



Bulgaria Report

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Sustainable Governance Indicators 2022

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Executive Summary

Bulgaria was witness to several unprecedented developments in 2021. Despite the COVID-19 pandemic, Bulgaria held one presidential election in November 2021 and three parliamentary elections (in April, July and November of the same year). The country failed, twice, to elect a fully mandated executive and was governed from April to December by interim governments, each of which were appointed by the president. For the third election, voter turnout reached an unprecedented rate of 40%. The government was elected a week before Christmas, after broadcasted deliberations on policies. A detailed agreement between four parties of the coalition, which was published before being signed, was made public.

Despite these problems, from an economic policy standpoint, the year 2021 was a fairly good year.

The pandemic's economic impact on Bulgaria accounted for a 3.8% decline in GDP per capita and 4.4% decline in real GDP. The EU averages for these indicators are -6% and -5.9%, respectively. This performance is due to the inertia of 2015-2019, when Bulgaria's average GDP growth was 3.2%, while the OECD and EU-27 average for the same period was at 2.2%.

Bulgaria's best-performing year was 2019, with GDP growth reaching 4.1% and GDP per capita reaching 3.92%. The EU average for both indicators in 2019 was at 1.6% and 1.98%, respectively.

In 2020 – 2021, the pandemic hit the Bulgarian labor market less severely. At the end of 2019, Bulgaria recorded a record low unemployment rate of 4.1% (i.e., similar to that observed in Estonia, Austria and Slovenia and lower than the EU average of 6.6%), though six other EU countries registered lower rates (Czechia, Germany, Malta, Netherlands, Poland and Romania). By the first quarter of 2021, unemployment increased by 50%, reaching 6.3%, falling again to 4.6% in December. According to official statistics and polling indicators, labor shortages remained unchanged during the pandemic and are still high. According to official labor statistics and business polls, some 30-40% of all job openings remain unfilled. Government policies that have set a national minimum wage and social security thresholds that incentivize informal contracts account in part for high unemployment rates in the

country's poorest regions and contribute to inequities in regional economic development.

Bulgaria's membership in the ERM II and continued related commitments were tested by Bulgarian National Bank (BNB) policies aimed at mitigating the 2020 recession. For the period between April 2020 and March 2021, and with the approval of the ECB, the BNB placed a moratorium on the non-financial sector's loan services (equivalent to 9% of GDP). The BNB and the government cooperated in fulfilling ECB 2019-stress test recommendations, and Bulgaria joined the European Banking Union in October 2020. The moratorium did not affect the stability of the banking sector or increase the volume of non-performing loans, and the country's credit activities were swiftly restored during the second half of 2020. The electoral uncertainty of 2021 did not significantly affect the reforms that were required for entering the euro zone and for improving the compliance of Bulgaria institutions with the standards of the international financial infrastructure. The governments continued to work on the Plan to Adopt the Euro by 1 January 2024.

Most members of Bulgaria's 2021 parliament prioritized improving the rule of law. Parliament is planning to elect new members of the Supreme Judicial Council, strengthen the judiciary's independence, and dismantle the various judicial bodies that are under the control of (or have been created by) the prosecutor general, who acts without accountability. Parliament is currently drafting constitutional amendments to resolve the matter.

Preliminary census data from 2021 (announced on 7 January 2022) shows that Bulgaria's population has decreased by 11.5% since the 2011 census, and the average family size has shrunk from 2.4 to 2.3 members.

In terms of international cooperation, Bulgaria's traditional political establishment has forced political newcomers to confirm Bulgaria's veto on EU accession negotiations regarding North Macedonia (and thus Albania).

Key Challenges

Governments in Bulgaria face the challenge of breaking away from the tradition of conducting public affairs without dialogue while introducing greater freedom of expression and battling inefficiencies with regard to the rule of law. In addition, governments will have to contend with a prosecutor general who acts with impunity in protecting his friends in government.

During the review period, the industry, transport and tourism sectors have been challenged with high electricity prices. EU recovery transfers were delayed due to a postponed submission of the National Recovery and Resilience Plan and are therefore not likely to be received before the fall of 2022. The government failed in 2021 to outline judicial reform steps and plans to decommission the lignite-fired thermal power plants. Weaknesses in economic policy (i.e., government-mandated minimum-wage and pensions, public procurement and education) continued and even worsened in the run up to the 2021 elections.

Budget revenues for 2021 showed growth. Various economists and the Fiscal Council recommended a balanced budget in order to allocate 2022 expenditures. However, the government chose instead to spend in December, and to run a sizable deficit in 2022. The inflation that has since ensued is likely to compromise the plan to adopt the euro. Given the lack of consensus within the coalition, Prime Minister Petkov's cabinet will also likely prove unable to reintroduce stricter than EU fiscal rules (a medium-term balanced budget target, 2% deficit allowance, a public spending and general government debt ceiling of 40% of GDP), which Bulgaria had adhered to since 2012.

Bulgaria's average annual GDP growth rate of 2.5% for the years 2013-2019 was twice below the average of 5% recorded for the ten years before 2009. Due to demographic trends and labor market regulations, job creation is now only 1/2 of what it was from 2002 to 2008. Investment growth has fallen to 1/10 of the growth rate achieved in 2002-2008 as a result of much lower FDI. Productivity has grown at a rate 30% less than that recorded before 2013. In order for Bulgaria to achieve faster growth and reach parity with the EU, it will need greater access to foreign capital and improve its labor market flexibility. It will also need to open itself to Europe and the world, reform its education system, boost R&D in the country to improve its human capital, meet the demand for qualified labor, reduce NEET numbers among minorities and fix the pension system. Realizing the potential of key economic drivers (e.g., increases in skill levels, labor-force activation rates, innovation capacity, productivity and policy effectiveness) remains a serious challenge.

Bulgaria has developed various technologies (e.g., electricity from Black Sea hydrocarbons and sulfur hydrogen, carbon and power storage, as well as other alternative energy sources, especially in district heating and biological waste recycling) that may reduce its energy dependency and enhance its performance in terms of the Green Deal. However, this issue was not given its proper attention by the governments in 2021.

Judicial reform, and in particular with regard to the prosecution service, is a key factor affecting Bulgaria's ability to meet these challenges.

As of 12 January 2022, Bulgaria has recorded the world's second highest number of COVID-19 deaths per one million. The absolute number of deaths in 2021 (148,000) was the country's second-highest since 1888 (the number of fatalities in 1918 due to war and influenza remains the highest at 151,000). In terms of deaths per 1,000 the 2021 number is 22, the country's highest mortality rate since 1919. In 2020, this number fell to 18 (2014-2019 average of 15.3). Even if Bulgaria's situation is arguably not unique in this regard, the entire healthcare system is in need of reform which, in terms of hospital beds and medical personnel, nonetheless has advantages compared to the EU.

The 2021 census found that the population under 17 years of age declined to 15.9 (from 16.1 ten years ago), while the population of pensioners increased by 5.4%, from 18.5% to 23.9%, over the same period. Bulgaria's pension policies, which remain centered on the State Pension Fund (SPF), are unsustainable. The pension system's private pillar recorded a total of €19.5 billion in assets for 2021 (16.3% of 2021 GDP). Taxpayers' transfers to the SPF amounted to 6% of GDP in 2021.

Despite visible improvements over the last decade, infrastructure continued to be a challenge, especially at the regional level and with respect to protecting nature and the environment.

Whereas polarization over internal policy issues may be fading, disagreements over relations with Russia, North Macedonia and NATO may bring about unexpected tensions and political instability.

Party Polarization

The November 2021 elections increased the bargaining power of the nationalistic parties, who used historical disputes and purported human rights issues as their primary justification for vetoing Bulgaria's EU accession negotiations with North Macedonia (and, effectively, Albania). The issue was amplified by the campaigns that followed, with some parties using the policy as "red line" in interparty deliberations. Bulgaria's traditionally nationalist parties failed to gain ground in the elections, but a new, even more radical, ethnonationalist political party, Revival, came to the foreground. Revival, like the more traditionally nationalist parties, opposes policies aimed at battling COVID-19, adopting the euro and Bulgaria's membership in NATO and the

EU. At the same time, it advocates cultivating closer ties with Russia and voices its support for the Kremlin's policies.

The elections delivered a new pro-EU party, the Change Continues (CC), the largest gain in the number (77) of seats in parliament, though its total remained far below the 121 needed to form a cabinet. CC's success demanded across-the-spectrum negotiations to form a cabinet. Bulgaria has not seen such a broad coalition government since the 1920s.

Party polarization within the ruling coalition becomes clear in any number of topics, including North Macedonia's EU accession, relations with the Russian Federation, NATO security challenges in the Black Sea region and ROSATOM's nuclear power station project.

The legacy of the pre-electoral period and the policy of high levels of government spending is another divisive topic.

Cross-party consensus on policy and legislative matters is still possible. With the exception of Revival, which calls for the government to resign and advocates a revolutionary occupation of the parliament, all of the country's parties recognize voters' weariness with regard to the frequency of elections, as evinced by the unprecedented low turnout in the November 2021 election. Revival's radical rhetoric and actions, however unjustified and unconstitutional they are, will take dominate political theater in the country as long as the COVID-19 pandemic and economic difficulties continue, thus undermining cross-party consensus. (Score: 6)

Sustainable Policies

I. Economic Policies

Economy

Economic Policy
Score: 6

Ahead of the 2021 elections and in the midst of evolving pandemic impacts and public discontent with Prime Minister Borisov's cabinet and the prosecutor general's performance, economic policies deteriorated. The government shifted toward an arms-length treatment of different economic sectors and players; loopholes in the legal framework widened and sizable public procurement of at least 4.5-5% of GDP proceeded on a non-competitive basis.

Nearly one-half of this (i.e., 2% of GDP) was paid in advance to beneficiaries involved in the construction and maintenance of highways and roads. Of these projects, 50% have yet to be launched and have been, since May-June 2021, subject to an audit.

Despite a sizable scope of action (20% government debt-to-GDP ratio, fiscal reserves exceeding 10% of GDP) in 2020 and early 2021, the government's economic policies have not helped improve the economy's international competitiveness.

Before the April 2021 elections, a sizable sum (3% of GDP) was paid from public reserves to GAZPROM for a pipeline to Serbia (and the EU) with unclear prospects of an even modest recovery of investment. Some 2.8% of GDP was allocated to combined state-budget/private-sector job saving measures, credit lines for SMEs and self-employed individuals, as well as VAT allowances. In addition, support to the healthcare sector totaled some 0.5% of GDP. In light of the aforementioned record-level mortality rates for 2021, the latter allocation, which arrived late, seems particularly ineffective. In addition, the government wasted its relative advantages in terms of the country's health infrastructure allowing it to meet the first wave of COVID-19.

