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Analyses









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Political Parties Development in Bulgaria

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- The economic crisis is the major challenge currently facing the GERB Party. The economic crisis in Bulgaria is becoming increasingly more tangible, and at the same time what has been observed is the lack of a lucid strategy and respective program for taking the country out of it, coupled with visible inconsistencies in the process of decision-making to this effect.
- Over the past first quarter of the year, the pollsters have recorded the first ever more sizeable decline of the electoral support, which the GERB Party has enjoyed thus far. Nonetheless, the governing party continues to be the uncontested leader in all electoral ratings, and the personal rating of Prime Minister Boiko Borissov remains at a sufficiently high level. The principal reason underlying the high confidence rating of the incumbent government is the success it has been scoring in the combat against organized crime.
- The electoral support for the BSP remains low. The results of the opinion poll surveys have been quite indicative in this respect. The internal party differences among the various leader groups remain unresolved and it is easy to foresee that these differences will continue to tear the party apart in the near future as well. This has an adverse impact on the overall development of the party and on its role of a viable opposition force as well.





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1. The Political Situation

The political situation over the first quarter of 2010 was especially dynamic and laden with various political events. The failed nomination for the then Bulgarian Minister of Foreign Affairs, Roumyana Zheleva, who missed her chance to be approved for the post of European Commissioner by the European Parliament, produced grave political and public reverberations. This actually was the first notable political failure of the GERB government and brought about serious discussions within the European institutions themselves. Zheleva was involved in a conflict of interest public row alleging that during her term of office as an MEP between 2007 and 2009 she had a stake in a company, which she had failed to mention in the declaration about her personal property and financial status.

Zheleva made an exceedingly poor performance before the Hearing Committee of the European Parliament and this assessment was shared even by the governing majority at the Bulgarian Parliament. Yet, Prime Minister Borissov spoke in her defense and accused the BSP and NMSP for the failure of her nomination, because it was representatives of these two parties that made public the information about the alleged conflict of interests.

The issue connected with Roumyana Zheleva's failed nomination for a European Commissioner resounded with broad political reverberations within the European Union, too. The European People's Party (EPP) officially came up in Zheleva's defense, owing to the fact that shortly be-

fore the hearings she was elected Deputy Chairperson of the EPP. The representatives of the socialists, the liberals, and the green party environmentalists at the European Parliament, however, took the categorical stance that Zheleva performed below the required standard and failed to qualify for the post of a European Commissioner.

Given the tense situation of a standoff among the major factions at the European Parliament, the only possible option was for Zheleva's nomination to be withdrawn and for the Bulgarian government to come up with a brand new nomination. After a long delay and pressed by the circumstances, Zheleva withdrew her nomination herself and handed in her resignation from the post of Minister of Foreign Affairs of the Republic of Bulgaria.

Prime Minister Boiko Borissov tabled a motion for the acceptance of a new nomination for European Commissioner from the Bulgarian quota, the new nominee being a high ranking official from the World Bank. Her name is Christalina Georgieva and she enjoys a long-standing and impeccable international reputation in the area of economics, a testimony to which is her post of Vice President and Corporate Secretary of this renowned international institution. This nomination was accepted exceedingly well not only in Bulgaria, but also in the European Commission and the European Union at large. Christalina Georgieva made an excellent presentation at the hearing before the respective parliamentary committee and only days later she was elected to the post of European Commissioner for International Cooperation, Humanitarian Aid, and Crisis Response.

Having accepted Roumyana Zheleva's resignation in her capacity of Minister of Foreign Affairs. Premier Boiko Borissov carried out some re-shuffles in his Cabinet. The Minister of Defense, Nikolai Mladenov, was re-assigned to the post of a new Minister of Foreign Affairs, while his now vacant post was filled in by his former deputy - General Anyu Angelov. The two replacements were given broad support at the National Assembly. The general assessment is that the two newly-elected ministers have been a felicitous and strong decision on the part of Prime Minister Borissov. Nikolai Mladenov is a young politician of a serious international experience and avails of an excellent reputation. Anyu Angelov is an officer of the reserve who has excellent knowledge of the situation at the Ministry of Defense and the problems of the Bulgarian Army at large. These Cabinet re-shuffles prevented a government crisis, which might have materialized, had the decision about 7heleva's release been unduly delayed, as she no longer enjoyed the necessary political legitimacy not only in the country, but among Bulgaria's European partners as well.

At the end of March, Prime Minister Borissov tabled a motion for a structural amendment to the make-up of the Council of Ministers. His proposal was for a Minister entrusted with the management of the European funds to be elected. The new Euro-funds Minister is Tomislav Donchev, who thus far has been Mayor of the town of Gabrovo elected on the

GERB party slate. Donchev will not have a ministry of his own, but will rather be responsible for the coordination of the way in which the other ministries manage the European funds extended to their particular areas of the economy.

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Borissov motivated his motion for a Minister responsible for the management of European funds with the need for their higher rate of appropriation, because this task precisely was among the major priorities declared by his Cabinet. The BSP abstained at the parliamentary voting procedure for the new Deputy Prime Minister. The BSP leader, Sergei Stanishev, expressed his inability to comprehend the reason why Prime Minister Borissov had to amend his stance from a few months earlier, when during the formation of the then new Cabinet GERB refused to appoint such a Minister. Stanishev reminded the MPs that his own Council of Ministers had appointed such a Euro-fund Minister and this appointment was successfully filled in by the former Ambassador to Germany, Meglena Plugchieva.

