeconomic factors for their accumulation in Bulgaria. The analysis was led by macroeconomic and structural approach. A regression model was used in order to assess the importance of major factors that drive trade imbalances. The role of imbalances on the economy, i.e. positive as well as negative impact was examined. The analysis suggested that macroeconomic factors have a marginal role in the accumulation of trade imbalances, while structural factors play a decisive role (Bobeva, 2020). *Alexander Tassev* and *Nedialko Nestorov* examined the status, trends and prospects of Bulgaria's high-tech exports. Their view was that in the context of economy's research, high-tech exports are seen as major and promising for the development of a country's exports, which is directly related to its economic growth.

Therefore, an analysis of Bulgarian high-tech exports has been carried out. The results of an examination of its composition and structure, its emerging trends and its outlook were presented (Tassev, Nestorov, 2020). *Rossitssa Rangelova* and *Grigor Sariiski* analysed the export structure in terms of the comparative advantages of the Bulgarian economy, in particular the sectoral structure of the manufacturing industry. The structure of foreign trade and, respectively, the change in the share of high value-added goods was regarded as a major factor determining the competitiveness of the economy and the dynamics of economic growth indicators. It was proved that the opportunities for export-oriented growth in Bulgaria are not optimally used. The reserves for increasing labour productivity and incomes lie in the increase in the shares of individual sub-sectors and products of the higher value-added processing industry, not in the mechanical increase in exports (Rangelova, Sariiski, 2020). *Irena Nikolova* estimated opportunities and challenges for Bulgarian export-oriented sectors in the world economy. With a view that the export-oriented sector's structure of the Bulgarian economy has changed for the last decade as a result of the ICT development and the artificial intelligence implementation in a significant part of the business processes, two main issues were reviewed – the trends in export-oriented sectors development in Bulgaria, and the priorities for their development and better positioning in the international economy (Nikolova, 2020).

Tatiana Hubenova-Delisivkova analysed the ***main trends in the development of the EU sovereign bonds market*** after the Global financial crisis and the European sovereign debt crisis. Contradictory tendencies in the synchronisation of the trend of sovereign bonds 10Y of the Euro area countries, as well as of the rest of EU countries were discussed. The problems of divergence trends among EU countries due to differences in the level of sovereign debt and its management in both in the countries of the Eurozone and the EU as a whole were presented as challenges to the further integration process. The EU sovereign debt market issues were revealed in the context of the reforms of the Monetary Union. Bulgaria's participation in the European sovereign bond 10Y market was analysed on the basis of an assessment of the state, development and prospects of government debt management in the medium term, as well as in the context of the preparations for the adoption of the euro (Hubenova-Delisivkova, 2020).

The next round of problems was related to the ***EU's competitive position in world trade and the place of Central and Eastern European countries in the Union's external economic relations.***

Elena Spasova discussed the competitive positions of the European Union in global trade by calculating B. Balassa indices of revealed competitive advantages of extra-EU export groups in the period 2011-2018. Conclusions were drawn about the EU's place in global trade, and the factors for its positions were studied, specifically the internal economic imbalances and structural problems of the Community. Possibilities for enhancing the EU's external competitiveness and addressing internal imbalances have been analysed in the context of the multi-speed Europe paradigm (Spasova, 2020). *Desislava Dimitrova* considered a new dividing line of cultural values and economic convergence in the EU. She stated that the cohesion policy within the European Union has led to mixed results in the economic integration of the former socialist countries. While Poland has become an Eastern European economic miracle, Bulgaria remains at the bottom of almost all European charts.

The drastic difference in the success of economic transition in Eastern Europe and emerging North-South division in terms of economic growth requires a new alternative to classical economic theory approach. Therefore, the purpose of the study was to verify if the differences in the cultural values of the Member States are the key to understanding these phenomena. By comparing cultural and economic indicators, an attempt to determine which cultural features play the role of stimulus and which of constraints to economic development in the EU was made (Dimitrova, 2020).

A special place in the panel was given to the presentation of results from the research project within the framework of the ERI-BAS program concerning the ***relations of the economies of the countries of Central and Eastern Europe with China***.