The new cabinet appointed at the end of 2021 was set to promptly restore transparency and accountability, leveling back the playground for domestic and foreign investors. It is, however, unclear how much time would be needed to compensate for the sunk-costs of the economic and fiscal policies of the mid-2020 to mid-2021 period, and, especially, the negative impacts of population decline.

The 2020 Global Competitiveness Report published by the World Economic Forum found that Bulgaria was among the four countries showing the largest improvements in terms of its competitiveness scores. Negative policy developments during the pandemic were further aggravated by the electoral instability of 2021. These developments were noted in the International Institute for Management Development's 2021 World Competitiveness Report, which showed Bulgaria taking the largest dive in the competitiveness ranking (along with Slovenia and Poland).

Citation:

[GCR 2020, page 23: https://www3.weforum.org/docs/WEF_TheGlobalCompetitivenessReport2020.pdf]

[IMD WCR 2021: <https://www.imd.org/centers/world-competitiveness-center/rankings/world-competitiveness/>]

[See: Krassen Stanchev, The Pandemic's Impact on Central Europe in a Historical Perspective, Japan Spotlight, March/April 2021: https://www.jef.or.jp/journal/pdf/236th_Special_Article_01.pdf]

Labor Markets

Labor Market
Policy
Score: 5

Unemployment was at 4.1% in 2019, increasing to 6.3% during the first quarter of 2021 (during the pandemic), falling down to 4.6% in December of the same year. This decline is not a result of an improved functioning of the labor market or of targeted policies, but of labor shortages. In the last four years, 30% to 40% of job openings have remained vacant.

Unemployment among college graduates is half of the national average, among those with lower or no education, the rate is 3 to 5 times higher. Unemployment in the country's northwest region is typically 2.5 to 3 times higher than the national average, for some districts, the rates up to five times as high.

An objective indicator of the flexibility and the level of development of the labor market is the number of temporary employees as a percentage of the total number of employees: for the last five years and the first six months of 2021, Bulgaria's rate of temporary employment is four times less than that recorded in the EU overall.

There are some policies designed to incentivize matching the demand for qualified labor (curricula drafting, teaching and examination with employers) with supply, but they are rarely applied. The government-mandated minimum wage and social security thresholds fuel the prevalence of informal contracts and help keep unemployment high in the country's poorest regions.

Taxes

Tax Policy
Score: 6

Bulgaria's tax system boasts features that are essential to tax compliance, such as simplicity, built-in compliance incentives, and motivating higher income levels. A 2019 report on the effective tax rate for multinational firms that was commissioned by the Greens in the European Parliament, found that Bulgaria was the only EU member states in which statutory required taxes are paid.

The tax system works well during recessions, as it allows for relatively flexible countercyclical policies when revenues from corporate taxation declines.

Direct taxes, both personal and corporate, constitute a relatively small component of overall tax revenues but the levels (as a share of GDP) are comparable to average OECD countries. The system relies on low rates, has no nontaxable income threshold, and is applied uniformly over a very broad tax base. Both corporate and personal income taxes use a flat 10% rate.

The country's VAT is at 20%, except for tourist packages. The share of VAT comprising total government revenues fluctuates between 40% to 50%.

Excise duties are the other important source (5-8%) of tax revenues. Bulgaria applies the lowest EU rates; excise duties on alcoholic beverages and tobacco products will very likely be increased.

In terms of efficacy and equity, the system performs relatively well, while challenges remain with adjacent spending allocations, especially in the area of social inclusion and welfare policies.

Since efforts to simplify taxation and undergo a basic consolidation got underway in 1999-2000, and since the proportional tax reforms of 2007-2008 in particular, the budget has registered sizable surpluses, increased transfers to the state pension fund at least twice, and doubled the amount of annual procurement on infrastructure. Fiscal reserves helped the country weather the negative impacts of the 2009-2010 recession, covered lost savings resulting from a major bank bankruptcy (in 2014-2015, equal to 3% of GDP), and make payments on a lost arbitration case (1.2% of GDP to ROSATOM in 2016).

In terms of vertical equity, the picture seems mixed. On the one hand, the system creates incentives to work, and extreme poverty levels (a UN criteria) decreased to below 1% of the population (constituting a near fivefold decrease from 2007 to 2021). On the other hand, social aid and social inclusion budgets are allocated without clear efficacy criteria, welfare benefits are often distributed on a per capita basis, delivering no impact for the disadvantaged in society. For example, a 2021 survey of social aid allocations found that the guaranteed minimum income (GMI) has not been changed since 2009, and if its amount doubles (with no negative impact on budget), GMI will positively affect 4% of the population, reduce the Gini by 2.4 percentage points and will reduce the poverty level (measured by the national poverty line) by 3.4% of the population.

In terms of international competitiveness, the system attracts savings and companies from neighboring jurisdictions under stress (for instance Romania in 2011, Greece 2012-2015 and Turkey after 2016), but issues associated with the rule of law and public procurement remain a major hurdle for larger FDIs.

Since 2007, Bulgaria has spent nearly 3% of its GDP each year on environmental protection. Public investment in water and waste management accounts for nearly half of this. The country performs fairly well on Yale University's Environmental Performance Index, and has one of the EU's largest nature protection areas that is managed by public funds.

Citation:

European Commission (2020): Country Report Bulgaria 2020. SWD(2020) 501 final. Brussels, 24-25 (<https://ec.europa.eu/info/sites/info/files/2020-european-semester-country-report-bulgaria-en.pdf>).

Petr Jansky, Report on effective tax rate for multinational firms, Greens/EFA, January 2019 (https://www.wts.com/wts.de/publications/wts-tax-weekly/anhange/2019/2019_3_1_studie.pdf)

American Institute of Economic Research, Institute Molinari, The Tax Burden on Global Workers: A Comparative Index," based on data provided by E&Y, first edition, October, 2021.

Kalina Hadjinedelcheva (editor), Flat Tax in Bulgaria: History, Introduction and Results, Sofia, Institute for Market Economics, 2016 (<https://ime.bg/var/The-Flat-Tax-in-Bulgaria.pdf>)

Budgets

Budgetary Policy
Score: 8

Bulgaria has featured sound budgetary policy for most of the last 25 years. The budgetary position worsened during the global recession and the bankruptcy of one of the country's largest businesses in 2009 – 2010 and of its fourth-largest bank in 2014 – 2015, but budgetary discipline was swiftly restored. The country has registered effective fiscal surpluses of 1-2% of GDP ever since 1998. This has allowed the government to reduce its foreign debt rather swiftly.

Bulgaria's fiscal rules, which are stricter than EU fiscal rules, have been compromised only once, during the budget planning and updates at the end of 2020 and 2021. Economic recovery during the second half of 2021 provided the opportunity for the country to return to near-balanced budgets for 2022 and 2023, but the mid-term macroeconomic fiscal framework plans a 4% budget deficit for these years.

Local governments, which lack their own revenue, are generally politically dependent on the central government. A pending reform involves ensuring that 1/5 of income taxes derived from a specific area are to remain in the location.

Research, Innovation and Infrastructure

R&I Policy
Score: 3

Since 2009, Bulgaria has nearly doubled its R&D spending to 0.86% of GDP, which is up to three times less than the EU and OECD average (new EU states allocate 60% – 100% more).

In 2020, private sector spending on R&D was 2.6 times that of the state budget. Universities account for 6% of total private sector spending on R&D while NGOs account for 1%.

Bulgaria's official development strategy agenda "Bulgaria 2030" (2020) mentions the term "infrastructure" 114 times, in all imaginable connotations – from education, innovation and labor markets, to roads, railways and the energy sector, and includes the Sustainable Development Goals of the UN and all EU policy initiatives. In the narrow sense of infrastructure (i.e., physical infrastructure), the strategy plans to invest at least €28 billion in infrastructure by 2030, but does not mention where it will source this funding.

The government's focus on infrastructure from 2019 to 2021 left the investment in technological innovations almost entirely up to the private sector. The incumbent government promises to continue emphasizing infrastructure and has created a Ministry of Innovations and plans to allocate roughly 1% of GDP to high-tech innovation.

Global Financial System

Stabilizing
Global Financial
System
Score: 5

Participation in the ERM II and the advances in related commitments was tested by Bulgarian National Bank (BNB) policies aimed at mitigating the 2020 recession, which involved freezing non-financial sector loan servicing equivalent to 9% of GDP from April 2020 to March 2021. The BNB and the government cooperated in fulfilling ECB 2019 stress-test recommendations,

and in October 2021 Bulgaria joined the European Banking Union. The freezing of loan services did not affect the stability of the banking sector or increase the volume of non-performing loans, and credit activities were swiftly restored in the second half of 2021.

Plans to adopt the euro by 1 January 2024 have been delayed as a result of increasing inflation.

In 2021, Bulgaria joined the two-pillar plan to reform international taxation rules and ensure that multinational enterprises pay a fair share of tax wherever they operate. This initiative has been launched by OECD/G-20 member states in an effort to address the erosion of tax bases and profit-shifting by multinational companies.

II. Social Policies

Education

Education Policy
Score: 4

Public spending on education is relatively low. According to EUROSTAT, spending on education increased from 3.86% of GDP in 2016 to 4.09% in 2018 but remained significantly below the EU-27 average of 4.64% in 2017 and 4.71% in 2018. In 2019-2021 the state budget financed an increase in primary and secondary school educators' gross wages by nearly 80%. Total spending on education for this period has been at 3.9-4% of GDP.

The Bulgarian education system has an average to low level of equity. Many children in upper-income families are able to attend private schools, which show better results in the external evaluations after the fourth, seventh and 12th grades. In addition, the school dropout rate among minorities, especially Roma, is significantly higher than the average, meaning that schools do not provide the same opportunities for all ethnic groups. Finally, geographic variance in the quality of the education provided by secondary and tertiary schools is very large, with schools in smaller towns and villages and in less populated areas unable to attract high-quality teaching staff.

In a more positive light, in 2021, Sofia University ranked in 2021 among the world's top 600 universities (591th).

In the 2018 PISA survey of reading, mathematics and science skills, 15-year old students from Bulgaria scored approximately 20% below the averages of comparable student groups in Poland and Estonia.

The percentage of adults (25-64 years of age) who participate in lifelong learning schemes is about 2%, far below the 10%-11% EU average for 2019 - 2021.

Social Inclusion

Social Inclusion
Policy
Score: 4

Marginal gains have been achieved in the last few years with respect to social inclusion. Having reached 41.3 in 2018, the Gini coefficient decreased to 40 by 2020.

Multidimensional poverty headcount percentage declined from 49.2% in 2010 to 32.1% in 2020.

From 2008 to 2022, the national poverty line almost doubled from €107 to €208 per person per month.

The average measures conceal differences between ethnic and age groups. Since 2019, the Roma have had the highest percentage of poor individuals (64.8%).

