



Political Systems

POLB 415

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**GLOBAL, EUROPEAN AND REGIONAL
CHALLENGES & OPPORTUNITIES FOR
BULGARIA – 3 PART ESSAY**

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**ARE STATES ABLE TO MANAGE THE
INCREASING NUMBER AND SCALE OF
GLOBAL PROBLEMS? WHAT ARE THE
ALTERNATIVES?**

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First of all, the globalisation is not the disease, it is the medicine. If we are to seek for an enemy, it should be seen in the human progress itself and in the shortage of professional and managerial capabilities to cope with it along the way. This is what the globalisation intends to give to us – and informational, more solidarity and specialized society, if we are to benefit together from it, rather than to spoil it.

The problems cannot be described as increasing in numbers or scale. We are just getting more and more sensitive on those issues that in the past had only been coped superficially and without in-depth analyzes. The only dimension that we have an increase in, is the ‘speed’ of their formation, development and conclusion. And the conclusion is the part of that process that we should focus on nowadays – the way we handle those circulating problems if we are to understand them and overcome them.

All of that can still be achieved on a national - on a state level, even in a globalising world, unfortunately enough for the fantasists or the false prophets in the areas of Economics and Politics. Actually it can be achieved so, not despite of, but thanks to the globalising world. Because globalisation can and should bring the nations, finances, economies, people closer together, without destroying their personal integrities and autonomy. And maybe the best example is one of the most disputable – the European Union.

For example, the problem with carrying out the administrative reforms needed to freshen-up the Bulgarian state after the post-communistic years was that they were not based on European law or the experience of previous enlargements of the European Union. This meant that Bulgaria had to set its own now-how, how to make the transition on an institution-building level. Lack of clarity and the frequent ad-hoc changes in the priorities created a problem for governments trying to assess progress in this area.

This only comes to show us that the State is capable of overpassing any problem of the globalising society, not as a function of the globalisation itself, but as a growth and development issue, with the support of the global society, in our case – the European one, and even more –relying on specific time-tasted methods for problems-coping and common policies on those issues. But that does not mean that the problems are coped on a base, different than the national one. It means that there is a common will, a sub-national or international one, to handle a specific situation, which successful ending depends on two closely connected and most of all - equally existing stages of action:

- the clear rules and procedures inside the community

- and the personal will and effective implementation on a state level.

And another example from the public administration. It is a mandatory requirement for the member - candidate States of the European Union to have mechanisms for practical implementation of European Union policy in their countries. To make this happen, their administration should work with European norms and standards of good public administration. Still no European laws to standardize the functions, mechanisms and structures work in the field of public administration. It is believed that the administration of the European Union will develop as a chain of national administrations. But notice – a chain, not a pyramid or another hierarchical structure! The new European area more clearly establishes the so called "European administrative space". It includes the national administrative systems of the member - states. All member states are free to organize the institutional building of their own public administrations, but they must ensure the performance of the European Community and to achieve the results set by the European Parliament through general administrative standards. In other words - 'Reformed and United in diversity'.

Now, with the Lisbon treaty in action, the boundaries between what is decided at European level and at national level have been more clearly delineated, thus bringing balance between the EU interest and the national ones. Issues that the nations are better equipped to handle themselves - like education and housing policy – are to be dealt in the future with in the European nations. In the area of family law, for example, European policy can only be made by majority vote if all the member states, including their parliaments, agree to this. The rights of member-country citizens are now protected from any infringement by the European Union. Furthermore, the national parliaments are to play a greater role. If several countries have problems with EU plans, their parliaments can prevent the plans from being carried out. National parliaments will also have more time to determine whether a proposal is on a subject that is more suited to the EU or to individual countries with the Lisbon treaty already in work.

The agreement on the Lisbon treaty brought a long period of debate on the 'fall' of the State as a political formation to a close. But in the end, Europe has emerged stronger. There was a lot at stake for all the member states. For the EU, it's time to stop talking about rules and procedures, and get down to work. If we take the ongoing crises for example of such work, the principles for coping the problems remain still the same. Key factors in restoring confidence are the stricter rules, more supervision and stronger institutions, especially in the financial sector, but rules alone are not enough. What we need above all is responsible behaviour on a state level, based on shared principles and standards.