The past quarter, too, saw the government work hard on its most significant pre-election commitment – combating corruption and organized crime. The police managed to uncover and detain a gang involved with numerous cases of kidnapping, which over the past few years has been instilling genuine fear among society at large. Besides, another gang suspected of having committed a series of highway robberies was also detained.

An event, which provoked serious public reverberations, was the arrest of Alexei



Petrov, who until recently was employed as an expert at the Bulgarian National Security Agency. Apart from being an expert in the area of public security, Petrov is also widely known as a businessman and owner of the Lev Ins Insurance Company and Managing Director of the Union for Economic Enterprise. The charge brought up against Alexei Petrov was connected with the organization of a criminal group dealing with extortion, blackmail, and money laundering. Several other people were detained along with Alexei Petrov, but most of them were released on bail on the motive that insufficient evidence has been collected for their complicity in the said criminal group. Alexei Petrov, however, was refused release and currently remains in pre-trial detention.

Another event of considerable significance concerns the two charges brought up by the Prosecutor's Office against the former Minister of Labor and Social Policy, Emilia Maslarova, who - at the time being – is an MP from Coalition for Bulgaria. Maslarova has been charged with abuse of public office and embezzlement of especially large sums of money after the renovation of the social welfare home in the town of Stara Zagora. According to the expert assessment ordered by the Prosecutor's Office, the construction and assembly work awarded to the contracting company has incurred damages and losses to the Bulgarian state to the tune of BGN 11 million. According to the prosecution, a portion of this sum has been deviated by means of fraudulent protocols for repair works and the money has flown into the companies of Ventzislav Draganov – the man with whom Maslarova has been living on family terms. Charges have been brought up against Draganov as well, and a remand measure was imposed on Maslarova in the form a pecuniary guarantee.

The law-court pronounced the first sentencing verdict of a person from the top echelons of power. The former director of the State Agrarian Fund, Assen Droumev, was sentenced to four years of imprisonment for abuses committed in the disbursement of funds from the preaccession SAPARD Program of the European Union. At the same time, another closely monitored key law-suit for draining money from the EU SAPARD Program, i.e. the criminal proceedings against businessmen Mario Nickolov and Lyudmil Stoikov, had to be granted continuance for a yet another time. Finally, on the 29th of March, the court voiced its decision, whereby Lyudmil Stoikov was exonerated from all charges against him, whereas Mario Nickolov and his wife Mariana were found guilty and sentenced to 10 and 8 years of imprisonment respectively. These sentences, however, will be pending on the ultimate decision of the higher instance court – the court of final appeal.

The economic crisis is another major factor, which has had an especially strong impact on the development of the economic situation in the country over the first three months of the current year. The crisis in Bulgaria is becoming increasingly more tangible and the proof to this effect lies in the levels of the major economic indicators measured in the country. For the

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first two months Bulgaria has been running budget deficits and the explanation of the government about this situation is the Cabinet's willingness to pay back its debts to business entities throughout the country. The government is one of the largest debtors to business and the delayed payments due are an additional factor aggravating the economic difficulties experienced by the Bulgarian business entities. The internal debt in the country runs to a significant amount, which is a disturbing signal for the capacity of small- and medium-size companies to function. Business failures continue to be a frequent phenomenon. Another major indicator, such as the unemployment rate, has been rising and official data show that it exceeds 10 percent as of the middle of February. The trend and forecasts are for a further rise during the coming months.

This is the reason why the economic crisis has become one of the major challenges the GERB government is currently facing. What has been observed, however, is the lack of a lucid strategy and inconsistency in the government's decision-making process. Thus for instance, the implementation of the reforms announced some time ago has been unduly delayed. Under the impact of public opinion, Prime Minister Borissov has changed his initial idea about the pension reform and the further increase of the retirement age, calling it off in practice. The health care reform has been far too slow to take place as well.

The inconsistency of the government with respect to pinpointing the necessary measures, capable of countering the economic crisis, became particularly evident when a decision was made for the healthcare insurance contribution to be lifted by 2 percent to the purpose of raising the BGN 300 million, which could make up for the deficit that the Health Insurance Fund is currently running. This measure was qualified as a move, which would encumber business and would bring about tax evasion and new business failures. This decision of the government lasted only two weeks and was succeeded by another idea on the part of the Minister of Finance, Simeon Dyankov, namely for the civil servants to start paying their own health-care insurance and pension contributions, which thus far have been paid by the state (i.e. by the government budget). This provoked protest actions in the ranks of the police, the military, and the civil service, which made the government give up this idea as well. The Minister of Labor and Social Policy, Totyu Mladenov, launched the idea about the revocation of the flat tax rate, which in the conditions of an economic crisis would be lethal for business. The government nonetheless declared that the flat tax rate would be preserved and would not be touched in the foreseeable future. Another anti-crisis measure launched by the government was the idea to raise the value-added tax (VAT) from 20 to 22 percent for the duration of one calendar year. At an ad-hoc meeting at the end of March, however, the Council of Ministers eventually gave up this idea, for the time being at least.

