

BULGARIA - THE EUROPEAN UNION: CONDITION, PROBLEMS, PERSPECTIVES

By the end of May 2002 the **Economic Faculty of Veliko Turnovo University "St. St. Cyril and Methodius"** celebrated its 10th anniversary. **Within the framework of the celebration of the anniversary of the Economic Faculty, the International Scientific-practical Conference was held in the Voneshta Voda resort not far from Veliko Turnovo on May 27 and 28, 2002.** The theme of the Conference was: *"Bulgaria - the European Union: Condition, Problems, Perspectives"*. The Conference was attended by scientific researchers, teachers, doctor's degree postgraduates, experts and specialists of the Economic Faculty and from the Institute of Economics at BAS, the University of National and World Economy - Sofia, the Economic University - Varna, the Sofia University "St. Clement Ohridsky", the Economic Academy "D. A. Tzenov" - Svishtov, the South-western University - Blagoevgrad, the Mining-geological University - Sofia, the Ministry of economy, etc.

The Faculty was founded in 1992 following a decision of the Academic Council of the Veliko Turnovo University and the agreement of the Institute of Economics at the Bulgarian Academy of Sciences (BAS) for joint education and teaching activity, management of the Faculty, use of the scientific potential and the material and technical base of the two institutions. Students of four specialties were admitted at the beginning. As the time went the number of specialties increased and now the Economic Faculty trains students at bachelor and master levels in eight specialties: Finance, Marketing, Social activity, Tourism, Accounting and control, Economic management, International economic relations and public administration in four professional directions: Economics, Management, Tourism, Social activities.

2726 students for regular training and 3007 students for training by correspondence have been admitted to the Economic Faculty after having graduated from high school during the last ten years. 3200 alumni have earned their Bachelor's degree. The alumni enjoy a good professional realization in life.

Today the Economic Faculty is the biggest component of Veliko Turnovo University. Master's training started also at the Institute of Economics at the BAS in Sofia in 1999.

Education on Bachelor's and Master's programs expands to the Training Centers opened in Plovdiv, Dobritch and Sofia and also in the educational colleges of the University in Pleven and Vratza.

The teaching staff of the Faculty consists of 52 regular lecturers and over 40 guest lecturers allocated in five chairs, and runs a very good material base for educational purposes: auditory, seminar halls, specialized laboratories, up-to-date technical training aids, computer rooms, audio-video center, a library of 5500 volumes of specialized literature in Bulgarian, English, German and French, an European documentary information center, established jointly with the Center of the European Council. The students benefit from hostels, canteens, sports compound, book shops, etc.

The Institute of Economics at BAS has been the principal partner in implementing the aims and tasks of the Faculty since its foundation. The cooperation consists of joint development of curriculum plans, participation of scientific personnel of the Institute in the educational, scientific, research and other activities of the Faculty. The joint activity has continued since 1996 in education on Master's degree programs, as well as tutorial assistance for Doctor's degree. The Economic Faculty is a successful partner of: The University of National and World Economy (UNWE) - Sofia, The Economic Academy "D. A. Tzenov" - Svishtov, The University of Rousse, The New Bulgarian University, as well as universities and educational establishments in Great Britain, Holland, Northern Ireland etc. Long lasting contacts have been maintained with governing structures in Veliko Turnovo, with commercial banks and companies of the region, social services establishments and other institutions, connected with the practical training of the students. These contacts result in scientific studies, conferences held, provided annual student practice tuition in special bases according to the tuition plans.

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Dr. Rumen Rashev, the Mayor of Veliko Turnovo extended congratulations at the solemn plenary session to the officials of the Faculty, lecturers, students and guests. He praised the Faculty for its role and place in the education of personnel, having their own places in the general economic development of the country. He pointed out the importance and exclusive topical importance of the theme of the Conference. While wishing a fruitful and constructive work to the participants, he expressed his wish, that in the course of the discussions, new ideas and messages be born, providing answers to the numerous and diverse problems connected with the integration of Bulgaria into the EU.