Iskra Christova-Balkanska analysed the initiative "One Belt One Road" and the "17+1" format which are part of China's doctrine of expanding political and economic influence globally. She underlined that the penetration of the EU market is of particular importance for China. The "17+1" format, in which 17 countries from Central and South-Eastern Europe, including 12 EU Member States, participate, is a bridge to the realisation of Chinese investment and trade strategy. The intensification of economic relations with this region takes different forms, far exceeding the trade-investment relations between China and the respective countries. In that context, the aim of the study was to reveal the peculiarities of the "17+1" format, the development of trade relations between China and Central and South-Eastern Europe, and the attitude of developed economies and EU institutions to China's expansion (Christova-Balkanska, 2020). *Teodora Peneva* continued with a description and review of the overall strategic framework defining Chinese investment in Europe, its status and real trends, of the strategic documents in China setting out the guidelines for investing abroad, and of Chinese investment trends in Europe by type and sector. A brief conclusion on the factors and development trends of Chinese investment in Europe in the future was provided (Peneva, 2020). *Anton Kostadinov* analysed the problem of US-China trade in goods rebalanced as a result of the trade war which triggered changes in both countries foreign trade relations. The imposition of higher duties by the United States on Chinese goods triggered a backlash, exacerbating trade conflict. The decline in trade between the two countries has had a different effect on national economies. For US manufacturers, this means reducing exports to a major market such as the PRC. The effects for China were to shift production to neighbouring countries that had no trade restrictions on exports to the US (Kostadinov, 2020).

The last round of problems discussed was the ***development of certain regions in the world economy***.

Iulia Monica Oehler-Sincai (Romania) estimated BRI potential impact on the economic development in the Indo-Pacific. The analysis was structured around three main objectives. First, it reflected various attitudes towards the BRI, from the perspective of its characteristics and potential impact, both regionally and globally. It was concluded that strong demand for investment in infrastructure and connectivity development, accelerators of regional integration (good for China, but good for the others as well), are the most relevant opportunities associated with the BRI. Second, it underscored China's major role as a trade partner, investor and creditor for countries in the region – even if it is not accepted by players such as the Quad (US-Japan-India-Australia), this is an undeniable reality.

Third, it demonstrated that this "project of the century" has to become a "multilateral initiative led by multiple actors" in order to be supported by key international actors (Oehler-Sincai, 2020). The same author in co-authorship with *Daniel Bulin* (Romania) presented the EU trade and investment relations with Indo-Pacific countries with a view of their contribution to regional projects and national reform programs. The main objective of the research was to identify a number of ways for the EU to intensify its presence in the region, focusing on the case study of the EU-ASEAN cooperation framework. The conclusion was made that in order for this to become a strategic partnership, as underlined in the literature, besides security and multilateralism, concrete cooperation projects are needed (Oehler-Sincai, Bulin, 2020). *Mustafa Özer* and *Aymar B. I. Nana* (Turkey) investigated dynamic relations between selected macroeconomic variables of West African Economic and Monetary Union countries using Panel VECM for the period 1980-2016. They tested first the existence of cross-sectional dependence and then the presence of cointegration and finally carried out Granger Causality tests, impulse response and variance decomposition analysis. The main findings of the study indicated the existence of cointegration among variables and the evidences of short- and long-run causalities. It was noted that the results of the study have important implications for the future and efficiency of the Monetary Union. Especially policymakers of the region should design their economic policies regarding to stabilise inflation and to stimulate growth, they have to take into account of the existence of cross-sectional dependences (Özer, Nana, 2020). *Eduard Marinov* analysed the process of the creation of the largest free trade area in the world. The Agreement establishing the African Continental Free Trade Area entered into force in 2019 and all countries on the continent joined it. If the Agreement works as hoped, it will connect 1.3 Billion people, create a 3.4 Trillion USD economic bloc, and heat up commerce within the continent itself. The presentation aimed at tracing the process of economic integration in Africa, analysing the main features and assessing the potential benefits of the implementation of the African Continental Free Trade Agreement (Marinov, 2020).

3. Labour market and social policies

The panel session began from the discussion in the field of *labour market and employment*.

Iskra Beleva examined the main challenges and possible decisions for the regional balance of the labour market in Bulgaria. The main aim of her presentation was to underline the existing regional labour market imbalances, to pay attention to some of the factors, responsible for their increase, as well as to propose possible policies for their decline. The regional labour markets in Bulgaria, with a stress on the balances between regions and in regards to labour supply and demand were the object of the study. Among the main factors, causing regional imbalances, the negative demographic impacts, the specificity of the regional structural transformations and the quality mismatches between labour demand and supply were outlined (Beleva, 2020). *Pobeda Loukanova* presented in details the discrepancies between labour supply and demand on the Bulgarian labour market. She noted that the theme is of permanent interest and with increasing importance in our country, because of the existing shortage of labour force. There is a need for improving the quality