All this indicates that the government is lacking a clear vision about the way in



which the country can be pulled out of the economic crisis and is acting hectically and erratically, taking into account every turn and twist of the attitudes voiced by the public opinion. This manner of functioning prevents the government from accomplishing the needed reforms and runs the risk of deepening the economic crisis even further.

And yet, after an almost two-week and fifty-hour long session of the National Tri-partite Council with the participation of representatives of business, the trade unions, and the government, which was held over the second half of March, agreement was reached on a number of anticrisis measures, 60 altogether, following a tense but productive time of negotiations and deliberations. On the very next day the 31st of March, the Cabinet approved them, hoping that their actual implementation will help to fill in the billion and a half budget deficit as it currently stands. Now it is the turn of Parliament to translate these measures into respective Draft Bills. The Prime Minister, however, stated that should these measures prove insufficient to make up for the budget deficit, he would raise the VAT without hesitation and any further consultations.

One of the anti-crisis measures, which the government is about to implement following the above said tri-partite council meeting, is the sale of the minority state-owned stakes, which it holds in various business entities. The minority stakes will be listed and offered for sale at the Bulgarian Stock Exchange. Another such measure is the sale of state-owned land, and a yet another one is the sale of Kyoto Protocol rights to carbon dioxide emissions to the tune of USD 300 thousand. What has also been considered is the issue of EURO denominated government bonds, which the banks are said to be willing to purchase. Other measures proposed by the government will be a 10 percent cut of government expenditures and a "luxury" tax on real estate, the tax assessment of which exceeds BGN 300 000, and on vehicles, the tax assessment of which exceeds BGN 70 000.

What seemed to be a subject mater that would continue to be topical over the next few months was the decision of the governing majority to launch a procedure for the impeachment of President Georgi Parvanov. The occasion that brought about this decision was a conversation between President Parvanov and the Minister of Finance, Simeon Dyankov, held at the Presidency, after which the President published the shorthand record of this conversation without the knowledge of the Minister. The meeting between them was arranged on the request of the Prime Minister, the purpose being to smooth out the row, which flared up between Parvanov and Dyankov following an appearance of the latter in a live TV talk show, where Dyankov had allegedly offended the President.

Despite the fact that in the opinion of experts on constitutional law there are no serious legal arguments in the motion demanding the impeachment of the President, GERB's initiative was given the support of the Blue Coalition, the Attack Party and the now independent OLJ MPs. The hypothetical situation at that point in

time was as follows: should the National

Assembly vote by a two third qualified majority for the motion tabled to impeach the the refuse

President, legal proceedings would be held at the Constitutional Court, which is the only legitimate institution in the country eligible to make a final decision to this effect.

President Parvanov reacted with a declaration that in the conditions of a rampant economic crisis Bulgaria needed no conflicts among its institutions and that all their efforts should rather be focused precisely on the ways of overcoming the crisis. He underlined that the impeachment procedure did not worry him because he had never infringed the Constitution. In the opinion of the President, making recordings and taking shorthand records of the conversations held is a regular practice not only at the Presidency, but at all of the rest of the Bulgarian governmental institutions. Parvanov motivated the publication of the shorthand record of his conversation with Minister Dyankov on the website of the Presidency with his willingness to stop the speculations concerning the row between the two of them.

In the meantime, the OLJ MPs refused to back up the impeachment motion and eventually the intention of the governing majority failed, as the parliamentary vote held on the very last day of March 2010 and meant to move forward the impeachment procedure in earnest, fell short of six votes out of the two third qualified majority, or 161 MPs, required to bring the matter before the Constitutional Court, despite the heated debate that took place at the Plenary Hall of the National Assembly.

Shortly after the failed vote was announced, observers hastened to note that the refusal to vote in favor of the motion was the greatest favor Yane Yanev's and his OLJ party had ever done to Boiko Borissov, because of the infinitesimal chance of the impeachment procedure to be approved by the Constitutional Court, had the motion been moved forward. Other observers, however, countered this opinion by saying that the refusal of Yane Yanev's independent MPs to take part in the voting procedure had actually done a favor to the President.

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2. Situation And Development Of The Party System In Bulgaria

2.1. Trends and Processes in the Development of the Right-Wing Political Environment

What has been observed over the past three months is a certain modification in the relationships among the parliamentary represented right-wing parties. The OLJ Party finally and completely withdrew its support for GERB, thus turning into one of the most vociferous critics of the governing majority. The Attack Party continues to lend its unconditional support to the government for all its endeavors. With respect to the Blue Coalition, the situation has not changed either: it is giving its principled support to GERB in its capacity of an EPP member party, but at the same time does not spare its criticism with respect to the government – especially in the area of the economy and the measures envisaged to combat the economic crisis.



2.1.1. The GERB Party

The major internal party event for the GERB Party over the past first quarter of the year was the National Conference of the party held on January 10th. As expected, Boiko Borissov was officially elected leader of the party. He was nominated by Tzvetan Tzvetanov, the then incumbent party leader, who at the same National Conference was elected Deputy Chairman of the party. Borissov's nomination was the only one for the leadership post in the party. All 1,227 delegates to the Conference voted unanimously for Boiko Borissov to become Chairman of the party. The Conference also elected members of the Executive Commission and the Control Commission of the GERB Party.