The Rector (President) of Veliko Turnovo University *Prof. Dr. Ivan Haralampiev* addressed the Conference and expressed his wishes for good health, personal happiness and further creative achievements to those who laid the foundations of the Faculty, all its staff, guests and participants in the conference.

Mr. Christoph Stock, political secretary with the Delegation of the European Union to Bulgaria, also took part in the plenary session. He shared his opinion that the countries-applicants for EU membership must strictly observe the criteria adopted in Copenhagen in 1993 for democratic development of society and accept the rule of Law etc.; turn their efforts into the direction of adopting the European legislation, reforming the public administration and reaching compatibility with the economies of the countries of the Community. Bulgaria is an important factor for the development of the Balkans, having achieved a considerable success in its development, and it can count on the fullest possible support in its course of accession to the EU.

Bulgaria is membership in the EU is our natural and irreversible goal and we work for its materialization both in foreign policy and domestic policy plans, noted *Minister Meglena Kuneva*, chief negotiator with the European Union in her lecture, published in the special issue of selected papers of the Conference. This strategic priority in the development of the country is supported by all state institutions - Parliament, Government, President, and enjoys a broad social support. EU

membership is not a final goal in itself. This is a part of the process of construction of a statehood, with a new legal system, a new tax, social, ecological and regional policy, a new order and security, in order that Bulgaria convert itself into a state with no corruption and no "grey" economy. Neither we, nor the EU should forget the great goal of the enlargement - the peaceful unification of our continent. It is a guarantee, that peace, stability and democracy - the key values of the Community - will become a constant and every day reality for Eastern Europe. This is the only way for the enlargement to close forever one chapter of the history of Europe and to lay the foundations of its new future.

The introductory report *Prof. Dr. Ec. Scs. Ivan Dimov*, published in the compendium of papers of the Conference, expressed a thesis that the enlargement of the EU to the east is an expression of a further development of an objective process, before all an economic one, a process of mutual unification and binding the national economies of ever more countries, the cradle of which is Western Europe since the middle of the 20th century, but the future will probably be the united integrated world economy. This is an expression of the internationalization of economic life and a natural result of a gained stage of development of the productive forces and in the international division and cooperation of labor, as well as a number of other economic, socio-political and geographical factors.

In consequence of this process an accretion is being effected, of the former autonomous national economies in a relatively integral regional economic complex.

The successful conclusion of the negotiations by the end of 2003 suggests a priority implementation of the following strategic goals: Concentration of efforts for execution of the recommendations of the Regular Report for 2001; Acceleration of the rapprochement of the legislation and consolidation of the administrative capacity and ensuring of effective monitoring of these processes; Guarantee of the effective adoption of the preintegrational instruments; Carrying out a campaign of familiarization the Bulgarian and the international communities with the advantages of the integration of Bulgaria with the EU.

Economic problems of the preparation for joining the EU

The accent of the methodological and practico-applied aspects is set on production and realization restructuring of the national economy at a subsectoral level. The production-technological chains are rounded off in the subsector and so are the distribution-transaction contractual interrelations between the economic entities, included in economic alliances of different forms (*Prof. Dr. Ec. Scs. A. Kovatchev, UNWE*). The new economy comprises all occurred changes and complex effects in the productivity and growth, initiated by the rapid development of the information and telecommunications sector, their technologies, goods and services under the conditions of globalization of goods, capital, labor and other markets. The problems of statistical measuring of the new economy in the EU are a challenge for Bulgaria on its way to integration into the Community (*Ass. Prof. Ph. D. D. Radilov, EU - Varna*).

The ability of the pension funds to sustain the living standard upon retirement of socially insured people depends exclusively on the performance of the financial markets. In consequence the growth of the pension fund sector requires a developed

stock market with good rules working. On these reasons, the systems with pension funds influence the financial markets and the world economy (*Ass. Prof. Ph. D. D. Vrachevsky, EA - Svishtov*). Both the evolution of the stock market and the expedient distribution of property are among the basic problems to be solved by the Bulgarian economy. From economic point of view it is favorable, as these two problems are so closely connected, to approach the solution of one of them in a way to prepare for the solution of the other one. An effective stock market is in position to bring our country closer to the economies of the EU (*Ph. D. N. Stoychev, IE, BAS*).