of labour qualification and of its more effective use. Guidelines were proposed to regulate the imbalances between the supplied and demanded skills of labour. The need for more broadly involvement of stakeholders in the process was articulated. Also, the need for better institutionalisation of the process was advocated with a view towards the contemporary requirements to it (Loukanova, 2020). *Margarita Atanassova* treated the issue of the development of the skills of the employees in the enterprises in Bulgaria, which is a traditional priority of the policies for the improvement of the human capital and the continuing education. The research was carried out from the standpoint of the concept of human resources development in organisations and the leading role of employers as a provider of non-formal training. The results of the cluster analysis revealed positive trends in the continuing vocational training of the employed in the enterprises in Bulgaria as an EU member state (Atanassova, 2020). *Venelin Boshnakov* presented the micro-econometric analysis of the subjective wellbeing and labour market status, based on European Social Survey data for Bulgaria. *Monica-Florica Dutcaş* (Romania) continued with the examination of the possibility of building up a set of indicators regarding the sustainability of the labour market. Firstly, the study proposed a sui generis mix of public policies empowered with the designing, implementing, analysing and managing of a dynamic labour market. Secondly, the sufficiency predicates of a sustainable labour market were identified and logically analysed. Thirdly, the paper applied the results concerned by public policies and the sufficiency predicates of the sustainability of the labour market in order to get the minimum set of macroeconomic indicators which could express such sustainability (Dutcaş, 2020). *Gabriela-Mariana Ionescu* (Romania) analysed the functioning of the labour market through the rigidities that influence it. She underlined that in the labour market, there are imperfections that are a significant cause of the rigidities which in turn generate the basic elements of security in such a market. Labour market imperfections could also be viewed as effects of public or private measures to ensure a certain degree of the labor market. The concepts of rigidity, real and nominal rigidity, labour market security and job security were defined. Finally, the taxonomy of job security was proposed and briefly examined (Ionescu, 2020). *Mariana Dimitrova* explored the future challenges of developing employment policies through the lens of quality employment and job quality. This focus has been chosen due to the serious challenges facing the Bulgarian labour market, such as the demographic crisis, the labour shortages in the economy, which are already a constraint on economic growth, and the mismatch between the skills supplied and demanded. Providing higher quality employment depends on the building of a long-term strategic vision to ensure consistent progress in its implementation. Policies that take into account the various aspects of the quality of employment and workplace are of favour not only for the employees but also for the economy and society as a whole (Dimitrova, 2020). The presentation by *Mirjana Radović-Marković* (Serbia) and *Tatjana Vujović* (Montenegro) was oriented towards research aimed at determining the impact of education on the possibilities of employing marginalised groups through the launching of own entrepreneurial businesses or work in social enterprises. A comparative analysis was conducted in Serbia and Montenegro in order to examine similarities and differences in education and its role in the function of reducing the unemployment of marginalised groups and their greater inclusion in society. The study was conducted in two independent samples for Serbia and for Montenegro. The research showed that respondents in Serbia and Montenegro also preferred employment in public enterprises in relation to social

entrepreneurship which is explained by the fact that they are not sufficiently informed about the possibilities that it provides, but also in its insufficient development in both countries. Also, the analysis of test results indicated that marginalised groups expect greater responsibility of the state in terms of resolving their position and putting their problems in the list of priorities (Radović-Marković, Vujović, 2020). *Alla Kirova* evaluated gender balance in employment in the research sphere in Bulgaria and the European Union. She stated that gender equality in research and higher education is defined as a criterion for the achievement of smart and inclusive growth in Europe, to which the European Union implements and refines relevant approaches and policies. A previous study by the author showed that Bulgaria performs well against the European average in this area, although a number of differences in the employment of women and men have been identified. The purpose of that presentation was to track the country's progress in overcoming them after 2013, as well as to conduct a comparative analysis of the situation of women and men in research in Bulgaria and the European Union to determine whether our country retains good performance (Kirova, 2020). *Emil Dinga* (Romania) examined the possibility to build up a new macro-indicator aimed at to quantify both the absolute (as mass) and the relative (as rate) unemployment. The focus of the study concerned the social aspects of the unemployment and, consequently, tried to integrate into the formula of unemployment mass and rate the duration of the unemployment state. Based on such an idea, the study provided some qualitative algebraic analyses in order to put into evidence the value-added of the new way to calculate the unemployment rate (Dinga, 2020).