In his speech at the National Conference. Boiko Borissov announced that "the only adversary the GERB Party has is GERB itself". In his words, the party can be subject to attacks on the part of its political opponents, only if it fails to preserve the confidence people have invested in it. In Borissov's opinion, every single GERB party member must be involved in and committed to the work of the party on a daily basis and must not part with his/her state of a constant election readiness. The major task GERB faces - in the opinion of its leader – is to win the 2011 local elections, as well as the presidential election. Borissov promised to wage an uncompromising combat against corruption and organized crime and declared that he would be after people from his own party as well, should they be found to have committed abuses.

The National Conference of the GERB Party voted some amendments to the party statute. Thus for instance, the post of a Deputy Chairperson was constituted – a position that thus far was missing from the principal party document. The number of people sitting on the Executive Commission was increased from seven to eleven, this number including the Chairperson and Deputy Chairperson, too. A new position of an administrative secretary was also voted for.

The National Conference made the decision for a four-year term of office to be granted both to the national and regional bodies of the party, unlike the three-year term of office the party statute had provided for thus far. The Executive and Control Commissions, as well as the Chairperson and Deputy Chairperson will be elected for the same four-year term of office as well.

The amendments envisage the formation of municipal party leadership, which will be an inseparable part of the GERB party structure. The municipal leadership will be entitled to approve or release the secretaries of the local party clubs. Another decision made by the National Conference was for regional meetings of the party to be convened once every three months. The objective of all these amendments is to reinforce the local party structures and secure a better level of coordination with the central party leadership to the purpose of the party preparation for the upcoming local elections next year.

Notable GERB personalities were not included in the current GERB leadership. To mention just a few, these are:

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the Speaker of the National Assembly, Tzetzka Tzacheva, the Deputy Speaker of the National Assembly, Lachezar Ivanov, the Sofia City Mayor, Yordanka Fandakova, as well as all of the ministers who are GERB Party members. The reason why is Boiko Borissov's desire to see a distinction of functions within the party, so that each and every party functionary could do his/her job in a better and more effective way. This is the way in which one can interpret Borissov's statement that Tzvetan Tzvetanov will continue to be responsible for the party affairs, as he has done thus far, coupled with the addition that now, in his capacity of Prime Minister, this would give him time and room to focus his own attention on the job of the country's Premier. Boiko Borissov also shared that he would intervene in the party affairs only should problems and disputes within the party happen to occur.

New members of the Executive Commission were elected and they are: Dimitar Nickolov, Ivan Tottev, Plamen Nounev, Zhivko Todorov, Pavel Dimitrov, and Kostadin Hadjigaev. The National Conference also elected Members of the Control Commission. Thus for instance. Dessislava Tanneva will continue to head the Commission in the capacity of its Chairperson, and its other members are: Stoyan Mavrodiev, Dobrin Dobrev, Nickolai Kotzev, Alexander Nenkov, Dimitar Glavchev, and Nickolai Melemov.

After the Constitutional Court decision about the annulment of certain results from the June 2009 general election in 23 polling stations in neighboring Turkey was made public, the parliamentary faction of GERB was increased by another MP, as new computations of the ballots cast and the actual election outcome were carried out for the Constitutional Court to be able to make this decision. The new GERB MP is Roumen Stoilov, who was on the GERB party slate in Sofia. The GERB parliamentary faction will also be able to rely on the support of Ventzislav Varbanov, who left the parliamentary faction of the Blue Coalition and chose to become an independent MP.

2.1.2. The Blue Coalition

Much like the previous months, over the past quarter the Blue Coalition continued its support for GERB's efforts to combat organized crime and corruption, but at the same time it did not spare its criticism with respect to the government's anti-crisis policies.

A portion of the GERB anti-crisis measures tabled to the effect of taking the country out of the deepening economic and budget crisis were subject to serious criticism on the part of the Blue Coalition. In the opinion of Ivan Kostov, the idea to raise the VAT rate would result in an even deeper crisis, because GERB's proposals created prerequisites for business to withdraw into the grey sector of the economy. Kostov qualified GERB's anti-crisis measures as "left-wing oriented" and declared that the Blue Coalition could not possibly give its support to them. In Kostov's opinion, the most adequate measure to overcome the budget deficit was to make cuts in public spending.

DSB tabled its own package of anticrisis measures. According to DSB, the



primary task facing the government is the repayment of funds, which the government itself owes to the various business entities. According to data DSB avails of, the government debt to business stands at an amount of nearly BGN 1.5 billion. This debt, however, cannot and should not be repaid immediately, because such a repayment would incur an even larger budget deficit. What DSB suggests is that business entities be given the possibility to sell their outstanding receivables from the government, whereas all ministries and principals of public procurement orders should be obliged to set up registers for the uncontested and overdue debt they owe to the business entities.

In the opinion of DSB, the major priority in the investment spending of the government should be the amount of co-financing of European Union projects, which must be fully provided by the government budget at all costs. According to the party, the priority projects are: the motorways, which form part and parcel of the trans-European corridors, the Sofia outer ring road, and the "Lyulin" motorway. Projects such as the "Belene" Nuclear Power Plant, the "South Stream" gas pipeline, and the "Bourgas-Alexandroupolis" oil pipeline have no anti-crisis effect whatsoever and should be removed from the investment program funded with government finance.