In general, Bulgaria's social policy has not sufficiently included and integrated people with lower-than-secondary education, minorities and foreigners (mainly refugees or immigrants). The lack of regional differentiation in the level of the minimum wage and in social security thresholds, the prevailing limits to free business entry and exit, and the performance of the judiciary in the business sphere prevent people in the lowest quintile and in disadvantaged groups from being employed or starting a business. Additionally, there are no policies sufficiently tailored to the integration needs of specific groups such as minorities and immigrants. Another contributing factor to weak social inclusion is the fact that some political actors have a vested interest in keeping certain voter cohorts in a position of dependence, while other political actors bank on the rhetoric of exclusion and marginalization of certain minority groups.

Health

Health Policy
Score: 3

Bulgaria is similar to other EU countries in terms of how its healthcare system is organized (i.e., it features private and public pillars) and financed (i.e., public spending on the system comprises 4.5% of GDP and private spending

comprises 3.5% of GDP). Two features are somewhat specific for Bulgaria: financing is dominated by the National Health Fund (NHF, funded by taxes) and the system involves relatively high (46-47% over the last ten years) out-of-pocket payments (OPP) (NB: OPPs are common among most new EU member states, where the average rate is 25-30%).

As of December 2021, Bulgaria ranked second in the world with regard to COVID-19 deaths per one million population. The 148,000 COVID-related deaths registered in 2021 marks the country's second-highest number of deaths in one year on record since 1888; this was exceeded only by the 151,000 deaths resulting from war and influenza in 1918. The mortality rate in 2021 (22 deaths per 1,000) was the highest since 1919.

Before COVID-19, Bulgaria had one of the EU's highest numbers of hospital beds per 1,000 (616.8) and healthcare personnel numbers were also relatively high. However, medical staff in Bulgaria complained during the pandemic of being underpaid and underequipped. Private hospitals were excluded from the COVID-19 response system until February 2021. Throughout most of 2020, public testing and efforts to ensure sufficient supplies, equipment and medicine remained chaotic.

While the situation improved during the second half of 2020, the number of deaths in 2021 exposed several systemic weaknesses in the healthcare system. The overall management of the system, including analysis and healthcare finance statistics, remain poor. Bulgaria had one of the lowest vaccination rates in the EU. Over the last ten years, household spending (above contributions to NHF) on healthcare has grown by 39% – one-fourth of this in the period from 2020 to 2021. Out-of-pocket payments to public and private hospitals is high due in part to the limited accessibility of high quality and timely medical services. Lower income groups are practically excluded from having access to such services. According to estimates, about 20% of the population do not have health insurance and do not contribute to NHF. For some groups such as Roma, the percentage is about 55%. The reasons for this situation are not well studied, but this might be a side-effect of labor market regulations and other factors.

Citation:

[OECD, Bulgaria: Country Health Profile 2019 :<https://www.oecd.org/countries/bulgaria/Bulgaria-Country-Health-Profiles-2019-Launch-presentation.pdf>

Family Policy
Score: 6

Families

Negative population growth is a challenge with regard to achieving a sustainable family policy in the country. Since the last 2011 census, the population has fallen by 11.5% (2021), and the average family size declined from 2.4 to 2.3 members.

The WEF's Gender Gap Report of 2021 gives Bulgaria relatively high marks, but it has fallen somewhat as a result of poor educational attainment numbers for women in the country.

In 2021, the tax allowance for raising children was increased to above the national poverty line, to BGN 450 a year for one child, BGN 900 for two, and BGN 1,350 for three kids, no income criteria has been applied since 2020. Maternity leave (including pregnancy) is two years and applies to adopted children.

Other childcare bonuses may be negotiated on a contractual basis with employers. Due to labor shortages, employers are typically flexible in keeping qualified mothers in the firm or the organization. The choice of full or part-time employment schedules for mothers is not exclusively guaranteed but is practiced, especially in high value-added occupations and firms.

Child support: Bulgaria is among the countries with the longest paid maternity leave globally. Whereas the EU average is at 20 weeks, in Bulgaria, paid maternity leave is nearly 100 weeks. Against this background, ahead of the November elections, the parliament voted an increase in the compensation for maternity leave from BGN 380 to 650, starting October 2021. This amount is approximately 75% of a Bulgarian woman's net salary for 2019 (the latest gender wage statistics); in nine of 28 country districts, the amount of the maternity compensation is 100 or above 100% of female net wage. These policies do not seem to have any impact on demographic trends.

Family networks, and specifically the traditional involvement of grandparents in caring for children, constitute an important source of support that enables parents to be more economically active. This perhaps accounts in part for the relatively low rate of day care enrollment for children below two years of age. It also serves as a safety net for old age family members, because in-family redistribution rate is about 20% of the income.

Pensions

Pension Policy
Score: 4

Bulgaria has a mixed pension system consisting of three pillars: a public pay-as-you-go pillar financed by social insurance contributions, an obligatory fully funded private-pension-fund pillar and a voluntary pillar. The second pillar includes people born after 1959 and is not yet paying out many pensions. However, the second pillar is currently underfunded due to the parliament's refusal to increase its share in the general contributions as originally envisaged.

In 2020, the second pillar assets were BGN 14 billion, of the total private segment of the pension system – 16.4 billion, or respectively 11.7 and 13.7% of 2021 GDP. This is savings 4.7 million, at 44 average age. The 2021 central budget transfer to SPF (to cover losses and pensions of 1.6 million) was 6% of GDP. This is an indication that toleration of the pay-as-you-go system is unsustainable.

Around 1/3 of those who fall below the national poverty line (currently BGN 413 a month) are pensioners. Their individual situation depends on education (approximately 63% of pensioners with lowest degree of education are poor, 6% of those with university degrees), place of residence (42% in low-populated parts of the country, 26% in highly populated areas) and on ethnic affiliation (60% of Roma, 52% of Turks and 31 of Bulgarian pensioners are poor).

The above mentioned within family intergenerational income redistribution does not improve the condition of pensioners without children and single pensioners. They are eligible beneficiaries of the social aid policies financed by the state budget. If the 2021 planned increase of the GMI materializes, about 140,000 pensioners will be lifted above the national poverty line.

Citation:

Financial Supervision Commission, Statistics and Analysis, 2021 (<https://www.fsc.bg/en/markets/social-insurance-market/statistics/statistics-and-analysis/2021/>)

NSI, Material Deprivation by Age and Sex (https://infostat.nsi.bg/infostat/pages/reports/result.jsf?x_2=260)

Integration

Integration Policy
Score: 3

According to official NSI statistics, Bulgaria registered 6,600 emigrants and 37,400 immigrants in 2020, showing a shift toward positive net migration. Among those migrating to Bulgaria, 34.2% are aged 20 – 39, 32.3% are aged 40 to 59 years, and 13.6% are under 20 years of age. For Bulgarians migrating

to other countries, Germany (22.2%), the Russian Federation (14.6%) and Turkey (13%) are the preferred destination countries.

Although immigration offers clear potential benefits to the economy, Bulgaria does not have a developed policy for integrating migrants.

Integration policies in the country can be illustrated by the recent refugee crises. During the Kosovo crises of 1999, the government of Bulgaria refused to allow refugees entry into the country. Some 9,000 refugees, mostly from Iraq and Afghanistan, were nonetheless allowed to immigrate in 1999. A targeted study then proved that these immigrants arrived with savings that exceeded the amount of money needed for accommodations and legal processing.

The refugee influx related to the war in Syria brought nearly 22,000 refugees to the country (of which some 2,000 remained), but xenophobic politicians and anti-EU parties used this statistically insignificant case to boost their popularity. In fact, the number of illegal stays in the country declined from 9,267 in 2016 to 2,053 in 2020.

Refugees typically receive temporary shelter from the National Refugee Agency throughout the period of time it takes to formalize a legal stay. After this period, they tend to seek support from others in the diaspora, and many strive to integrate, with a dozen NGOs in Bulgaria that aim to help them with this.

After 2001, the number of immigrants who settled in Bulgaria increased by 240%, but their share among the population is at 4% the lowest in the EU.

Citation:

NSI, POPULATION AND DEMOGRAPHIC PROCESSES IN 2020
(https://www.nsi.bg/sites/default/files/files/pressreleases/Population2020_en_IVGTQG5.pdf)

NSI, POPULATION AND DEMOGRAPHIC PROCESSES IN 2007-2020
(https://infostat.nsi.bg/infostat/pages/module.jsf?x_2=38)

Bulgarian Helsinki Committee, Country Report: Bulgaria, Asylum Information Database, 2021
(https://asylumineurope.org/wp-content/uploads/2021/02/AIDA-BG_2020update.pdf)

Center for Legal Aid: Voice of Bulgarian, European Court of Human Rights (ECtHR) found Bulgaria in violation of Article 3 and Article 13 of the European Convention on Human Rights for unlawfully returning a Turkish citizen, July 22, 2021 (<https://www.centerforlegalaid.com/en/news/evropeiskijat-syd-po-pravata-na-choveka-espch-osydi-bylgarija-za-nezakonosyobrazno-vryshhtane-na-turski-grajdanin-kym-turcija-102/1>)

Safe Living

Internal Security
Policy
Score: 5

Most citizens live in relative safety, and crime statistics have improved. Citizens and private providers of security services are addressing the risks. Since the mid-1990s, private guards have outnumbered police staff three or four to one. Compared with most of its neighbors and other new EU members, Bulgaria performs relatively well in terms of its violent crime and suicide rates. According to the Global Terrorism Database, Bulgaria also ranks relatively well compared to its neighbors.

In 2020 and 2021, internal security policy focused primarily on ensuring a stable environment for the various elections to be held. A late summer 2020 demonstration against Borisov’s cabinet was subject to unprovoked police brutality. The caretaker cabinets of 2021 sanctioned most of the officers who had reacted with violence.

Jones, J. (2018): The European Convention on Human Rights (ECHR) and the Council of Europe Convention on Violence Against Women and Domestic Violence (Istanbul Convention), in: R. Manjoo, J. Jones (eds.), *The Legal Protection of Women From Violence: Normative Gaps in International Law*. London/ New York: Routledge, pp. 147-173.

Global Inequalities

Global Social
Policy
Score: 3

The promotion of equal socioeconomic opportunities in developing countries has not been considered a priority issue by policymakers and public opinion in Bulgaria. However, Bulgaria does not resort to protectionist trade barriers beyond those imposed by the European Union, and does not impede or attempt to undermine efforts by the international community to promote equal opportunities in developing countries. In 2020 and 2021, Bulgaria committed to providing official development assistance (ODA) on the order of 0.11% of the country’s GNI. In 2021, 35% of this was directed at the Western Balkans, 30% at the Black Sea region and 10% toward Afghanistan, Iraq, Mongolia and Vietnam, with the remaining 15% covering administrative costs.

III. Environmental Policies

Environment

Environmental
Policy
Score: 5

Overall, developments in this area during the review period were encouraging, though much room for improvement remains. In 2018, Bulgaria ranked 30th out of 175 countries in terms of both environmental quality and

environmental-protection policy according to the Environmental Performance Index (EPI). But after having significantly improved on previous years, the country's performance deteriorated in 2020, as the country ranked 41st in the EPI (out of 180 countries). In 2020, all new EU members outperformed Bulgaria on this ranking.