Next two presentations were devoted to the problems connected to ***migration and its impact on the employment and the human capital.***

Catalin Corneliu Ghinararu (Romania) and *Lukasz Arendt* (Poland) presented the narrative approach in the assessment of public employment policies for the return of mobile (migrant) workers in Central and Eastern Europe. In accordance with their view, mobility of workers is one what great gains of the European integration. It is bringing overall benefits to the European economy. However, for most of the home markets in Central and Eastern Europe is generating a host of problems from current deficits of labour to future prospects of the unsustainability of the social protection system and of general economic development. As such, a host of measures and preoccupations have sprung up recently. The authors were inventorying and attempting the assessment of efficiency and efficacy of a number of schemes directed at encouraging the return of mobile workers on their home markets as a way of defusing current deficits. They underlined that it takes a good look also at the sustainability of these measures in the frame of maintaining overall equilibriums as part of growth and stability commitments of EU member states (Ghinararu, Arendt, 2020). *Irena Zareva* presented results from a research, based mainly on representative surveys' data among Bulgarian migrants. Education profile of migrants and their participation in the labour market in the country and abroad were defined. On this basis, conclusions were made about the influence of external migration on the human capital in Bulgaria, and some positive and negative effects were identified (Zareva, 2020).

The third thematic area covered ***substantial aspects of different kinds of incomes and the living standard in Bulgaria.***

Lyubomir Stefanov outlined the main trends in employers' labour costs and employee rewards over the period 2006-2018. The main problems of labour costs and rewards have been identified in several ways – lack of sufficient and timely information on the market levels of rewards, the "black" and "gray" labour market, legislation and collective bargaining (Stefanov, 2020). *Vassil Tsanov* analysed the subjective feelings for justice of all kind of incomes and poverty. Perception of poverty was studied in two aspects: first – as a feeling and the second – as a possibility to "two ends meet". The fairness of incomes was assessed for all incomes: earnings, pensions and social assistances. The results showed a high portion of the population, that is dissatisfied from the level of receiving incomes which means that the poverty feeling concerns sizable part of the population and considerable part of people with difficulty to "two ends meet" (Tsanov, 2020). *Aleksandar Kosuliev* analysed the dynamics of the minimal social insurance thresholds, wages and the number of employees in Bulgaria in the period 2012-2017. Some of the difficulties faced by previous research on the question and apply new types of data transformation were outlined, to make the data more suitable for analysis. An applied panel regression model and a t-test did not show that the minimum thresholds have any significant effect on employment (Kosuliev, 2020). The purpose of the presentation by *Lyudmila Vekova* was to consider the challenges to social activities as a mandatory constituent component for the functioning and development of the social protection system in Bulgaria and a form for realising its goals in the context of the current demographic, economic and social processes. The main research objectives were an analytical review and definition of major challenges to the social protection system at global and European level, organisation and management of social activities, as well as a presentation of the most important changes in the scope, organisation and management of social activities in relation to with the defined challenges and legal regulation (Vekova, 2020). In his presentation, *Yordan Hristoskov* deals with the distribution of social transfers as a main tool for diminishing the regional disparities in the living standard in Bulgaria. The subject of the analyses were cash social transfers as per cent of the family incomes, pensions adequacy and unemployment benefits at NUTS-2 and NUTS-3 level in the 2010-2017 period. The discovered disparities by different kind of cash payments among the regions were presented in a specific integral indicator. The regions, which are under the fixed critical benchmark, were pointed out on that basis (Hristoskov, 2020). *Georgi Shopov* examined the territorial disparities of the living standard in Bulgaria in the period 2010-2017. The objective of his presentation was to discuss from a methodological and empirical point of view some questions, related to the definition of the living standard and the quantification of its territorial disparities in Bulgaria. The research tasks were to develop a brief analytical overview of the concepts about the living standard as a specific scientific notion, as well as to present a general picture of the territorial disparities of the living standard in Bulgaria in 2010-2017 (Shopov, 2020).

4. Regional and sectoral development. Resources, ecology and sustainable development

The panel discussion focused on four thematic areas. The first one was connected with the *problems of regional development*.