The DSB also declared that GERB's idea about the possible sale of state-owned minority stakes in certain companies would not produce the desired anti-crisis effect, because – according to the current legislation – all the funds raised from privatiza-

tion deals go to the so-called "Silver Fund" meant to guarantee the pension system in the country and in this way they will stay frozen there for a long period of time.

The co-Chair of the Blue Coalition and UDF leader, Martin Dimitrov, also expressed his concern on account of the delay of the most important economic reforms. He said that the UDF would insist on drafting a new anti-crisis governmental program and the compilation of a government register including all the sums, which the government has failed to repay to business thus far.

According to the UDF leader, there should be a transparent schedule for a phased-in repayment of the liabilities the government has incurred with respect to business. According to the analysis made by the UDF, the amount of the VAT, which the government has not restored to the business entities, amounts to between BGN 400 and 800 million. Any further failure to repay these sums would bring about fresh company insolvencies and bankruptcies, because business has currently no other sources of possible cash inflows in order to fund itself from fresh money revenues.

In the opinion of Martin Dimitrov, should the government fail to take urgent anti-crisis measures, about 100 thousand people will remain unemployed in the course of 2010. In this way, nearly BGN 500 million would not flow into the government budget, because this new wave of unemployed would further increase the share of people who would thus prove incapable of paying taxes and social security contributions, and for this new wave of



unemployed alone the government would have to pay more than BGN 150 million in unemployment benefits.

DSB representatives announced that they would insist for GERB to undertake respective reforms in the state administration as well, where there are possibilities for even larger civil servant cuts. Another area in need of urgent reforms – according to DSB – is the judicial system. The party also declared that it is ready to work on appropriate constitutional amendments as well. Party representatives also added that they fully share the measure suggested by Deputy Prime Minister, Tzvetan Tzvetanov, for lowering the number of members currently sitting on the Supreme Judicial Council, and that this measure was actually part and parcel of the DSB election program.

2.1.3. The Attack Party

"Attack" is still being the party, which the minority government of the GERB Party continues to rely most on. The party led by Volen Siderov has turned into the staunchest and most serious partner, which the GERB Party has had thus far, and is still lending its unreserved parliamentary support to Boiko Borissov's governance. The relations between the two parties survived unaffected even when GERB gave up its initial idea to call a national referendum about the news in Turkish currently broadcast on the state-owned National Television channel This is indicative of the fact that at this stage at least the Attack Party has no intention of withdrawing its support from GERB whatsoever.

The leadership of the Attack Party declared that it was firmly standing behind the government with respect to the combat against organized crime and corruption. At the same time, "Attack" has proposed no measures concerning the deepening economic crisis and this is the subject matter that has been outside the scope of topics characteristic for the public rhetoric of the party. The reason why seems to be the lack of expert capacity within the Attack Party in the area of economics and finance.

The rows, which the Attack Party and its representatives were notorious for in the past, came to top the public agenda yet again. At the beginning of February, the party leader, Volen Siderov, got involved in precisely such a row during his trip to the Federal Republic of Germany. Visibly drunk, the Attack leader behaved violently on board the plane, refused to obey the attempts of the crew to restore order, and repeatedly abused them by calling names such as "Nazis" and "anti-Semites", hurling objects at them at the same time. As a result of the complaint filed in by Lufthansa Airlines, the Frankfurt-on-Mein police started an investigation. Pretrial criminal proceedings were initiated on account of abusing the German Aviation Law. Initially, Siderov claimed that these were merely false allegations and that he himself would file in a complaint against Lufthansa. Subsequently however, he apologized for his behavior. According to the Frankfurt Prosecutor's Office this would positively affect the final opinion of the institution on account of this case.



The Attack municipal councilor, Yuriy Galev, was also involved in a criminal incident. Galev was detained along his son right after the two of them and their bodyguards had beaten the security guards in the winter resort of Borovetz. Galev is notorious for his unrestrained and conflict-provoking behavior and for his connections with the criminal gangs, which were a common occurrence in the 1990s in Bulgaria.

From an internal part point of view, the "Attack" continues to be an over-centralized party and all decisions the party makes are taken one-handedly by Volen Siderov himself. The representatives of the local party structures in the towns of Plovdiv and Bourgas, who left the party in the fall of 2009, seem to be making a tangible impact on the electoral support for the Attack Party (for more detail see the Public Opinion section of this edition of Barometer).

2.1.4. The Order, Legality and Justice Party (OLJ)

After the disintegration of the OLJ parliamentary faction, Yane Yanev's party went into opposition to the GERB Party and his MPs are now functioning in the capacity of independent MPs. For a yet another time, Yanev raised the idea about terminating the term of office of the incumbent National Assembly and fixing a date for holding elections for a Grand National Assembly, the task of which would be to elaborate a new Bulgarian Constitution. It is obvious that this idea has turned into the major political objective of the party, although this is a goal, which the OLJ will

find highly unlikely to attain, especially now – in the conditions of a grave economic crisis, when the country badly needs a well attuned and functioning Parliament. At the same time, however, the OLJ has not revealed a clear vision about the constitutional set-up of the country under the new Constitution, on the elaboration of which they have been so eagerly insisting.