In 2019-2020, certain industrial regions suffered severe water shortages as a result of mismanagement and poor weather conditions, which led to one large company, a steel processing factory, filing for bankruptcy. The government responded by establishing a State Water Company with financing equal to 1% of the country's 2019 GDP, though the company is to date not operational and it remains unclear what this means for the 14 private water concessions already in place.

According to Natura 2000, Bulgaria ranks third in the EU in terms of how much of its territory (35%) constitutes protected areas. Only Slovenia and Croatia have a similar percentage of territories under biodiversity protection (37% and 36%, respectively).

In 2021, Bulgaria spent 3% of GDP on environmental protection, half of which came from the state budget and targeted waste and water management. National parks and protected habitats are financed by resources allocated via the Ministry of Environment and Waters and/or Ministry of Agriculture and Forest that amount to nearly 0.3% of GDP. Different EU programs contribute roughly the same amount of cash.

Pollution prevention and costs are covered by the private sector. Climate change is addressed by policies to foster photovoltaic, wind and water power stations. Prior to 2020, renewables in electricity production accounted for 20% of final consumption (half of it provided by water power stations). No new facilities were added to the system in 2021. Bulgaria delayed efforts to harmonize its laws and regulations with the EU Renewable Energy Directive, particularly with regard to independent power producers. No progress has been registered in plans to phase out two "unclean" thermal power plants.

Citation:
2020 EPI Results, Yale University (<https://epi.yale.edu/epi-results/2020/component/epi>)

Global Environmental Protection

Global
Environmental
Policy
Score: 5

While environmental sustainability issues are topics of concern within the Bulgarian government, successive governments have not sought to proactively shape international environmental and climate policies. While the country has a relatively large share of renewables in its energy mix, it is among the group

of East-Central European countries that are comparatively cautious about adopting aggressive carbon reduction targets. Bulgaria also contributes relatively little to the Green Climate Fund.

Since 2019, and especially in 2021, in relation to the EU Green Deal and recovery plans, Bulgaria expressed its support and commitment, but did very little to make a difference. Bulgaria has directed only one-third of the EU resources earmarked for green goals as part of the Recovery and Resilience Plan for Bulgaria toward modern environmental investment projects.. The 2021 government, with the involvement of the Greens, is likely to attempt a more substantial involvement of Bulgaria in the global environmental protection.

Citation:

https://ec.europa.eu/info/business-economy-euro/recovery-coronavirus/recovery-and-resilience-facility/recovery-and-resilience-plan-bulgaria_en

Robust Democracy

Electoral Processes

Candidacy
Procedures
Score: 9

Bulgaria's present electoral code has been in force since 2014. Registration processes for parties and candidates are fair and transparent. Candidate registration requires a candidate to be registered as a member of a party, coalition of parties or nominating committee. For the registration of parties or nominating committees, a bank deposit and a certain number of citizen signatures are required. Citizens of other countries cannot run for public office, unless they are EU citizens running for office in municipal or European Parliament elections. A constitutional clause prohibits the formation of "ethnically based and religious" parties, but because it cannot be applied retroactively, it has no impact on the existence of parties in place before the first post-Communist elections (June 1990), such as the Movement for Rights and Freedoms (MRF) representing Bulgarian Turks and Muslims.

The Bulgarian constitution does not allow Bulgarian citizens with dual citizenship to run as candidates or serve in office, a requirement which runs against international best practices. This became relevant in the case of Prime Minister Kiril Petkov, whose status as a dual citizen of Bulgaria and Canada became the object of a Constitutional Court case in the fall of 2021. Petkov, who had served as minister of the economy under Stefan Yanev's caretaker government in the summer of 2021 and was elected as prime minister by parliament following the November 2021 elections, renounced his Canadian citizenship in April 2021. However, because the procedure was not formally complete until August 2021, the court retroactively overturned his appointment as minister of the economy, effectively upholding the constitutional ban on citizens with foreign passports running for public office. No changes in this area are anticipated for the near future.

Contrary to best practices and OSCE recommendations, voter registration remains strict with regard to those who fail to meet the registration deadlines.

Media Access
Score: 5

Media access for candidates and parties differs between publicly and privately run media. The public broadcast media – one TV and one radio station with several channels each – are required by law to provide full and balanced

coverage and to set aside presentation time for every candidate and registered party or coalition. With a large number of parties or candidates usually in the running, splitting the time between each is a serious challenge. Between electoral campaigns, parties not already represented in parliament have little access to public media, especially if they are considered to be potentially serious competitors by the incumbent parties.

Candidates with enough resources face no restrictions to access in private media outlets. Most national private TV and radio broadcasters, with the exception of broadcasters with close relationships to (or owned by) political parties and/or leaders, remain relatively objective throughout campaigns.

Most candidates relied heavily on internet media during the four electoral campaigns of 2021.

Citation:

Price, L. T. (2018). "Bear in Mind... and Do Not Bite the Hand That Feeds You": Institutionalized Self-Censorship and Its Impact on Journalistic Practice in Postcommunist Countries – the Case of Bulgaria. In: Eric Freedman, Robyn S. Goodman, Elanie Steyn (eds.), *Critical Perspectives on Journalistic Beliefs and Actions*. London/ New York: Routledge, 211-221.

Voting and
Registration
Rights
Score: 7

Bulgarian voters are registered by default through voter lists maintained by the municipalities. Voter lists are published in advance of election day, and voters can also check online to see if they are on the lists. Every person who is not included in the voter list at their place of residence can ask to be included, and if not included can appeal to the courts. However, concerns persist as to whether persons without a permanent address (about 1% of the population), most of them Roma, are not registered in voter lists. Bulgarian citizens residing abroad have the right to vote in parliamentary and presidential elections, as well as in national referendums. In May 2021, the electoral code was amended to introduce electronic voting for most voters and to remove the limitations on the total number of polling stations that can be established abroad. There were no reports of irregularities affecting the implementation of electronic voting during the parliamentary elections in November 2021.

Contrary to ECHR recommendations, people serving prison sentences are not allowed to vote. Citizens can obtain permits to vote outside of their permanent place of residence

Citation:

OSCE Office for Democratic Institutions and Human Rights: Republic of Bulgaria. Early Parliamentary Elections 11 July 2021. ODIHR Limited Election Observation Mission Final Report, Warsaw, 22 October 2021. <https://www.osce.org/files/f/documents/8/b/502110.pdf>

Party Financing
Score: 4

Party financing in Bulgaria is regulated by the Political Parties Act. The party-financing regime was significantly overhauled in 2019, which resulted in decreasing the annual support provided to parties with more than 1% of the vote in the last parliamentary election from BGN 11 to BGN 1 per voter. To compensate for this loss of revenues, the prohibition on donations from businesses was eliminated.

The decline in state subsidies for parties is likely to weaken the parties with high vote shares. The greater reliance on business-sector money is likely to create linkages between parties and business interests.

Party financing is overseen by the Audit Office, and parties are obliged to submit an annual financial report of all their properties as well as an income statement. Reports must also be submitted after each electoral campaign; reports on budgets larger than €25,000 must be certified by an independent auditor.

A recent report on campaign spending during the last parliamentary elections of 2021 finds that one of the smaller parties represented in parliament spent the most on the campaign. Given the transparency associated with this party, it seems plausible that some mainstream parties may be under-reporting how much they spend on their campaigns.

Citation:
<https://openparliament.net/2022/02/01/17642/>

Popular Decision-Making
Score: 7

The list of eligible referendums issues is restrictive, fiscal/tax issues cannot be addressed, political and judicial nominations are also excluded. If backers of a referendum collect a minimum of 200,000 signatures in support of the referendum, they can address parliament to call for a referendum. If 400,000 signatures are presented, parliament is obliged to call a referendum but can, within certain limits, edit the questions posed. The outcome of referendums is binding only if voter turnout is higher than in the last general election. National referendums were held in 2013, 2015 and 2016, turnout levels were not high enough to make the results obligatory for the parliament.

Requirements for local referendums are less stringent than those for national referendums, and 10% of voters with permanent residence in the municipality can make a binding proposal for a referendum. If more than 40% of voters with permanent residence participate, the local referendum is binding for the local government. Three local referendums were held in 2017, and another two in 2019. In one case in 2019, voter turnout was high enough to make the results binding.

Media Freedom
Score: 3

Access to Information

In legal terms, media are independent of the government. All electronic media – public or private – are subject to licensing by two independent state agencies: the Council for Electronic Media (issuing programming licenses) and the Commission for Regulation of Communications (for radio frequencies and other technological aspects of electronic media). The management of the public Bulgarian National Television and Bulgarian National Radio are elected by the Council for Electronic Media.

In practice, however, media independence has been compromised since 2010-2011, a situation that has only worsened during the review period. After a series of well-known investigative electronic-media journalists lost their positions and on-air exposure over the last two years, the public radio's leading station was pressured into actually shutting down for several hours with the sole purpose of keeping a particular investigative journalist off the air. This journalist had been asking inconvenient questions about the selection procedure for the new prosecutor general in September 2019. This caused a major crisis, and forced the Council for Electronic Media to fire the recently elected executive director of the radio service. In the process, it became clear that the decision to shut down the broadcast was a result of outside pressure by unrevealed persons.

Different governing parties have either sought or tacitly succeeded in restricting media freedoms, particularly during periods of public discontent and protests. The BSP and MRF did so in 2013-2014, and GERB in 2020. In 2021, six alerts concerning attacks and the harassment of journalists were registered on a Council of Europe platform established to protect journalists.

A major development in the media space has been the growth of non-traditional outlets.

During the 2021 elections, many candidates and journalists used public registries and data in their campaigns. The refusals of some public officials to disclose information publicly ended up being challenged in administrative courts, and the caretaker governments did their best to disclose as much information as possible. Access to information thus seems to have improved somewhat.

Citation:

Access to Information Program (<https://www.aip-bg.org/en/>)

Council of Europe Platform to promote the protection of journalism and safety of journalists
<https://fom.coe.int/accueil>

Media Pluralism
Score: 4

Media pluralism in Bulgaria is supported by a diversified ownership structure. The sheer plurality of media outlets ensures relatively broad coverage of different points of view. At the same time, however, the ownership structure is often opaque, allowing for hidden interests to operate. That said, at least one well-known de facto owner of print media (Delyan Peevski) has made his ownership official. Pluralism of opinions is greater in the radio and print media than in the TV sector.

In 2021, Mr. Peevski was sanctioned by the U.S. government under the so-called Magnitski Act. Even the media outlets that he effectively owns have made modest attempts to live up to higher standards.