Stoyan Totev, Milkana Mochurova and Maria Kotseva-Tikova discussed the applicability of the concept of inclusive development in the context of the situation of Bulgaria. They concluded that there is an increase in regional disparities of key socio-economic indicators in Bulgaria, and this tendency can hardly be reversed, so when examining regional disparities, it is necessary to look for indicators that give a measurable and objective assessment of changes non-contradictory with the requirements of inclusive regional development. A methodology for assessing regional disparities was presented, based on the perceived requirements for inclusive regional development. The criteria for acceptable frameworks for regional differences for selected social, economic and environmental indicators were introduced. Results from the application of this methodology were presented and analysed at NUTS 3 level for Bulgaria (Totev et al., 2020). The aim of the study by *Yuliana Yarkova and Petya Atanasova* was to identify the branch structure of the regional economy, by relating it to priority theme areas of smart specialisation. The chosen object to focus on was the Yambol region in Bulgaria. The subject of the study was the indicators reflecting production specialisation – a coefficient of localisation and concentration. The process of change and the trends for the period of 2009-2017 have been traced through shift-share analysis. The results of the study delineated both perspectives for a smart and competitive economy, and current problematic areas expecting to be tackled (Yarkova, Atanasova, 2020). *Ahmed Ramzi Siagh* (Algeria) and *Juliana Hadjitchoneva* argued that the socio-economic diversity characterises the regional development in Bulgaria. Thus, dealing with regional differences continues to be a major challenge for regional development policies. Hence, the study aimed at analysing the socio-economic discrepancies over ten years of development (2007-2017), based on the EU classification of territorial units (NUTS). It applied a multivariate analysis of selected on their relevance to the study's purpose and scope statistical indicators. It had a binary outcome resulting in measuring the correlations that may exist in socio-economic and entrepreneurial context and making a typology of the Bulgarian regions by the level of development and similarities (Siagh, Hadjitchoneva, 2020).

The second thematic area found expression in the presentation by *Milen Baltov*, suggested ***methods for indexing the innovation activities***. He noticed that governments are increasingly making innovation a key issue on policy agendas today, recognising its potential to promote economic growth and address social and environmental challenges. Many countries face significant innovation "gaps", resulting from a variety of binding constraints. The study on the business environment and the regional innovation potential of Yugoiztochen (South Eastern) Planning Region of Bulgaria explored the current regional innovation potential at a macro- and microlevel (at organisational level) in the period 2010-2017. At the same time, it was a starting point for the research to be performed under the Indexing the innovative regional levels in the sectors of the economy project, supported by the National Scientific Fund of the Republic of Bulgaria (Baltov, 2020).

The third round of problems was related to the ***development of particular economic sectors – agrarian sector, food production/food security, bio-economy and organic production, grain sector, waterway transport, health tourism and bee-keeping in Bulgaria.***

Plamena Yovchevska made an analysis of land relations in ***Bulgarian agriculture***. A holistic approach in the course of the study to reveal diverse political, economic, socio-

cultural, demographic, etc. processes affecting land relations in Bulgaria was used. A number of problems arising from the transformation of the social model in Bulgaria, from the implementation of Community agricultural policy and national legislation were identified. Opportunities for harmonising national socio-cultural traditions with the changes in the new programming and budgetary period after 2020 were outlined, given the consolidation of the European social model for agriculture and the expansion of its presence in Bulgarian agriculture (Yovchevska, 2020). *Gergana Slavova* examined the sustainable development of the agricultural sector in Bulgaria in the context of the Common Agricultural Policy. She noted that the European Union places the agricultural sector at the heart of its financial perspectives on the future of Europe. The aim of the study was to identify the economic and social elements of sustainability that enable the agricultural sector to continue to thrive and sustainability to this day (Slavova, 2020). *Mihaela Mihailova* suggested an assessment of the regional impacts of Post-2020 CAP: budgetary cuts on production structures and agricultural incomes in Bulgaria. The study analysed the impact of direct support on land prices and rents in the case of Bulgaria. Income annuity was the starting point for estimating the value of agricultural land as a residual value using the FADN method of calculating yield. The regional impact of a hypothetical reduction of 30% and 15% in the EU CAP budget, supplemented by the BREXIT scenario was estimated. To this end, forecasts have been prepared using the Common Agricultural Policy simulation model and changes in agricultural production, as well as changes in income distribution, have been briefly evaluated (Mihailova, 2020).