The structural reform of the Bulgarian bank system and its problems of operational nature go on. The eurointegration of Bulgarian banks is expected to be a long process (*St. Bucklicharov, VTU*). The state internal financial control is a high priority for Bulgaria during the preintegration period. By the adoption of the new Law on the State Internal Financial Control a legal basis is set for exercising an adequate state internal financial control. Its implementation will lead to a new model of effective control on spending the public funds and improvement of their financial management (*V. Detcheva, EA - Svishtov*).

Several reports are dedicated to the problems of: Tax policy (*SRF Ph. D. G. Smatrakalev IE, BAS*); Tax control and the requirement of the EU (*Ass. Prof. Ph. D. E. Tananeev, EA - Svishtov*); The European requirements for the activity of tax control authority (*P. Stoykova, EA - Svishtov*).

The small and medium size enterprises are organizational forms, easily adaptable to flexible production systems of the contemporary information economy as their renovation dynamics fall under control of the big corporations, which still remain in the center of the economic structure of the new global economy. The innovation policy must stress on helping the small and medium size enterprises as a source of improving the competitive power of the Bulgarian economy and the decentralization of the innovation policy at regional level (*I. Panteleeva, EA - Svishtov*). For a modern company, acting in the conditions of the evolution of the process of globalization and regional cooperation, entering the international markets is connected with the necessity to clarify the general strategic reasons in respect of fundamental decisions grounded in the defined mission of the corporation. The fundamental formulations of the contemporary conception of European marketing, as well as a great part of the policy and activity of the European Community, and consequently of the European Union, are directed towards two types of markets - unorganized markets consisting of individual users, called for this reason also users' markets, and organized markets or business markets including institutional and government markets (*Ass. Prof. Ph. D. R. Ileva*).

The foreign trade problems, connected with the preparation of Bulgaria for integration with the European Union figure in the reports devoted to: Trade and economic problems (*SRF Ph. D. M. Lazarova, IE, BAS*); Basic foreign trade partners (*I. Mateev, VTU*); Economic effects of the liberalization of trade in the period of associated membership of Bulgaria in EU (*Ph. D. R. Vissarionova, EA - Svishtov*).

The preparation of the Bulgarian agriculture for integration with the agriculture of the EU member-countries is a starting point in the general integration process. This is due to two basic circumstances - the place and significance of the agrarian sector for the national production complex of Bulgaria, and of the place and significance of the

Common Agrarian Policy in the general policies and the entire legislation of the EU (*Prof. Dr. Ec. Scs. N. Vulchev, VTU*). The process of charting the basic directions of development of the food resources of Bulgaria requires taking into account the juxtaposition of the realities in the food area and the requirements of the Union for integration of the country in its structures (*SRF Ph. D. D. Rousheva, IE, BAS*).

Globalization is a process of a change of the systems. This process has its positive sides and also its shortcomings. This necessitates finding a way for changes, tied to the "sustained development" doctrine (*Ass. Prof. Ph. D. P. Penchev, VTU*).

The solution of the problems of the unemployment must be traced in two directions: Change of the model of employment from administrative allocation of the employed to market-minded assignment, and overcoming of the obstacles on the road to integration and economic growth (*E. Dimov, MGI*).

The results of effective application of the three programs PHARE, ISPA and SAPARD in Bulgaria must accelerate the process of integration and bring the framework of the Bulgarian economy closer to the membership requirements of the EU (*Mr. T. Stoyanov, Ministry of economy*).