Another MP from the disintegrated and now former OLJ parliamentary faction also left its ranks – MP Dimitar Chukarsky, who followed the example of Mario Tagarinsky and left the party altogether. The major motive, which Chukarsky pointed out as a reason for his leaving the party, was his disagreement with the policy the party was pursuing. In the opinion of Chukarsky, the fact that the OLJ left the plenary hall of Parliament and disengaged itself from all parliamentary proceedings is too radical a move, which ran counter to his own vision of policy-making. Chukarsky declared that in future he would stay his political stance in the name of Bulgarian voters. In all likelihood, Chukarsky will give his support to the GERB dominated governing majority, since he openly stated his intention to stay right-wing political principles and positions.

A yet another key figure of Yane Yanev's party left it as well, and this time it was MP Dimitar Abadjiev, who was also Deputy Chairman of the OLJ. Over the last two years, Abadjiev was one of the politicians who were considered to stand closest to the leader and to form his inner circle in the party. Abadjiev was also one of the people who took a most active part



in the election campaign of the party last year. On leaving the party, Abadjiev said that he was not only withdrawing from the OLJ leadership, but was also resigning from active politics altogether. One of the reasons underlying Abadjiev's move is the fact that the Bulgarian government nominated him for member of the Executive Board of the Nabucco Gas Pipeline International Company. Another reason underlying Abadjiev's move is his gradual distancing from the OJL Party, and this was made evident by the criticism he was launching at the leader Yane Yanev. In an interview on the National Television channel Abadjiev confirmed the existence of close relations between the now notorious Alexei Petrov and Yane Yanev by declaring that he had personally witnessed their meetings on numerous occasions.

The OLJ Party sustained a yet another grave loss. The OLJ MP Atanas Semov, an expert on EU law and university lecturer, had to leave Parliament following the decision of the Constitutional Court to declare the annulment of the general election results in 23 polling stations in Turkey because of grave infringements of the electoral process there. Semov was one of the serious figures in the OLJ parliamentary faction precisely because of the high public clout he enjoyed as an expert and a man of impeccable integrity.

Before the actual parliamentary vote for the impeachment procedure of the Bulgarian President, Yane Yanev declared that his party would give its support to the demand tabled by the governing majority, despite the fact that the OLJ party had previously withdrawn its overall support for the GERB Party. Eventually, in the very last minute, Yanev said that his MPs would not vote in favor and none of them turned up in the Plenary Hall of the National Assembly to vote either for or against the impeachment procedure, knowing all too well in advance that the motion would be turned down without their crucial votes

2.2. Processes in the Development of the Parliamentary Opposition

The BSP and the MRF are in the situation of being a weak opposition to the governing majority. A contributing factor for this situation is also the adverse public attitude concerning these two parties and this is a trend, which has not been overcome during the first quarter of 2010 as well. Among the major reasons underlying this state of affairs are the ongoing revelations about the abuses and infringements committed by the previous governance of the country, and for some of them the Prosecutor's Office has even filed in its indictments before the law-court, pending criminal proceedings.

2.2.1. Bulgarian Socialist Party (BSP)

The internal party tension between the major camps within the BSP has remained at quite a high level over the past first three months of 2010. Leading figures in the party continued to attack one another. Thus for instance, right after the arrest of the now former national security expert, Alexei Petrov, the ex Minister of Interior, Roumen Petkov, launched attacks against the party leader, Sergei Stanishev.



Roumen Petkov said that should the accusations against Alexei Petrov prove true, Stanishev would have to hand in his resignation from the post of BSP leader on account of the fact that he made it possible for such a person to work for the National Security Agency.

Such attacks have proved for a yet another time that the different influential groups within the BSP are waging a serious battle for gaining the upper hand in the party and will be using each and every occasion to hurt their internal party opponent, even by taking the risk of further denting the party image, which has not been looking good for quite some time now.

Despite the fact that as early as the end of last year Tatyana Doncheva announced her activities concerning the launch of a new party project, there is still no clarity as of the current moment what kind of a project that will be and who the politicians taking part in it will be. Doncheva was accused by her party comrades that it was Alexei Petrov precisely that was one of the people intending to fund this new party project. Doncheva staunchly rejected these speculations by saying that she had never had any close relationships with Alexei Petrov whatsoever.

At one of its party plenums, the BSP put to discussion the reform in the healthcare system, which the government still intends to initiate. According to the official opinion of the party, the idea to close down hospitals throughout the country infringes the constitutional rights of Bulgarian citizens to equitable access to medical services.

The BSP also took a critical stance with respect to the overall economic policy, which the incumbent government has been pursuing thus far. According to the BSP leader, Sergei Stanishev, the principal culprit for this state of affairs is the Minister of Finance, Simeon Dyankov, as well as the lack of an adequate and long-term strategy for taking the country out of the crisis. In Stanishev's opinion, the government budget has to be urgently updated because of the increasingly more frequent alarming signals that the budget is plunging into a state of substantial deficit. The BSP raised the idea that Minister Dvankov should hand in his resignation. The party leadership is even considering the idea about tabling a motion for holding a nonconfidence vote against the Cabinet. It is possible for such an idea to be materialized next month, although the outcome of such a vote seems to be predetermined and well known in advance, because of the serious parliamentary support the GERB parliamentary faction enjoys at the time being.