The concepts of **food security**, bio-economy, health and bio-food were considered in the economic interaction in the presentation by *Darina Ruscheva*, *Ognian Boiukliev* and *Petia Branzova*. It was stated that Bulgaria's food security was studied in the context of the membership in the EU, as well as of the possibilities of the agricultural and food storage to meet the demand of the population. The role and importance of bio-agriculture and bio-food in the agricultural sector were justified. The share of healthy foods in the overall structure of consumption and market presence was estimated. Food security policies through the development of the bio-economy were presented (Ruscheva et al., 2020). *Sasha Grozdanova* continued with the issue of the role and location of external **food resources** to meet basic nutritional needs. Characteristics of changes directly related to food security arising from contemporary circumstances were presented. The connection of the country's agricultural policy with national food security was considered as an unresolved issue. The specifics, characteristics and problems related to the participation and contribution of imports in meeting basic food needs were highlighted. The need for the function and role of external food resources to be related to the public interest – our national production to be a major source of food and raw materials, was reasoned (Grozdanova, 2020).

Maria Kotseva-Tikova and *Milkana Mochurova* noted a fact, that the European Union considers **bio-economy** as a key element in search of intelligent and green growth. Bioeconomy has a huge potential for generating and sustaining economic growth and employment in rural regions, as well as in peripheral and industrial regions; for decreasing the dependency upon fossil fuels and improving the economic and environmental sustainability of primary production and processing industry. The presentation discussed the concepts of bio-economy, the mechanisms and approaches of its implementation in order to receive benefits for the national economy. Results for Bulgaria were presented and

analysed (Kotseva-Tikova, Mochurova, 2020). *Petia Branzova* stated that **organic production** is a comprehensive system of farm management and food production, contributing to the conservation of natural resources and applies high standards of animal welfare. Organic farming responds to the specific consumer demand for sustainable food products, promoting more sustainable farming practices and contributing to environmental protection and improving animal welfare. The purpose of the presentation was to analyse the development of organic livestock farming in the EU over the last ten years, in the context of existing policies (Branzova, 2020).

Hristina Harizanova-Bartos argued that risks in **grain sector** are a result of the uncertainty of the factors determining returns in agricultural production, according to the production process which is highly dependent on climatic conditions, and spread of diseases. The consequences of insufficient risk management are reflected in the poor economic situation of producers. The purpose of the study was to analyse the challenges facing the sector in the implementation of risk management strategies, identifying the main risks and their effect on the activity (Harizanova-Bartos, 2020).

The main purpose of the presentation by *Shteryo Nozharov* and *Petya Korolova-Nozharova* was to analyse the integration of the **Danube inland waterway transport** to the circular economy. The relationship between the economics of transport and circular economy was studied. Based on statistical data for the transportation of recycling products and plastic waste via Danube inland waterway transport, the possibilities for its development in the light of the circular economy were studied. A review of the waste management policies, implemented at the inland ports situated on the Danube, was made (Nozharov, Korolova-Nozharova, 2020).

The purpose of the study by *Zlatina Karadzova* and *Albena Yanakieva* was to analyse the opportunities of Bulgarian tour operators/travel agents for mediation in the field of **health tourism**. In order to achieve this goal, a survey was conducted among twenty leading tour operators, to analyse the potential of Burgas District to provide health (prophylactic, spa and medical) tourism services, as well as the interest of their contingent tourists to them (Karadzova, Yanakieva, 2020).

Lyubomir Lyubenov treated the issue of product policy of **bee-keeping farms in region Ruse**. The study determined that the poorly developed product mix in width, length, depth and internal integrity, dominated by the raw-honey, with a comparatively low level of innovation leads to relatively low opportunities for unlocking the potential of distribution, communication, price, innovation and other policies. It was concluded that the quality of bee products could be ensured by certification to a specific standard and branding, while the productivity – through specialisation, concentration and integration which determines the competitiveness of bee products (Lyubenov, 2020).

The last thematic area was referred to some issues of **ecology**, discussed in two presentations.

Nadia Marinova treated the **economic value of the environment**. She underlined that there are many examples of how ecology affects the economy. Most significant is the impact caused by these changes in nature, which are caused by human economic activity. The total

economic losses incurred in the second half of the 20th century by natural ecosystems, the environment and through them on human health, today far exceed the global annual budget. The practical economy is spontaneously resisting the increasing impact on it of environmental factors and environmental debt. This is because they impose constraints on economic growth and increasingly demand the return of huge credit to nature (Marinova, 2020). *Mohammed Hamza Bengrina, Ahmed Ramzi Siagh and Messaoud Aouinat* (Algeria) discussed the prices rising and other related factors on the decline in fossil fuel consumption and its aspects on **global warming fight**. It was outlined that in Algeria 41% of total energy and more than 80% of petroleum products is consumed by the transport sector which is the largest emitter of CO₂, with 46% of total GHG emissions in 2015. The car transport share is 65% of the energy consumed by transport, which represents 24.7% of the total national consumption. These facts confirm that transport is among the activities that contribute to climate change and depletion of non-renewable energy resources. It was underlined that the fight against global warming is the objective № 13 of the 17 Sustainable Development Goals adopted in 2015 by the United Nations General Assembly. Reducing energy consumption is one of the leading ways for this goal. In this context, the aim of the presented study was to measure the influence of the basic economic factors such as prices, income, demographics, fleet, roads, fuel distribution network and other on the level of fuel consumption and demand (Bengrina et al., 2020).