The COVID-19 pandemic has further eroded the financial resources of media, forcing several smaller and regional outlets to shut down. Different media, from TV, radio, newspapers and internet outlets, have their own political preferences but the diversity of opinion as well as the respect of facts, media and ethics seem to have improved since the ousting of the GERB-led governments in 2021. Public radio and TV outlets have led the way toward facilitating a pluralism of opinions after years of tacit but harsh pressure from the government and politicians.

Citation:

European Commission: 2021 Rule of Law Report. Country Chapter on the rule of law situation in Bulgaria, Brussels 20.7.2021 SWD(2021) 703 final

Access to
Government
Information
Score: 7

Access to government information for citizens is guaranteed by the Bulgarian constitution and regulated by the Access to Public Information Act originally adopted in 2000. It ensures a high level of access for citizens to government information, and refusals to provide information can be appealed in court. Civil society actors and organizations have exercised their right to court appeals, which has fostered robust court activity. In recent years, the amount of government information made freely and promptly available on the internet has increased markedly, so that the need for formal requests for information has declined. The most common excuse for refusing to release information is that interests of third parties may be affected, while confidentiality and classified information considerations come a distant second. This is the conclusion one can derive from the Access to Information Program annual reports.

Third-party interests have been the most-cited reason given for not releasing information on the part of the National Electric Company and the state-owned natural gas monopoly, Bulgargas.

Access to public information is typically weak in the area of public procurement. Public procurement regulations were amended over a five-year period (2015-2020) to allow for “in-house,” non-competitive and non-public decisions to be made by the procuring government agency. This practice has been abandoned by the 2021 governments.

Citation:

Access to Information Programme Foundation (2019): Access to information in Bulgaria in 2018. Sofia (http://store.aip-bg.org/publications/ann_rep_bg/2018.pdf).

Global right to information rating: <https://www.rti-rating.org/>

Civil Rights and Political Liberties

Civil Rights
Score: 5

The Bulgarian constitution and legislation provide a comprehensive framework guaranteeing civil rights and their protection. In practice, rights are generally respected by state agencies and citizens have legal recourse in cases involving infringement. Cases are also regularly heard at the European Court of Human Rights. Citizens actively use the administrative-justice process to challenge the actions of state agencies, and the courts regularly side with citizen plaintiffs.

The courts generally uphold efforts to protect property rights, despite recent attempts to amend legislation that would permit violations of property rights go unchecked. Even when the government and public prosecutors took illegal action against former government beneficiaries and their relatives (2019 – early 2021), the courts have upheld the constitutional protection of property rights.

The most frequent and serious rights violations are the overuse of force by law-enforcing government bodies, especially against Roma. The Commission for Protection against Discrimination has observed more frequent complaints about hate speech in media, online publications and social networks. Citizens regularly report failures to investigate and protect rights related to some types of crimes, especially crimes against property.

Political Liberties
Score: 8

Political liberties are guaranteed in Bulgaria by the constitution and relevant laws. Bulgarians enjoy the freedom to express themselves, to assemble and organize themselves (also for explicitly political purposes), to practice their religious beliefs and to petition the government. Bulgarians have clearly established rights to speak freely, assemble and protest. The freedom of expression has suffered from the declining independence of the traditional media, but has been strengthened by the opportunities provided by the internet.

In 2020, these rights were confirmed by a number of protests that were allowed to take place without interference, and by the registration of a new party established by popular TV personality Slavi Trifonov.

In 2020, with the prosecutor general's consent, prosecutors and police investigators illegally videotaped more than a thousand peaceful protesters, many of whom as well as one journalist, were subject to police brutality. In the context of the protest, the prosecutor general himself initiated several investigations of protesters, referring to them as "national traitors."

Citation:

Vassileva, R. (2019): Framing and Raiding. Bulgaria's Kafkaesque Prosecutor's Office, <https://verfassungsblog.de/framing-and-raiding/> 09 June 2021

Non-discrimination
Score: 5

The Bulgarian constitution, the 2004 Anti-Discrimination Act and various EU directives aim to provide protection against discrimination. There is a Commission for Protection against Discrimination, and citizens have access to the courts in cases of suspected discrimination. In practice, instances of discrimination can be frequently observed, especially against the highly marginalized Roma minority. There is some labor market discrimination based on gender, sexual orientation, physical and mental ability, and ethnicity. Public discourse has become increasingly xenophobic, as explicitly nationalistic parties serve in the ruling coalition and routinely rely on agitation during election campaigns. The government failed to push through the ratification of the Istanbul Convention, and some portions of it were pronounced unconstitutional by the Constitutional Court.

Rule of Law

Legal Certainty
Score: 4

Bulgaria's government is legalistic and favors a strict interpretation of the legal code in justifying its actions. Another problem is the legal consistency of the content of the law. Executive action is not only relatively unpredictable, but may be applied ad hoc, thus creating privileges and inequality before the law.

Deficiencies in the area of the rule of law crowd out FDIs. There were attempts led by prosecutors and individual judges to redistribute market and economic influence in 2014, 2016-2017 (against foreign interests) and 2019-2020. These efforts failed, however, thanks to the fact that EU ambassadors, investigative journalists and NGOs targeting corruption made this information public. It is anybody's guess what the situation was with local companies that have no foreign ambassadors to speak out for them.

In the period from 2015 to 2019, Bulgaria’s prosecutor general, who was able to act without accountability, created and/or gained control over specialized organs of the justice system (i.e., commissions tasked with special investigations, prosecution and forfeiture, anti-corruption efforts and conflict of interests). These “reforms” were ostensibly pursued in an effort to fight high-profile cases of corruption, terrorism and organized crime but, in fact, served instead as an instrument of protection and racketeering.

The situation deteriorated after the election of Ivan Geshev as prosecutor general in December 2019, who has proven to be inefficient, demonstrated clear bias in his interpretation of certain cases, failed to presume innocence until proven guilty in specific cases and has publicly taken issue with the division of powers. In June 2020, prosecutors raided the offices of two advisors to then-President Radev. The prosecutors explained the action as part of their investigation of suspected influence peddling and disclosure of state secrets. Many protesters viewed the raids as attacks carried out by the prosecutor general and motivated by an escalating conflict between Radev and Borissov.

Marking a setback for prosecutorial reform in Bulgaria, the Constitutional Court ruled in 2021 against a new law designed to establish accountability and criminal liability for the office of the prosecutor general, stating that the law was in violation of the constitution.

The first months of the COVID-19 pandemic in 2020 saw increased activity on the part of the prosecutor general. The non-parliamentary opposition, NGOs and independent journalists increased their criticism and disseminated factual evidence of embezzlement, extortion and abuse of public office with the help of individual prosecutors.

Citation:
<https://acf.bg/en/osemte-dzhudzheta/>

Judicial Review
Score: 5

Courts in Bulgaria are formally independent from other branches of power and have large competencies to review the actions and normative acts of the executive. Court reasoning and decisions are sometimes influenced by outside factors, including informal political pressure and, more importantly, the influence of private sector groups and individuals through corruption and nepotism.

Since 2015, judges have become formally more independent from prosecutors and investigators in the Supreme Judicial Council, although the prosecutor general has had informal leverage to influence Council decisions through different standing committees and Council members from the investigation.

However, despite the formal independence of various committees within the Council, its work remains politicized and its decisions are influenced by the political establishment. The office of the prosecutor general also lacks transparency and accountability. The Council was heavily criticized in 2019 for the highly opaque and non-competitive manner in which it went about appointing a new prosecutor general, which met with public protest.

Despite the fact that judges who decide in favor of the government are promoted more quickly than judges who act independently, the latter continue to act with integrity in observation of the law and legal procedures. However, the judiciary's ability to act as a check on the executive has been compromised in many ways.

European Commission (2019): Report from the Commission to the European Parliament and the Council on Progress in Bulgaria under the Co-operation and Verification Mechanism. COM(2019)498 final, Brussels (https://ec.europa.eu/info/files/progress-report-bulgaria-2019com-2019-498_en).

Vassileva, R. (2019): CVM Here, CVM There: The European Commission in Bulgaria's Legal Wonderland. Verfassungsblog, June 16 (<https://verfassungsblog.de/cvm-here-cvm-there-the-european-commission-in-bulgarias-legal-wonderland/>).

Appointment of
Justices
Score: 5

Because there are no special majority requirements specified in the procedures for appointing Constitutional Court justices in Bulgaria, appointments are often a political manner. This is balanced by the fact that three different bodies are involved, and appointments are spread over time. Equal shares of the 12 justices of the Constitutional Court are appointed personally by the president, by the National Assembly with a simple majority, and by a joint plenary of the justices of the two supreme courts (the Supreme Court of Cassation and the Supreme Administrative Court), also with a simple majority. Justices serve nine-year mandates, with four justices being replaced every three years. The most recent election was among 10 candidates.

One of the challenges in 2021 was the uncertainty surrounding the election of the individual to act as chair of the Supreme Court of Cassation by the existing Council, whose members include individuals who are not judges and has a record of engaging in suspicious activity. On 14 January 2022, after six hours of a publicly broadcasted hearing, a female judge with an impeccable reputation was elected to the post. As the first woman in the country to hold this position, her election bodes well for improvements in the appointment and career prospects of junior judges.

Corruption
Prevention
Score: 4

Bulgaria's formal legal anti-corruption framework is quite extensive, but has not proven very effective.

In line with recommendations by the European Commission and the Council of Europe, new legislation creating a unified anti-corruption agency was adopted by parliament in December 2017. However, the new agency has not been very effective either in bringing cases of high-level corruption to court or in confiscating illegally acquired property. During the period under review, investigative journalists reported on the agency head's highly dubious practices (personal-property construction in violation of municipal regulations), who was then forced to resign as a result. Meanwhile, well-documented allegations of conflicts of interest and illicit enrichment through real-estate deals on the part of members of the governing elite, including the deputy chair of the senior ruling-coalition party and the minister of justice, were glossed over as two individuals were exonerated. No corruption charges were ever pursued, and the only consequences were ultimately political, as both individuals had to resign from their party and ministerial positions.

It is too early to comment on provisional changes made in 2021, but all members of the governing parties campaigned during the years on the ticket of "zero tolerance to corruption."

Some gains have been made, particularly with regard to access to information, the fact that the National Revenue Agency has publicly disclosed so-called tax beneficiaries, and the new provisions requiring government to inform the public of decisions being made. The restoration of the media's independence bodes well for future improvements.

It remains unclear, however, if reforms to public procurement processes and the judiciary will be introduced.

Citation:

Popova, M., V. Post (2018): Prosecuting high-level corruption in Eastern Europe., in: Communist and Post-Communist Studies 51(3), 231-244.

Good Governance

I. Executive Capacity

Strategic Capacity

Strategic
Planning
Score: 4

In Bulgaria, systematic strategic planning is considered most important with regard to meeting EU membership requirements and preparing strategies and programs within the EU framework. These include the convergence program, the reform program as a part of the European Union's 2020 strategy, and concrete strategical considerations in setting priorities for EU funds absorption. Under the macroeconomic imbalances procedure of the European Union, which categorizes Bulgaria as a country with imbalances, Bulgaria is obliged to integrate specific European Commission recommendations into the development of its policy strategies.