The BSP qualified the actions taken by the government to launch criminal proceeding against its representatives and former ministers as political reprisals and declared its readiness to get the EU institutions acquainted with this fact.

2.2.2. Movement for Rights and Freedoms (MRF)

When the Constitutional Court annulled the results from the June 2009 general election in 23 polling stations opened in Turkey, the MRF lost one of its parliamentary seats and remained with 37 MPs only.



The MP who left Parliament was Roushen Rizza, the MP who ranked second on the MRF party slate in the region of Dobrich and who himself had replaced Byurhan Abazov, the election of whom was proclaimed illegitimate by the Constitutional Court several months ago.

Over the past quarter, the MRF carried out a large-scale reorganization of its cadres. As soon as Ahmed Dogan was reelected leader of the party for a yet another time with full unanimity at the regular MRF Party Congress, he replaced a substantial part of his deputies in the party. It was on his own proposal that the number of the party deputy chairpersons was reduced to five (out of the six deputies the party had thus far). Almost all of them were replaced and the only one to retain his post was Lyutvi Mestan. The rest of them – Emel Etem, Kassim Dahl, Yunal Lyutfi, and Yordan Tzonev – from now on will be merely members of the party leadership, the embodiment of which is the Central Operating Bureau (COB). Another of Dogan's recent deputies and former Sofia regional governor, Rossen Vladimirov, dropped out from the party leadership altogether.

The new Deputy Chairpersons of the party, the nominations of whom were tabled by its leader according to the party statute, are the MEP Philiz Hyusmenova, who will be responsible for the party's relations with the EU institutions, the MP Aliosman Immamov, whose portfolio will be the economic and social policy of the party, and the now former MP Roushen Rizza, who will be responsible for the organizational work in the party.

Christo Bisserov was elected Deputy Chairman of the MRF from the so-called "Bulgarian quota". Bisserov was a former Chief Secretary of the UDF, and having left the UDF has been a MRF MP for a second term of office now. Bisserov will be responsible for the strategies and development department of the party.

Lyutvi Mestan, who is also Deputy Chairman of the MRF parliamentary faction, will continue to perform his responsibilities in the area of the party's legislative work and the functioning of the parliamentary faction as a whole.

The other members of the Central Operating Bureau are: Mustafa Karadayua, Djevdjet Chakarov, Remzi Osman, Hassan Ademov, Ramadan Atallai, Kamen Kostadinov, Airush Hadji, Yanko Yankov, Djeihan Ibryamov and Tuncher Kurdjaliev.

With the renewal of his party leadership, Dogan also fulfilled the requirement declared a month earlier at the National Conference of the party, namely that the Movement needs "to be reformed" and also needs "a new vision"

The MRF Deputy Chairman, Christo Bisserov, declared the readiness of the Movement to lend its support to the governing majority in the area of well-defined priorities of the country's governance. In the opinion of Bisserov, the government should be given broad support for its efforts to make up for the lack of confidence, which the European institutions currently manifest with respect to Bulgaria. In Bisserov's words, what the country needs at this particular point in time is unity and consensus rather than the instigation of



extreme nationalism. This is the reason why – in his opinion – the governing majority should distance itself from nationalist parties such as the Attack Party is.

A similar claim for support to the GERB government was also made by another Deputy Chairman of the MRF, this time by Lyutvi Mestan. He appealed for "the elaboration of a national vision concerning taking the country out of the crisis, which should be the product of a consensus of all pro-European parties in Bulgaria, i.e. parties that have never doubted the Euro-Atlantic development of this country".

At the same time, it became clear that the MRF leader, Ahmed Dogan, has received a royalty to the tune of BGN 1.5 million in the process of designing the hydro-engineering "Tzankov Kamak" -Dam project. Prime Minister Borissov had already qualified this project as an instrument deliberately created to the purpose of draining money from the government budget. This is the reason why Borissov addressed the Prosecutor's Office asking for an investigation to be carried out for possible infringements in the implementation of the project. Subsequently Kamen Kostadinov from the MRF confirmed that Ahmed Dogan had received such an amount, but added that it was paid by a private-owned Mining Institute.

3. Public Opinion

The opinion poll survey held by the National Opinion Poll Center in March 2010 indicates that the support for the Bulgarian government has marked a six percent de-

cline over the last three months. From 49.2 percent in December 2009 it has dropped to 43.5 percent in March this year, whereas the disapproval rate has increased by 10 percent, i.e. from 32.9 percent to 42.8 percent. The respondents in this survey have assessed the overall performance of the government and the summarized mark the government gets is 3.90 (according to the six-grade scale of assessment, where 6 is the highest mark). The mark given to the government by the supporters of the GERB Party is 4.60, and the mark given to the National Assembly is 3.40.

The declining confidence rating of the government is most likely due to the growing public disapproval of the sectoral policies pursued by the government in the sectors of health care, social policy, and finance.