5. The company of the 21st century

The last conference panel included the treatment of **various issues related to the functioning and organisation of different types of activities in the contemporary business sector**.

Spartak Keremidchiev and *Miroslav Nedelchev* presented the status of **corporate governance of state-owned enterprises in Bulgaria** defined as a leading moment in modern Bulgarian policy and suggested recommendations for its improvement. The conclusions were made that the membership in the European Union and the euro area, as well as future OECD membership, place emphasis on the good practices of SOEs, and the steps taken towards adopting international practices should be supported by learning from the experience of other EU and OECD countries (Keremidchiev, Nedelchev, 2020).

The focus of the study by *Pavlinka Ileva-Naydenova* was on the **motivating role of culture in the organisation** to determine the relationship between motivation at work and the value system of the organisation. The main thesis was that if the dominant culture in the organisation could motivate or demotivate, then it would have a positive/negative impact on loyalty and commitment to the organisation, and in this regard would have an impact on its performance, productivity and development. It was articulated that commonly known management mechanism is the strict objective control, using a material incentive and punishment. For its part, however, a good working atmosphere and identification with the organisation predispose to honesty and dedication in the work. Long-term planning creates high levels of security as well as incentives for teamwork, collaboration and career

development. College relationships and trust increase commitment and responsibility to the organisation and the achievement of organisational goals (Ileva-Naydenova, 2020).

The innovation processes were an object of two presentations. *Marica Antovska-Mitev* (North Macedonia) analysed the innovation policies established within the National innovation system of North Macedonia in the period after 2006 based on the treatment of innovation in the modern economic theory as a domain of market failure and positive externality. The focus in the research was on three key segments of the current Innovation Policy in the country: policy for attracting foreign direct investments, establishment of the Fund for innovation and technology development and the implementation of the Plan for economic growth, adopted in 2018. The main characteristics, strengths and weaknesses of the established innovation policy in North Macedonia were analysed, and some recommendations were given with the aim to overhaul the process of integration of the individual innovation policies in one consistent system of innovation policies. It was concluded that the system should contribute to the fostering of the innovativeness of the Macedonian business sector and of the economy as a whole (Antovska-Mitev, 2020). *Maria Peeva* discussed the necessity of business innovations and the creative role of the human factor through taking into consideration the individual qualities such as: knowledge and skills for innovations, motivation, creativity, capacity and others. In addition, the role of the human factor as a driving force for innovation through the management impact was also grounded, respectively the innovation management policy. It was marked that the creative role of the human factor for innovation requires special attention to a number of processes: knowledge and skills, professional competences, versatility and creativity, managerial and organisational skills for innovation (Peeva, 2020).

Plamen Tchipev looked at the **problem of the relation between the firm and the market**. He analysed the Ronald Coase's concept of the firm, developing in time by some of his most prominent followers and critics. The presentation was focused on the most important aspect of this concept – how the theory of the firm created by Coase relates to the institution of the market. The author underlined that nevertheless of the huge interest and boost on the research, initiated in various directions of the economic theory, this concept has been seriously criticised from many different viewpoints. At the same time, even those who declare acceptance and adherence to its principles revise and deviate it toward directions differing from those projected by its originator (Tchipev, 2020).

Marko Timchev proposed models for improving the scientometry, methodology and organisation of **accounting business analysis of the enterprise**. Methodological problems of information capacity, individual dynamics and models for analysis of the key indicators characterising the activity, financial stability and competitiveness of the enterprise were investigated. A concentric "Accounting Business Analysis in a Balanced Scorecard" model with market positioning (SWOT), Z-Score Analysis and competitiveness analysis were presented. The problems of providing accounting business analysis information in a balanced scorecard through accounting and integrated reporting systems were explored. Models of strategic maps with KPI indicators were presented, characterising the activity at a corporate and intercompany level and by functional points of responsibility (Timchev, 2020).

