

LEADING CENTRE OF ECONOMIC SCIENCE IN BULGARIA

The Institute of Economics at the Bulgarian Academy of Sciences (BAS) was established by a government decree in 1949 in order to preserve the traditions of institutionalised research work specialised in the field of economics. In 2004 we commemorate also the 110th anniversary of the establishment of the Bulgarian Economic Society and 75 years since the foundation of the Association of Academicians-Economists. The Institute of Economics is their natural successor. Ivan Stefanov, Academician at BAS, was the Institute's first director, appointed on April 11th, 1949. In the beginning the Institute worked predominantly with part-time fellows. There were eight people only on permanent labour contracts, the first one was appointed in August 1949. In the course of 10-15 years the Institute was the only research centre in the field of economics in Bulgaria (outside higher education institutions). The first researchers and heads of the Institute were: Jacques Natan, Evgeni Mateev, Todor Vladigerov, Evgeni Kamenov, Krustyu Dobrev, Kiril Kiryakov, Asen Chakalov, Petko Spirkov, Peter Shapkarev, Dobri Bradistilov, etc.

The Institute of Economics in its capacity of a permanent research centre within BAS enjoys independence in the organisation, implementation and promotion of its activities. They are focused mainly on fundamental and applied research of economic processes and aimed at enriching economic theory and practice as well as providing assistance to economic policy-makers in Bulgaria. The Institute is guided by the national and international priorities of economic science development and business practice needs. Recent changes in Bulgaria and the world that occurred during the last decade of 20th century determined the Institute's main research field - studying the processes of market economy transition. The following basic directions are covered: fundamentals of market economy and transitions; analyses, evaluations, forecasts and proposals for economic reforms and development of the country; the world economy and Bulgaria's international economic relations.

The mission of the Institute of Economics at BAS at the current stage of transformations in the country is to assist the economic development and implementation of economic reforms in Bulgaria by means of scientific research work, evaluations and proposals for economic policy and by training highly qualified, internationally recognised researchers and specialists.

The Institute determined the following priority research topics on the basis of its mission statement and the potential of its fellows in 2000 under the conditions of intensively running Eurointegration processes and the beginning of negotiations by Bulgaria for a full membership in the European Union (EU): a strategy for economic development of Bulgaria in the context of EU accession; competitiveness of Bulgarian economy on the common European market; restructuring of enterprises and improving their management in order to ensure

competitive advantages; social policy and employment; approximation of Bulgarian agriculture to the mechanisms of EU Common Agricultural Policy; regional development and environmental protection in line with *Acquis Communautaire*; integration process development and foreign economic policy in the course of EU accession.

The organisational structure of the Institute of Economics has been modified in accordance with the changes in research issues relevant to the needs of different socio-economic development periods in Bulgaria. The scientific and organisational structure of the Institute was based on the sector principle until 1963. These were the following four departments until 1955: Political Economy; Agriculture; Finance, Credit and Trade; Planning and Accounting. During the next period (1955-1963) the organisational and management structure was changed on the basis of the same principle and the number of departments increased: Economics of Industry and Transport; Agricultural Economics; Finance, Credit and Trade; Statistics and Accounting; Political Economics and National Economic Planning; Economics of Capitalist Countries and Economic History; Regional Economics. After that the thematic issue principle was applied to the Institute's organisational structure and until 1974 it underwent several changes due to the introduction of new thematic fields. In the course of the next ten years the staff number increased together with the number of the departments and the thematic issue principle was preserved.

The socio-economic changes in the country at the end of 1980s determined the re-orientation of the Institute's research activities which affected its organisational structure, and the departments were transformed into the following: General Theory of Economic Systems; Macroeconomic Regulation and Management of Economic Systems; Reproduction and Economic Growth; Capital Investments and Efficiency; Living Standard and Social Issues; Agricultural and Food Policy; Regional Development and Economic Aspects of Environmental Protection; Foreign Economic Relations and International Comparative Studies; Developed Market Economies; Analyses and Forecasts; Economic and Mathematical Modelling. New supporting departments were established too: Information and Statistics Department and Computer Department.