There are national strategies for security, energy, governance and the development of water resources, development of scientific research, Roma integration, physical education and sport. These strategies have been prepared in coordination with various ministries and on the basis of extensive discussions with the relevant expert communities. They are overseen by the line ministries and parliamentary committees responsible for these policy areas. Presently, the Council of Ministers' portal for public consultations lists 160 "active" strategic documents relating to the national level. More than 20 of them were updated or created in 2019, and six have a time horizon that extends beyond 2025.

The deadlines for hearing and adopting strategies expired at the end of 2020 and within the first three months of 2021. The new seven-year strategies are weak, as they do not provide robust assessments of the previous period's outcomes; the strategies are also overburdened by details that make it difficult to follow the trajectory of implementation; and, most importantly, they fail to evaluate which objectives have been met thus far and why.

To make matters worse, work on the strategies effectively came to a halt during the elections. The only strategic work performed by the caretaker governments has been on the Recovery and Resilience Plan, which was commented on by the European Commission in December. At the time of this writing (January 2022), the government is making amendments to the plan while other strategies have been put aside for the time being.

Citation:

Strategic documents at the national level (a list of documents in Bulgarian), available at: <http://strategy.bg/StrategicDocumentsHandler.ashx?lang=1&type=1>

Expert Advice
Score: 5

In Bulgaria, there are various ways to consult stakeholders and experts, including a special online portal at the Council of Ministers and more than 70 advisory councils. The government has also begun seeking out expertise by forming public councils linked to specific ministries. Representatives of academia and research institutes are traditionally included in the process on an ad hoc basis.

Apart from opinions for strategies in the fields of social inclusion, poverty, jobs and social policy, no other strategies received any attention in 2021. The three versions of the Recovery and Resilience Plan were widely discussed too, but very few promising proposals were taken by the government drafters.

Amendments to the state budget of 2021 and the provisional framework for the 2022 budget were also extensively discussed by the Fiscal Council and independent experts. There is currently little indication which suggestions will be included.

Citation:

Council of Ministers, public consultations portal: www.strategy.bg

Council of Ministers, advisory councils portal: saveti.government.bg

Interministerial Coordination

GO Expertise
Score: 4

The official government office in Bulgaria, the Administration of the Council of Ministers, plays a mainly administrative role. It prepares cabinet meetings, but has very limited capacity for in-depth evaluation of the policy content of line-ministry proposals. The prime minister's own political-cabinet staff is relatively small and has little expertise to evaluate the policy content of line-ministry proposals.

The 2021 elections changed the style in which coordination is conducted. Focused more on dialogue, coordination now involves more extensive public

hearings and the policies of the newly elected government are expected to draw upon unprecedented coalition agreement details.

Different ministries are chaired by different political parties. Political coordination is a task for the prime minister.

The circulation of draft bills and executive consultation is a fairly established process. The current Prime Minister's Office will potentially pay more attention to impact assessment procedures and summaries before publishing drafts for public discussion.

Line Ministries
Score: 6

Line ministries tend to prepare policy proposals independently and introduce them to the prime minister and the Council of Ministers when they are completed. The prime minister and the Administration of the Council of Ministers are consulted when proposals cross ministerial lines, or are incompatible with other proposed or existing legislation. Even in such cases, the involvement of the administration tends to focus mainly on technical and drafting issues and formal legal considerations. There are no official procedures for consulting the prime minister during the preparation of policy proposals. Since the Petkov government had split ministerial portfolios along political party lines, conflicting visions and policy designs soon became visible, especially between the ministries of economy, agriculture, regional development and social policy.

Cabinet
Committees
Score: 4

No cabinet or ministerial committees coordinate proposals for cabinet meetings in Bulgaria. There are many cross-cutting advisory councils that include several ministers or high-ranking representatives of different ministries and have some coordinating functions. These might thus be seen as functional equivalents to ministerial or cabinet committees. The role of the councils, which often feature rather broad membership, is quite limited in substantive terms. Inasmuch as there are individual members from various ministries who sit on a number of such committees, their personal involvement may ensure some level of coordination between proposals.

Formally and informally, in effect of the nature of the four-party coalition government, this tradition is subject to change, and to include more oversight on behalf of the ministers and the prime ministers.

Ministerial
Bureaucracy
Score: 4

Some coordination of policy proposals by ministry officials and civil servants takes place, but the relevant issues are usually resolved at the political level. Within the ministries, a departmentalist culture has prevailed, characterized by a high segmentation / insulation of ministries and little interministerial coordination on the level of senior civil servants.

The organizational structure of the December 2021 cabinet was intended to change this culture. One element of the new structure has been an intended

Informal
Coordination
Score: 5

closer oversight on the part of the prime minister and the finance minister, who is also a deputy prime minister.

Given the tendency of the Bulgarian political system to produce coalition governments, informal coordination mechanisms have played a vital role in interministerial coordination. The rules of coordination between government coalition parties or parties supporting the government are traditionally not communicated to the public. In 2019, informal coordination within the governing coalition was complicated by the fact that the junior partner, a coalition of three nationalistic parties, had de facto fallen apart, with its three leaders engaging in severe and public attacks on one another. This forced Prime Minister Borissov to rely on purely ad hoc tactics in every specific decision-making context.

Prime Minister Petkov has a similar style but his informal coordination is likely to be based on groups of experts with a European background, while the overall informality will be somewhat reduced by coalition partners' party bureaucracies and policy advisors

Digitalization for
Interministerial
Coordination
Score: 7

The 2014 – 2020 e-government strategy and the State e-Government Agency, established in 2016, aim to improve interministerial communication through the use of digital technologies. The necessary infrastructure for electronic document flows and communication between ministries exists and is increasingly used.

A minister of digitalization was created in 2021. The individual appointed to the position has experience working with the executive as a former advisor to the government. The section on digitalization within the Recovery and Resilience Plan is well written and the process seems to have the proper budgetary support.

Evidence-based Instruments

RIA Application
Score: 5

RIA practice in Bulgaria can be traced back to central planning practices that started in 1971. The respective law (on normative acts) remained in force until 2004, and a updated RIA procedures were added in 2007.

Changes in the legal framework for RIA in 2016 improved the quality of RIA. However, ministries still take a largely formal approach, and the level of understanding and experience on the part of ministerial experts responsible for preparing the assessments is improving but deficient.

Assessments for legislative proposals sponsored by individual members of parliament continued to be of poor quality until the end of 2020. The newly elected parliament amended its rules to include obligatory RIAs on individual

Quality of RIA
Process
Score: 5

members of parliament's draft bill, and this requirement is likely to work.

With the exception of the assessment of budgetary and environmental impacts of proposed legislation, RIAs are largely formal in nature. Once a proposed draft has entered the phase of public consultation, civil society and academic actors are able to offer their own assessments, which are subsequently filed with the proposal and made available to the public online.

The legal framework for impact assessments was reformed in 2016. The methodology used both for acts of parliament and Council of Ministers decisions has been completed and published. In 2018, 22 full assessments were performed for newly proposed laws in parliament, double the amount conducted in 2017. However, the overall number of full and partial assessments together decreased by 16% from 410 to 345 in 2018. The number declined by another 15% from 2019 to 2020. The 2020 IA Report concludes that this is the worst year since the first report in 2017.

The situation worsened further in 2018-2020, when roughly 50% of the bills were submitted to the legislature with no RIA summary, and 60% of the legislative act were amendments to already adopted laws.

The regulatory process did not improve in 2021.

Citation:

Administration of the Council of Ministers (2019): Impact assessment: annual report for 2018 (in Bulgarian). Sofia (<http://strategy.bg/FileHandler.ashx?fileId=16640>).

Administration of the Council of Ministers (2021): Impact assessment: annual report for 2020. <https://strategy.bg/Publications/View.aspx?lang=bg-BG&categoryId=&Id=330&y=&m=&d=>

Institute for Public Administration (2018): Methodology for ex ante impact assessment of normative acts and programs (in Bulgarian). Sofia (https://www.ipa.government.bg/sites/default/files/metodika_korektura_all.pdf).

Sustainability
Check
Score: 5

Most of the regulatory impact assessments in Bulgaria are merely formal, with the exception of those involving budgetary and environmental issues. Bulgaria has a Fiscal Council, which assesses the fiscal sustainability of proposed regulations and policies. Environmental checks focus mostly on issues of pollution and wilderness protection, and less on greenhouse gas emissions. Other economic and social impacts are generally addressed superficially, and the input of non-government actors in the public-consultation process, although formally sought, has little visible impact.

Sustainability checks and sunset procedures are required, but are formal in nature and are not carried out in practice.

Quality of Ex
Post Evaluation
Score: 3

The rules for impact assessments in Bulgaria established in 2016 require an ex post evaluation of policies and their effects within five years of their implementation. By the end of the review period in 2021, only two such evaluations had been published through the government's public-consultation portal.

In 2020-2021, the legislative process was often motivated by COVID-19 considerations and almost exclusively referred to the state of emergency situation. Ministerial executive orders were evaluated only by the next cabinet.

Societal Consultation

Public
Consultation
Score: 6

Various interests are generally represented and involved in consultations in Bulgaria's policymaking process. The National Council for Tripartite Cooperation, which includes representatives of the government, trade unions and employer associations, is traditionally integrated into many decisions. Over the years, this council has evolved into a major forum not only for advice and consultation, but also for the negotiation of various policies and the adoption of specific proposals that are later formally confirmed by the legislature. Other societal actors, including minority organizations, environmental and other interest groups are represented in the more than 70 advisory councils at different levels of government. In practice, however, their influence on decisions is limited. The legislative process also includes a period for public consultation on proposals, but this step is in many cases either too short to allow for in-depth analysis and discussion, or is simply skipped. An increasing number of government agencies are making their deliberations open to the general public as a default policy.

In 2021, the government substantially increased the number of consultations.

Policy Communication

Coherent
Communication
Score: 4

Government communication in Bulgaria exhibits a relatively low degree of coherence. The various ministries' communication activities are not centrally coordinated, so it is easy for the media to identify inconsistencies and contradictions in the information they release and the positions taken. This tends to be more pronounced under coalition governments in which the various ministries are headed by representatives of different parties.

Public announcements and communications were often intended to hide rather than highlight and explain the true intentions behind proposed regulations and policies.

The expansion of public decisions and hearings in 2021 and 2022 has been intended to improve communication. In some cases, these measures have achieved a better level of coherence in areas such as judicial reform. However, communication and arguments in the area of the 2022 state budget have been rather inconsistent.