Radostina Bakardjieva disclosed the relevance of **non-financial performance of companies** in the context of corporate social responsibility. The reasons for the need to disclosure of information of the firms in this area were identified as well as the competitive advantages that result from it. A statistical database related to non-financial disclosure of the firms in Bulgaria was systematised (Bakardjieva, 2020).

Tsanko Stefanov demonstrated a representative research of the **marketing activities of enterprises in the Veliko Tarnovo region** operating in the field of services. He noticed that they have a specific marketing toolkit. Indicators, such as main market, segmentation criteria, marketing department in the organisational structure, life cycle method, product levels, pricing methods, price elasticity of company products, common marketing systems, types of advertising were presented (Stefanov, 2020).

The problem of **digitalisation and its influence on the development, activity and security of modern organisations** aroused great interest of participants.

Miroslava Peicheva pointed out, that the digitalisation has changed modern companies, their organisational and management structure and the nature of their work. Changes not only that they did not spare the activity of human resources, but its role proved to be key to change. Today, this activity must successfully cope with the presence in the workflows (including in the activity of human resources) of artificial intelligence, to analyse a significant amount of data, to promote a new culture of behaviour for the company and its employees, and to promote a policy of lifelong learning, to identify and retain talents, to achieve organisational goals through design thinking and leveraging employee experience. Accordingly the purpose of the study was to analyse the digital transformation of the activity of human resources in the firms of the 21st century and good practices in this regard. Based on the results, conclusions were drawn and recommendations were made for the future of the activity of human resources (Peicheva, 2020). The basic characteristics of the digital age and their influence on leaders in organisations were presented by *Mariya Ivanova*. The role of leaders' digital literacy on the transformation and flexibility of organisations was explored. A model was presented by which organisations can evaluate their overall digital literacy status. It was concluded that the digital transformation of the company is a process that provides a competitive advantage. But it is possible and effective by involving all staff in a process led by digitally literate leaders at all organisational levels (Ivanova, 2020). *Plamen Iliev* stated that the rapid development of the economy, business, market and competition globally requires an increasing investment in the digitalisation of constituent processes, operations and activities. Businesses need them to increase the efficiency of business operations, profits, productivity and develop business models. All this has to do with controlling and auditing business processes. It was noted that the relentless transformational impact of IT will redefine the IT audit function itself and force auditors and control bodies to rethink and change their long-established practices, processes and functions in the digital age. This will no doubt change audits and changes in digital jobs. And this applies not only to the internal audit, but also to the Court of Auditors' audit and tax control. The conclusion was made that the digital innovation and digitalisation are accelerating forwards and in the future, and the audit profession must follow them, and in some respects, be ahead of them. The question, then, is not "whether" the auditor needs to change, but rather "when" or "how fast" (Iliev, 2020). *Valeria Dineva* treated the problems

of cyber risks and cybersecurity. She underlined that the cybersecurity is becoming a priority for modern businesses. Cyberculture, corporate culture and its constituent cultures, such as risk culture, innovation culture, etc., interact and influence each other. A characteristic of modern internal audit is that it "adjusts" its activities and priorities to the priorities and risks of the company. Given the importance of cyberculture and its inherent risks, it is quite naturally within the scope of the internal audit. At the same time, cyberculture poses its challenges to internal audit (Dineva, 2020). The conference was finalised with the presentation by *Sonya Georgieva* on the impact of blockchain technologies on the financial sector. It was stated in it that emerging technologies and innovations are beginning to transform the financial landscape. The results of some key functional parameter analyses showed that blockchain technologies and their applications have gradually evolved from a purely technological tool to a survival concept and are an important part of financial industry development strategies. The contributions from their use are associated with measuring, controlling and fixing the prices of financial services, increasing customer engagement, reducing costs, improving the efficiency of financial processes and maximising profits. This creates unlimited opportunities for financial companies to upgrade or create new financial products and services and change the existing business models (Georgieva, 2020).

The studies presented at the conference contain results, theoretical summaries and solutions to research and applied problems, which are in line with the contemporary achievements of science and practice and develop them creatively. At the end of all panel sessions, lively discussions were held on the views and issues covered in the presentations, as well as good academic practices were exchanged and the decisions of some of the issues discussed were proposed.

At the final, the participants of the conference expressed their gratitude to the leadership of the Institute and to the Organizing Committee for good organisation, creative environment and high scientific value of the jubilee forum. The articles on the presentations are published by the reputable Prof. Marin Drinov Academic Publishing House at BAS (ERIBAS, 2020).

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