Legal problems and administrative capacity for implementation of the EU legislation

Eleven reports were presented in this section. They can be divided in several groups:

- *Legal problems*: "Harmonization of the normative regime of the trade representation with the European legislation" (*Ass. Prof. Ph. D. G. Stefanov*); "Legal aspects of reforming the European Ombudsman in view of getting the EU prepared for expansion" (*K. Roussev, VTU*); "The permanent international criminal penal court and the legislation of the EU" (*B. Minovsky, Court of appeal*); "Legal problems of competition as per European Community Law and the Bulgarian legislation, as regards the joint-stock company" (*J. Balanov, VTU*); "Some aspects of alignment of joint-stock law, the eleventh directive for the subsidiary company" (*Y. Tyankova, VTU*); "The Constitution and the European legal norms - the base for activity of the media in Bulgaria" (*I. Shishkova, VTU*).

- *Administrative capacity*: "Is the administrative capacity an achievable aim?" (*Ph. D. O. Borisova, American University*).

- *Electronic document and electronic signature*: "The Bulgarian legislation and the European initiative for standardization of the electronic signature" (*Ass. Prof. Ph. D. T. Trifonov, VTU, D. Delisubeva, Court of appeal*); "The law of the electronic document and the electronic signature and its applicability in Bulgaria" (*Ass. Prof. Ph. D. S. Borisova VTU*).

- *Others*: "Changes in the pension insurance system of Bulgaria of recent years - a road to stabilization" (*E. Banev*); "Execution on securities, stocks and company shares according to the civil process code" (*M. Vassileva*).

Social aspects of the preparatory work for joining the EU

Twenty reports were presented and discussed in the section conditionally allocated by themes in the following directions:

- *Tourism*: “Characteristics and social aspects of a European practice in Bulgaria: Beautiful Veliko Turnovo” (Ass. Prof. Ph. D. B. Baykov, T. Kaleinska, T. Krumova, VTU); “The tourist sector and readiness of the Bulgarian institutions for implementation of the principles of sustained growth” (B. Statev, VTU);
- *Standard of living and income*: “The process of eurointegration from the standpoint of the changes in the living standard of the population in Bulgaria” (Ph. D. L. Nestorov, EA - Svishtov); “Level, structure and differentiation of the income of the Bulgarian households” (T. Ivanova, EU - Varna);
- *Social policy*: “The social price of transition” (S. Budeva, VTU); “European integration and social policy” (Kr. Angelova, EA - Svishtov).
- *Science and higher education*: “Economic problems of the integration of science in Bulgaria with the European space of research” (SRF Ph. D. M. Matev, IE, BAS); “Aims and tasks facing the higher economic education in the process Eurointegration” (V. Ganeva, EA - Svishtov);
- *Social activities*: “Perspectives of the social activity in the EU” (M. Jorgova, VTU); “The system of socio-pedagogic activity with children of antisocial behavior under the conditions of eurointegration” (T. Demireva, VTU); “P.R. The efficiency under the conditions of social transformation (aspects of verbal communication)” (Ph. D. G. Dyankova, SWU - Blagoevgrad); “The Bulgarian community between collectivism and individualism” (Ass. Prof. Ph. D. Iv. Tzoneva, EA - Svishtov); “Nation and mentality - do we discover “kindred souls” in the European family?” (Ass. Prof. Zv. Davidkov, SU “Kl. Ohridsky”); “In search of a role? A socio-psychological close-up of the social passiveness of the national of Bulgaria” (D. Dermendjieva, VTU); “Globalization, culture and economic behavior” (Ph. D. R. Chonova, EA - Svishtov); “National psychological stereotypes of thinking and behavior in the conditions of the Bulgarian transition” (Ph. D. Kr. Yonkova, VTU); “The influence of the World Bank on the European health systems” (I. Krustitelsky, EA - Svishtov); “Methodological aspect of eurointegration” (B. Ilieva, VTU);
- *Others*: “The civil society and the local autogovernment” (N. Zhivkov, EA - Svishtov); “The importance of membership in the EU for the security of Bulgaria and the other European countries” (B. Stoycheva, VTU).

The reports, the discussions on the reports and the spontaneous speeches turned the conference into a useful and constructive one, and could be also qualified as a nation-wide, discussion studio on important issues and perspectives of the integration of Bulgaria into the European Union.

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