Implementation

Government
Effectiveness
Score: 5

Bulgarian governments avoid setting policy-performance benchmarks that are available to the public. The main exceptions are within the area of macroeconomic policy, especially regarding the budget and compliance with the high-profile requirements of EU membership. While the government has succeeded in controlling the fiscal deficit and public debt, it has not been successful in its long-standing objective of joining the Schengen Area. It has been partially successful in the objective of exiting the EU's macroeconomic imbalances procedure, since these are no longer regarded as being excessive. Another important policy objective – integration into the euro area and the European banking union – has been furthered somewhat, with the government's negotiations with its EU partners successfully producing a clear roadmap outlining key measures to be introduced.

There have been several test cases in 2021 and 2022, the most important being the Recovery and Resilience Plan and the Plan to Join the Eurozone. In both instances, the new government demonstrated some capacity to work consistently in targeting its stated objectives.

Government-body budgeting in Bulgaria remains primarily based on historical expenditures, and does not involve programmatic elements, which would necessitate benchmarking and measurement.

The Borisov government and its two successive caretaker governments have failed to limit the powers of the prosecutor general, to depoliticize the Supreme Judicial Council and to effectively prosecute high-level political corruption.

Ministerial
Compliance
Score: 7

The prime minister does not have significant legal powers over the other ministers. The constitution defines the Council of Ministers as a collective body presided over by the prime minister. The position of the prime minister thus strongly depends on the officeholder's informal political authority and ability to appoint and dismiss deputy ministers.

The construction of the 2021 coalition government assigns a very substantial oversight role to the prime minister. The fact that the finance minister is a deputy prime minister also promises better coordination. At the time of this

Monitoring
Ministries
Score: 4

writing (January 2022), it remains unclear whether this new model will be implemented with success.

The Council of Ministers' administration typically lacks the capacity to monitor the implementation activities of the line ministries.

The 2021 government has announced that it plans to reduce the number of public servants by 8%, which is a potentially reachable but risky goal in terms of the administrative capacity to monitor ministries.

The chief secretary of the Council of Ministers' administration and the specialized directorates of the administration can exercise oversight of most of the line ministries' policy activities, especially in the areas financed through EU funds.

The chief secretary and the directorates also provide some administrative support to the prime minister and the head of his political cabinet, who exercise more direct control over the ministries on a political basis. The exercise of control tends to be informal, through the party apparatuses, and the strictness with which control is applied seems to be a function of the political context, especially under a coalition government.

Monitoring
Agencies,
Bureaucracies
Score: 4

Ministries' capacity to monitor the implementation activities of bureaucracies and executive agencies within their task areas is quite limited in institutional terms. For example, a serious shortcoming was revealed in 2019 with the Ministry of Finance's failure to monitor the revenue agency's implementation of personal-data protection policies. Insofar as monitoring takes place, it generally focuses only on high-priority areas (e.g., the absorption of EU funds), and tends to rely on informal rather than formal mechanisms.

Under coalition governments, monitoring is further limited by the practice of dividing government, bureaucratic and agency appointments between coalition partners. Consequently, ministers from one party are impeded from effectively monitoring agency heads from another party.

Task Funding
Score: 4

One of the promises of the governing coalition formed at the end of 2021 was that they would consider 2% of the 10% income taxes to remain at the disposal of the municipal government where the income was produced in the first place.

As of today, local governments in Bulgaria receive most of their revenues from the central government and have a very limited revenue base of their own. Municipalities receive funding from the central government in three ways: a portion of the revenues from some general taxes are designated for municipal budgets; the central government subsidizes municipal budgets; and the central government delegates some tasks (mostly responsibility for

managing schools and hospitals) to municipalities, transferring the associated financing to them (known as delegated budgets).

The National Association of Municipalities claims that the central government routinely leaves delegated functions underfunded. There have also been allegations that the central government favors municipalities headed by the parties governing at the national level.

Currently, all revenues, except for municipal taxes, are to be sent to the central government, which means mayors must request transfers. No changes are currently under discussion, as the reform mentioned above is intended to address the problem.

Constitutional
Discretion
Score: 4

Bulgaria is a unitary state with two levels of government – national and municipal. The constitution vests municipalities with a relatively broad set of powers and competencies, and the law generally respects this independence. However, in reality most Bulgarian municipalities are financially dependent on central government transfers, because their own revenue base is inadequate.

In 2016, the Ministry of Regional Development and Public Works adopted a new decentralization strategy for the next 10 years. Compared to its largely ineffective predecessor, it has a broader scope and covers not only fiscal matters, but the functions of different tiers of government as well. The strategy was accompanied by an implementation program for the 2016 – 2019 period. Its implementation was meant to be monitored by a newly created council on the decentralization of state government. However, this council has existed only on paper. No evaluation of the implementation program has been published thus far, and in 2021, no new implementation program for the coming years had been published.

The expiration of various municipal development in 2021 meant that new seven-year plans were to be drafted and adopted by the end of the year; this process is still underway.

Citation:

OECD (2021): Decentralisation and Regionalisation in Bulgaria, <https://doi.org/10.1787/b5ab8109-en>
<https://read.oecd.org/10.1787/b5ab8109-en?format=read#page17>

National
Standards
Score: 4

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

Effective
Regulatory
Enforcement
Score: 2

much lower standards than others. The extent to which different municipalities' regulations are compliant with regulatory standards set in national law also varies.

Government regulatory enforcement in Bulgaria is biased and uneven. On numerous occasions over recent years, government agencies have enforced regulations inconsistently for different actors, favoring specific vested interests and penalizing potential competitors to these vested interests. Examples include biases in the implementation of the competition-protection framework in banking and non-bank financial supervision, public procurement, post-privatization monitoring, and the energy and media sectors. In 2019, scandals involving prominent political figures' real-estate deals made it clear that building-permit regulations in Sofia are implemented very unevenly. In 2021, a non-competitive process for large procurement orders was applied; the investigation of cash payments totaling more than BGN 20 million are still underway.

In 2020, COVID-19 emergency regulations were enforced in certain localities and among specific ethnic groups, including Roma, in ways that blatantly violated privacy and other rights. The regulations themselves were of poor quality.

Adaptability

Domestic
Adaptability
Score: 6

The year 2021 is likely to mark some progress in domestic coordination, and in the coordination of the country's policy stance vis-a-vis North Macedonia's and Albania's accession to the European Union – a stance that remains difficult for EU outsiders to understand.

The diversity of opinions within the government regarding Russia complicates matters, as does the president's obvious intent to play a central role in international and NATO affairs.

EU and NATO membership imposes a clear necessity on the Bulgarian government to be able to respond to and adopt changes based on international and supranational developments. Beyond changes in recent years related to this, the primary governmental structures and their methods of operation have remained largely unchanged.

One area in which organizational changes related to supranational developments seem to be leading to improvement is the implementation of EU-funded programs and mechanisms; this is particularly evident in areas such as transportation and environmental-protection infrastructure, and less so with regard to agricultural subsidies and judicial reform.

In 2017, the government adapted to its upcoming presidency of the Council of the European Union by creating a Ministry of the Bulgarian Presidency. Its operation was deemed successful and by all standards it was a success, and at the end of 2018 the ministry was dissolved, indicating that the capacity to adapt to changing circumstances remained.

A next challenge will be the adaptation of government structures to upcoming changes in the EU funding framework, both in terms of EU earmarked revenues and post-COVID-19 recovery transfers.

International
Coordination
Score: 4

Government bodies in Bulgaria have the capacity to correspond and coordinate with international institutions, and to participate in international processes and initiatives. Yet Bulgaria is still primarily reactive in terms of international efforts to foster the provision of global public goods and its level of commitment to such causes remains relatively low. Factors contributing to this situation include insufficient capacity, political cautiousness with regard to international commitments and, recently, an increase in xenophobia as represented by portions of the governing coalition.

More often than not, Bulgaria tends to take part in international efforts but waits for the international community to formulate policies, set goals and benchmarks. It then does its best to implement those domestically. Inasmuch as there is coordination and assessment going on, it is for these reactive purposes.

In 2021, Bulgaria's position vis-à-vis North Macedonia resulted in an unintended form of self-isolation.

Organizational Reform

Self-monitoring
Score: 4

During the period under review, there were no formal ex ante mechanisms for monitoring whether institutional arrangements of governing are appropriate. Efforts to reflect on the structure of governance and institutional arrangements take place only after the fact, that is, when a problem becomes serious enough or a crisis emerges and are generally driven by public pressure or pressure from some other government body.

Coordination within the government and amendments to the parliamentary rules of procedure are likely to correct these deficiencies.

The governing coalition formed at the end of 2021 committed itself to reforming the anti-corruption agency. On January 14, 2022, the chairman of

the agency (the former prosecutor general) resigned, thus making way for a reform of this institution.

The improved access to public information and restored independence of the media are forcing the government to better organize the monitoring process.

Institutional
Reform
Score: 5

Bulgarian government bodies do have the capacity to reform, both in the case of reforms initiated from within and reforms originating externally. It is becoming customary for ministries to publish their medium-term plans as a part of the annual budget procedure. However, even when reforms in different spheres are seriously contemplated, reform proposals are still rarely connected with strategic thinking about changes in the institutional arrangements of governance.

II. Executive Accountability

Citizens' Participatory Competence

Political
Knowledge
Score: 5

The distribution of knowledge about government policies in Bulgaria is highly uneven. Citizens who are active, especially through participation in non-governmental organizations or grassroots activities, seem to have a very strong grasp of current policies in their sphere of interest. Businesses are also well informed of government policies concerning their field of operation. The general public, however, seems distrustful and uninterested. Citizens' knowledge of how the government is actually organized and works, the division of competencies and the way decision-making and implementation proceeds is also not high.

Open
Government
Score: 6

The Bulgarian government has adopted a policy of developing citizen access to government data through the establishment of an open data portal. As of late 2019, there were close to 10,000 datasets available, and constant updates take place. All datasets are downloadable in machine-ready format. The data portal provides citizens with a powerful tool for assessing government policies and holding the government accountable. Two major limitations remain, however. First, the supply of data, which would enable citizens to make a preliminary assessment of major government projects and plans, is relatively limited. Second, many datasets are difficult to interpret because of obscure and unclear methodologies.

The government response to the COVID-19 pandemic demonstrated an improved access to basic government information, especially with regard to its

provision of timely statistics. In addition, the government improved its efforts to communicate necessary public health information.

In 2021, the National Revenue Agency, the National Insurance Institute, the State Pension Fund and the Financial Supervision Commission broadened the access to information. Simplifications and user-friendliness remain an issue. Some segments of the needed information lag behind best practices, especially in terms of timeliness (e.g., government spending) but also content (e.g., inflation and information regarding ethnic backgrounds in labor market statistics and social inclusion-relevant issues).

Citation:
<https://opendata.government.bg/>

Legislative Actors' Resources

Parliamentary
Resources
Score: 4

The Bulgarian parliament has a budget that amounts to little more than 0.15% of national public spending. About three-quarters of the budget are used to pay the salaries members of parliament and their administrative staff. As a result, resources available to members of parliament for expert staff and independent research are very limited. This means that the capacity of the National Assembly to effectively assess and monitor the policies and activities of the executive is also limited. This limitation is not structural, since the Bulgarian parliament has full discretion over the central government budget and could secure the resources for enhanced monitoring.