**HOW HAS MEMBERSHIP OF THE EU
CHANGED THE NATURE OF THE STATE
AND THE ROLE OF THE STATE IN
BULGARIA?**

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The management of the European Union in the period of extension, as it was in the last few years, was characterized by strong asymmetry and conditionality. The system of criteria and conditions of the European Union, introduced in Copenhagen in 1993 and developed over the next years, aimed to ensure that the new members, such as Bulgaria, shall become part of the Union in its dimensions of democratic system of governance.

The decisions of the European Council in Madrid from 1995 first formulated the so-called. "Administrative criteria", which Bulgaria had to meet. In this context, the administrative capacity and the institution-building have become a priority of Bulgaria's preparations for accession to the European Union and present now-a-days one of the greatest changes that the state has overpass.

The "Decision of Copenhagen" states that countries must have stable government institutions, guaranteeing democracy, human rights, justice, respect and protection of minorities, which by itself is a needed but not enough to secure the role of the state in Bulgaria as a democratic one. In this aspect, it can be outlined that keeping in mind the membership-criteria for a change to be achieved is one thing, but securing a continuous observation over it, with sanctions when and where necessary, is vital.

Bulgaria had to meet different requirements for administrative reforms in order to be part of the European Union and thus change the nature of the state:

- Strengthening democratic control over public administration with a view to increasing its accountability to democratically elected bodies and civil society;
- Decentralization of the existing bureaucratic apparatus in order to approach its citizens;
- Bringing the administration's activities in full compliance with the law;
- Increase public workers' efficiency and flexibility of administration;
- Ensuring the stability, reliability and continuity in the administrative system.
- Proportional reduction of state administration;
- Building a strong, competitive and accountable administration.

The success of the reform in the pre-European period of Bulgarian public administration depended mainly on the legislative minimum, the political will and the broad public support to carry out the conditions for successful state reform. Three certain conditions that we, as Bulgarians, cannot deny that failed to achieve in the best way, and not only because of our politicians, but because of our civil standing in this period, as a nation.

Yet, there are other areas where the preparation of the Bulgarian administration for the European administrative space gave some good or adequate results in the last 2 or 3 years, depending on the political will to support them:

- Conducting horizontal administrative reform to improve the overall quality of public service in all public spheres. Civil service was to be implemented on the principle of career-development, supported by appropriate legislative framework to protect civil servants from political interference, known from the rising years of democracy in Bulgaria, which is essential, especially for students of Public administration as us, that shall work one day in the Governance sector.
- Conducting vertical administrative reform to create institutions and facilitate the implementation of European law in various sectors of government.
- Establishing mechanisms for coordination with European institutions that upgrade the native ones and thus guaranteeing the Bulgarian citizen that if he is not happy with the way the country spends his money or how he is being treated by the public institutions or by the judiciary, he has a further step-beyond where to seek his rights or what he thinks is right.

The purpose of all those requirements for administrative capacity was to establish a state and state institutions able to benefit from the structural funds as a primary source of financial and infrastructural benefits from the membership of Bulgaria in the EU, apart from the processes of accompanying changes themselves. Capacity, linked with a judicial reform and the adoption of anti-corruption strategies. A bond that was broken, unfortunately... Because of that now we are not able to see, and if we see - to feel the changes in the nature and role of the state in our everyday life.

Apart from those short-term shortcomings, the foundations have been laid for one modern and prosperous state, where the young people can handle with and probably lead to a good outcome what their managerial predecessors failed to do in the aspect of Bulgaria's Europeanization.

**WHAT DO YOU THINK IS AN
APPROPRIATE REGIONAL ROLE, AND
WHY, FOR THE BULGARIAN STATE?**

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By mentioning the role of Bulgaria on a regional level, I can hardly speak for any strong political or other significant role of influence, different than the potential economical capabilities.

In order to try to estimate such chances, we need to make an in-depth analyze of the present situation and the crashes of the sustainable economical growth that Bulgaria had in the past several years and point our directions for a future economical expansion of the influence of Bulgaria as a regional key-player.