At the beginning of 1990s the Institute adopted the programme principle of research organisation that aimed at optimal combining of stationary and mobile organisational forms. In 1996 changes were introduced in the organisational structure in order to facilitate the interaction with universities' research and training departments and specialties for preparation of highly qualified researchers and experts. The Institute had seven stationary departments: Economic Development; Macroeconomic Policy; Organisation and Management of Economic Systems; Regional Economics and Environment; World Economy and International Economic Relations; Welfare

and Social Policy; Mathematical Economics and Econometry. For the last five years the Institute has been carrying out its research work within a broader organisational structure that corresponds to the main branches of economic science. Currently there are four departments: Economics of the Firm; Regional and Sector Economics; Macroeconomics; International Economics. The supporting departments are: Library; Information and Statistics Department; Board of Editors.

An important aspect of the Institute's activities is the training of highly qualified specialists for both research and business sectors. It is implemented by training PhD students. The Institute has long traditions in this field and is a recognised national training centre. The number of PhD students has been increasing for the last ten years, there are about 40 PhD students on average per year and many of them are foreigners. Since 1991 the Institute has been implementing an active policy targeted at training students. It began in 1992 when the Institute signed an agreement with Veliko Turnovo University /VTU/ St. Cyril and St. Methodius for establishing a joint Faculty of Economics. The Institute participates in this project with information, organisational and human resources. Training of MA students in Business Administration, Corporate Finance and Banking has begun since 1999-2000 school year according to a new agreement with VTU. The number of specialties increased in the following years. Students-holders of non-economic BA degrees are also admitted to a two-year MA training. The Institute is a co-founder of an inter-university master's programme together with Varna University of Economics and Varna Free University Chernorizets Harbur. The Institute participates in trainings with lecturers and in developing curricula and training programmes for different specialties and subjects.

Economic Thought Journal has been published by the Institute since 1956. It supplied deficiencies that occurred when the publications of the Journal of the Bulgarian Economic Society (established in 1896) and Economic Thought Journal (published by the Association of Academicians-Economists, 1929) discontinued. One issue per year is published in English - Economic Thought (English Edition), containing mainly articles analysing Bulgarian economic issues. Economic Thought Journal had been the only academic theoretical journal in the field of economics for a long period of time. Economic Studies Series has been publishing research results by Institute's fellows since 1985. Since 1997 it has been published as a journal jointly with Svishtov Academy of Economics Dimiter Tsenov and Varna University of Economics. Articles and studies published in both journals have been indexed and referred by the Journal of Economic Literature/ EconLit since the beginning of 2001.

The Institute has at its disposal a rich library (45 thousand volumes). There is free access to 7376 volumes, including 1511 encyclopaedias, dictionaries, statistical yearbooks, reference books.

The main part of the Institute's financing is provided by the BAS budget. For the last ten years there has been additional funding by the National Research Fund within the Ministry of Education and Science (about 10 projects). Since the beginning of transition the Institute's fellows have been participating in many international projects (about 50) financed by the Phare Programme (ACE, COST, COPERNICUS, TEMPUS) aimed at promoting joint research and training activities with European countries. Projects are developed in co-operation with researchers from Belgium, the UK, Germany, Greece, Italy, Hungary, France, the Netherlands, the Czech Republic. Major research issues are: transition to a market economy in Bulgaria and private sector development; restructuring of ownership; economic co-operation among Balkan countries; labour market and social policy in Bulgaria and their approximation to EU requirements; economic growth and innovation policy; financial stabilisation and social protection. Researchers from the Institute of Economics at BAS took part in about two thirds of international projects with Bulgarian participation in the period of 1993-1997 which is recognition for the role of the Institute as an academic centre for fundamental and applied research.

The Institute has acquired experience in theoretical and applied science research on contemporary economic processes, which are main targets of its restructured scientific programme. The Institute aims constantly at supporting state institutions in various aspects of economic policy making. The Institute disseminates the results of its research work to interested stakeholders, conducts analyses and provides expert opinions ordered by ministries and other state authorities, national and international organisations.

The Institute of Economics at BAS will continue in the future to be among leading think-tanks in studying economic processes and answering the growing needs of Bulgarian authorities concerning the development of a relevant economic policy that will foster sustainable economic growth in Bulgaria as a part of the globalised world.

Lilia Chankova, Senior Research Fellow, Ph.D.
Scientific Secretary of the Institute of Economics at BAS