After a period of restricted and to some extent biased dissemination of information to members of parliament, the 2021 election seems to have ushered in some improvements in this regard. In 2017-2020, budget funds were spent to renovate one of the buildings of the parliament, and resources have now been made available to hire more experts and technical staff.

Obtaining
Documents
Score: 7

Under the Rules of Organization and Procedure of the Bulgarian parliament, parliamentary committees can obtain any documents from any public or private person in the country. A chairperson of a standing committee is obliged to acquire such documents if one-third of the members of the committee ask for them. In practice, some documents are withheld from parliament with confidentiality or national security being cited as reasons for doing so. While parliamentary committees are entitled to handle classified information and documents, such a demand would require cumbersome formal procedures such as setting up a specific body to investigate the concrete issue, adopting respective rules and procedures, and ensuring confidentiality. The institution of "parliamentary questions" put to the executive also gives individual members of parliament access to the executive branch.

Summoning
Ministers
Score: 7

Representatives of the executive can delay the execution of these requests, because responsibilities are not clearly specified and sanctions are not defined. There have been numerous instances of such delays. However, parliamentary questions remain an effective and widely used (especially by the opposition) tool for parliamentarians to access government information.

Legally, parliamentary committees have the power to summon ministers and the prime minister, and under the Rules of Organization and Procedure of the Bulgarian parliament, these executive-branch figures are obliged to comply. When a minister or the prime minister is asked a parliamentary question, he or she has to respond in person in the National Assembly in due time. There is no penalty for non-compliance except the possible loss of reputation and political image. Members of the executive most often comply with summons from the parliament, but can afford to ignore such summons indefinitely.

Since the newly elected parliament has amended the rules, ministers are now summoned more often than before.

Summoning
Experts
Score: 10

Under the Rules of Organization and Procedure of the Bulgarian parliament, parliamentary committees are able to invite experts. This opportunity is available to deputies from the opposition as well. Experts are obliged to provide the committees with any information and documents that the latter require for their work. While experts cannot be obliged to attend the committee meetings, these invitations carry considerable prestige and an opportunity to have an input in the legislative process, thus providing incentive to respond promptly. Due to budget constraints, committees have to be selective, and cannot invite a broad range of experts; however, they use this opportunity regularly.

Task Area
Congruence
Score: 9

For the last several parliamentary terms, Bulgaria has maintained standing parliamentary committees that closely follow or effectively repeat the structure of the Council of Ministers.

Media

Media Reporting
Score: 4

High-quality journalism is secondary to the owners' respective business interests in print media. However, high-quality investigative journalism and political commentary remained available in print, electronic and online media.

This seemingly small number of media outlets, which are subject to restrictions and at times oppressed, successfully changed public opinion in 2020 by providing timely information on the government's and prosecutor general's actions, thereby fueling the public discontent that eventually brought about political change.

Before 2021, most major media organizations tended to frame government decisions in terms of personalized power politics. They elicited comments from politicians only, which diverted attention away from independent opinion and the substance of policy toward entertainment or sensationalism. There was little coverage of the preparatory stages of policy decisions. When coverage began, basic information about a given decision or policy was provided, but typically without any deep analysis of its substance and societal relevance. In some cases in 2020, outlets were actively pressured not to cover substantive issues; in one particularly egregious example, one of the national radio service's stations was taken off the air for several hours with the aim of preventing a well-known journalist from asking questions and analyzing the ongoing process of selecting the new prosecutor general.

Media coverage of COVID-19 issues was atrocious and contributed to Bulgaria's failed vaccination campaign. Mainstream media regularly invited and left unchallenged numerous speakers who peddled fake news and misinformation. Reporting on civil rights also does not meet high ethical standards. In many cases, NGO representatives have in the past been invited to discuss issues together with politicians from the far right who are then allowed to verbally attack the opponent. Citing the need to represent "both sides," journalists have tolerated this kind of approach.

These kinds of things are on the decline thanks to the 2021 elections, improved pluralism and the new governing coalition that has replaced a government dominated by a single party.

The number of online media outlets is increasing, and their importance is growing. These outlets offer coverage of policy decisions that is in some cases timelier and provides more in-depth reporting on topical issues. The investigative reporting provided by the Radio Free Europe outlet for Bulgaria reestablished online in 2019 had an immediate impact on the two most serious corruption scandals of that year – the real-estate dealings of high-level officials and the violation of municipal construction regulations by the head of the anti-corruption agency.

Parties and Interest Associations

Bulgaria's heretofore unprecedented four-party coalition, which was formed after two general elections, amid a pandemic and after two weeks of intensive but broadcasted deliberation, shook up the country's political establishment.

The election delivered an important lesson: whereas no parliamentary group in the May-June parliament was prepared to enter into a coalition with GERB as the largest party, and the lead party (There is Such a People, ITN) of the July-October parliament did not want to cooperate with any other party, the spirit of cooperation – despite the various cleavages – prevailed in the parliament elected in November. ITN’s leader, Slavi Trifonov, has not held a public office and did not run for election in 2021.

In this respect, ITN resembles the Movement for Rights and Freedoms party (DPS), whose honorable chairperson, Ahmed Dogan, designs and/or approves the decisions made in the party. More of an electoral alliance than party per se, We Continue the Change (PP) has scheduled party-building events for the early part of spring 2022

Democratic Bulgaria is a classical liberal coalition involving a substantial Green presence. Decisions are made by the bodies of the three parties and then discussed by a coordinating body guided by the three leaders.

The Bulgarian Socialist Party (BSP) is the oldest political party in parliament. Having suffered several splits in 2020 and 2021, the party is now united around its leader, Korneliya Ninova, who is also minister of the economy and industry and deputy prime minister.

This parliament consists of seven relatively small parliamentary groups, opposition or coalition partners, each of which have little choice but to be inclusive and maintain a spirit of dialogue. The only exception is the newly elected Revival – a radical, extremist party that opposes COVID-19 policies, the planned adoption of the euro, and Bulgaria’s membership in NATO and EU. Revival advocates establishing closer ties with Russia and threatens to bring about a revolutionary occupation of parliament and overthrow of the government if other parties do not agree with their demands.

Irrespective of changes at the helm of the party and its parliamentary group, GERB remains a leader-centered party. Boyko Borisov holds a position similar to that of Ahmed Dogan, but is also the most frequent public representative of GERB. In short, six of the seven parliamentary groups in parliament are leader-centered.

Association
Competence
(Employers &
Unions)
Score: 6

The capacity of the major employers’ and business associations to make policy proposals is relatively well developed. These bodies can influence and propose policies in at least three ways: first, through their participation in the National Council for Tripartite Cooperation; second, through various EU-funded projects aimed at improving competitiveness and the business environment; and third, through their own capacity to perform research, formulate proposals and initiate public debates. All major associations were relatively active in this

regard throughout the period in review. They also cooperate with academic institutions and scholars, think tanks and other interest groups.

In Bulgaria there are two trade union confederations, both represented in the National Council for Tripartite Cooperation. In contrast to the employers' associations, the unions rely more heavily on their internal expertise in drafting and promoting proposals, cooperating comparatively less with academia and external scholars. Most reports and proposals drafted by the trade unions go beyond labor relations, and relate to taxation, transfers, foreign investors and other political issues.

Association
Competence
(Others)
Score: 4

The most active noneconomic interest groups in Bulgaria are largely engaged in four fields: education (especially parents' associations), health (patients' organizations), minorities and the environment. While there are many associations, which often act in accord, they seem more activist than analytical in their efforts. Their proposals are rarely accompanied by attempts to encompass the relevant issues fully, assess potential impacts comprehensively, or argue in favor of or against specific proposals on analytical grounds. The religious communities in Bulgaria have their channels of political influence, but are not broadly active in the public sphere.

Independent Supervisory Bodies

Audit Office
Score: 8

The Audit Office underwent complete overhauls in both 2014 and 2015 due to the adoption, in both years, of completely new Audit Office Acts, each of which involved a full restructuring of the office's governance architecture. In both cases, the new laws served as an excuse for the early termination of the mandates of the existing Audit Office leadership. While the present governance structure, established with the act of 2015, has made the office more professional than in the past, the repeated changes have undermined the independence and credibility of the Audit Office.

Since 2015, the Audit Office has performed its tasks in a clear and professional manner with a high degree of openness and has made its findings available to the general public. Under the present framework, the Audit Office's capacity to contribute to the improvement of the effectiveness of government expenditures and assessment of the overall impact of different policies remains severely underutilized. Its effectiveness has also suffered from the fact that it is not vested with sufficient powers to act based on its findings. Such powers have been reserved for government bodies with dubious reputations, such as the prosecutor general or the anti-corruption agency.

Ombuds Office
Score: 8

There is a national ombuds office (the Ombudsperson of the Republic of Bulgaria), which is not part of parliament, but is elected by parliament for a five-year period. The Ombudsperson is independent in his/her activities and is

subject only to the constitution, laws and international treaties adopted by Bulgaria. Other than putting arguments to the relevant administrative body and making its opinion public, however, the office has no formal powers.

The ombuds office's reports indicate an increase in the number of citizens contacting the office and the number of formal complaints filed with the office over recent years. Over the last four years, Ombudsperson Maya Manolova has been very publicly active, significantly raising the office's profile and degree of public recognition. However, Manolova resigned in September 2019, a year before the end of her term, to run for mayor of Sofia. Thus, parliament will have to elect a new ombudsperson.

Manolova used the ombuds office to boost her career and, after the municipal elections, joined the protest wave of 2020 and established a party to fight corruption. Her party participated in all of the elections held in 2021, but it failed to pass the 4% threshold in November. Her former deputy, Diana Kovacheva, was elected to her post by the pre-2021 parliamentary majority, but has not been a member of GERB or its then-coalition partner, the United Patriots party.

Data Protection
Authority
Score: 5

The Personal Data Protection Commission was established in 2002. Bulgarian legislation treats personal-data administrators from the public and the private sectors similarly, and the commission has equal powers with respect to both. The commission can regulate the implementation of the law, review personal-data administrators' activities, provide critical assessments, propose changes and, in the event of infringements, temporarily suspend administrator's privileges. It can also be addressed by citizens with complaints about infringements of personal-data rights by government and private bodies.

While the competencies of the commission are thus relatively broad, it has limited resources in terms of funding and staff. The massive data breach experienced by the National Revenue Agency, which affected as many as half of the country's citizens and was revealed in July 2019, revealed severe limitations in government agencies' ability to protect personal data, while additionally exposing the ineffective nature of the commission's oversight.

A similar data breach took place in 2020 that involved tens of thousands of bank accounts at Bulgaria's largest retail bank.

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