Due to the relative backwardness in the country's banking system, the small space the complex financial instruments and capital investments occupied, the retained surplus and the large fiscal reserve, Bulgaria was not affected so severely the first wave - the financial crisis, but problems soon came to the direction from the real economy (without a question, after being open and endlessly linked to the foreign one) to the financial sector.

In Bulgaria, the strongest blow came from construction (though today many other sectors, especially heavy industry are no less affected due to lack of markets). However, development of construction and real estate market can not be banned as a "universal sin" of the Bulgarian economy, as the economy itself was driven over the past few years by the construction and housing business, connected also with the expansion of the tourism sector. The tourism was the other big disappointment of Bulgaria. Its growth oriented many people in seeking success there, but its fall, best impersonated by the resorts' construction balloon, left many on the streets, literally.

Of course it contributed to a poor liquidity, which chased the banks thanks to the reckless loan policies and which could have been overcome with more stringent controls. On the other hand all these lessons had to appear to be tested in practice in order to be learned.

This raises the question "Where from now on?" Not to mention that the crises erased even the slightest ideas for development of Bulgaria as a regional energy key player – an idea that once was supposed to be realistic.

Surely sectors such as information technology, new energy sources, nanotechnology and the environment offer many opportunities for Bulgaria in a regional aspect. It is enough to give for an example the hundreds of new companies that have emerged only in recent years in the IT sector in Bulgaria, to outline the potential that this sector has to create jobs and generate revenue in the budget. Developers of ERP systems, telecommunication software, systems integrators, web design, online media, computer- assemblers and LAN providers succeed to develop despite the pessimistic claims and expectations in

Bulgarian society concerning private initiative and its success. For example we can take the Bulgarian hi-tech company 'Telerik' that is one of the biggest in the world of its kind. The truth is that Bulgaria has not yet shown, and half of its potential in the field of information technology and might one day turn into a regional leader.

It is for sure that one of the key aspects of the new economy will be creation of more specific products meeting the specific needs of individual customers at the expense of traditional mass production of millions of identical copies and Bulgaria surely has to have this in mind. Consumers today are more critical than ever to companies, and the young generation more broadly seeks for goods, expressing the uniqueness of its owner. Which means that a successful company in the future will have to meet this need in a greater degree.

According to the futurist Alvin Toffler and his book "The Third Wave", humanity since now has experienced two radical economic changes - the first is related to agriculture and the second - with industrial society, which appears in the so-called Western Europe. "Industrial revolution" is today the leading form of social organization in the world. Characteristic of industrial society, as the writer claims is the mass production, mass distribution of wealth, mass education, mass distribution of information, nature of mass entertainment, and even WMD. He believes that with the transition to third wave this mass character will disappear from many aspects of our lives and will be replaced by more varied forms of communication, education and enjoyment consistent with the unique desires of individuals.

If indeed the third wave may be defined as an information age, it seems that today we are exactly in transition to it. And the economic crisis that we are witnessing, is perhaps part of the turmoil that accompany this transition. And Bulgaria is not an exception.

In this aspect of changes, another important trend we observe now is increasingly global nature of business. Customers are shopping on the Internet today from shops located at the other end of the world, suppliers become global companies for a second in the global network if they set the appropriate technologies for electronic trade. Even companies that do not want to take the international expansion, practically compete with foreign players in their own domestic market. Indeed, the most tangible proof that today the world has become smaller than ever, is the financial crisis, which allowed hundreds of companies in Bulgaria to experience difficulties due to the risk taken by some totally distant financial corporations in the U.S.

As stated in the movie, however: "The world is big and salvation lurks on every side." If our Bulgarian economic elite, ranging from graduate students to ministers return to the knowledge of basic micro and macroeconomic dependencies and variables such as income, consumption, savings, investments, money and interest, rather than ignore them on behalf of confusing and complicated financial instruments, engineering techniques and others, we have some pretty good chance to get back on track, because knowledge and information will become the key success factors of a company or a national economy as well as key indicators for its prosperity. This is what the Bulgarian state can invest in and rely on as a regional actor. And you know how the saying goes – "Think globally, act locally".