Prime Minister Boiko Borissov and Deputy Prime Minister Tzvetan Tzvetanov, however, remain the politicians with the highest approval ratings – 68 percent and 66 percent accordingly. Over the last three months, President Georgi Parvanov has lost nearly 8 percent of his own approval rating – from 56.1 percent in December 2009 to 48.2 percent in March 2010. At the same time, the disapproval rating of the Head of State has risen over the same period from 32.9 percent to 39.8 percent.

GERB continues to be the uncontested leader as far as the electoral attitudes of the respondents are concerned. Had a general election been held in March, GERB would have received 36.4 percent of the electoral support. According to data compiled by the National Opinion Poll Center, the party has preserved al-



most unchanged its hard core of supporters, who voted for GERB at the June 2009 general election, but has begun to shed off some of its peripheral supporters, especially among the younger citizens of the country and among the citizens inhabiting bigger towns and regional centers. In a similar survey held in October 2009, the level of electoral support for the GERB Party stood at 52 percent.

The survey held by the National Opinion Poll Center also reveals that the general election had been held in March, four other parties and coalitions would have made it to Parliament, namely: Coalition for Bulgaria, the MRF, the Attack Party, and the Blue Coalition. According to the respondents, 10.5 percent would have voted for Coalition for Bulgaria, the MRF would have enjoyed the support of 8.4 percent of the voters, 4.7 percent would have given support to the Attack Party, and 3.3 percent would have preferred to vote for the Blue Coalition. At the time being, the OLJ has no chances whatsoever to get returned to a new Parliament.

Although the Deputy Prime Minister and Minister of Finance, Simeon Dyankov, has frequently been involved in political rows, he enjoys a strong political support among the GERB electorate, which stands at 58 percent. He is also among the Bulgarian politicians of a high approval rating enjoying an overall support of 32 percent. The ranking of the best approved Bulgarian politicians at the beginning of March is topped by Boiko Borissov, Tzvetan Tzvetanov, and Georgi Parvanov. They are followed by Ministers Nickolai Mladenov

(Ministry of Defense), Vezhdi Rashidov (Ministry of Culture), and Bozhidar Dimitrov (Minister for the Bulgarians from the Bulgarian diaspora), each of them enjoying a 35 percent approval rating, by the Speaker of the Bulgarian Parliament, Tzetzka Tzacheva, enjoying a 34 percent approval rating, and by Ministers Miroslav Naidenov (Ministry of Agriculture) – 34 percent, Simeon Dyankov – 32 percent, Rossen Plevneliev (Ministry of Regional Development and Public Works) – 28 percent.

The new Bulgarian European Commissioner, Christalina Georgieva, has been given approval by 66 percent of the Bulgarian citizens. Her predecessor, the recent Bulgarian European Commissioner, Meglena Kouneva, also enjoys a high public approval, whereby her current approval rating stands at 53 percent.

The same survey of the National Opinion Poll Center also indicates that the best approved government institution at the time being is the Ministry of Interior. The job done by the police is approved by half of the Bulgarians eligible to vote. The law-court enjoys both the lowest approval rating – 21 percent, and the highest disapproval rating – 57 percent simultaneously.

Another set of questions asked during the same survey concerns the living standard of the population. Thus for instance, 61 percent of all respondents indicate that their living standard has worsened over the past year. Only 5 percent of the respondents say that they are living better now and these people are mainly inhabitants of the capital city Sofia and people of university education. The worst affect-



ed by the economic crisis are the people from the 50 – 59 age bracket, whereby 70 percent of them say that their living standard has definitely gone down. The respondents making up this group are of a lower level of education, mainly inhabitants of the villages and the unemployed.

4. Major Conclusions And Forecasts

1. The economic crisis has been the major challenge facing the government of the GERB Party. The crisis in Bulgaria has been getting increasingly more tangible, but what has been observed at the same time is the lack of a lucid strategy and program for coping with it, coupled with inconsistencies in the decision-making process. The GERB governing majority has delayed the introduction of the inevitable economic and social reforms. Under the impact of public opinion, Prime Minister Borissov has revealed hesitation and indecision concerning the reform of key public areas such as health care and the pension system.

What is observed at the same time is the emergence of a frustrating tension among the institutions, which could adversely impact the overall functioning of the political system in the country. The conflict between the President and the governing majority is likely to continue into the foreseeable future, especially after the attempted procedure to provoke his impeachment infamously failed altogether. Not less problematic are the relations between the government and the judicial system as well.

- Several times the Union of Judges came up with declarations on account of the attacks hurled by the Minister of Interior, Tzvetan Tzvetanov at the Bulgarian law-court, which the judges qualify as an attempt to exert pressure on the independent judiciary. Such attacks could further increase the negative public attitudes to the judicial system, which would hardly prove beneficial for the functioning of one of the most important branches of power in the country.
- 2. After the National Conference of the GERB Party, its internal party relations have remained unchanged. Boiko Borissov officially headed the party, but at the same time made the declaration that Tzvetan Tzvetanov would be the person responsible for the party affairs. Although the party is still rather personoriented, it pluralized its public recognition mainly through its representatives in the public branches of power – the legislature and the executive. Nevertheless, over the period under observation the leading figures in the party continue to be Borissov and Tzvetanov mainly, whereas the GERB MPs remain somewhat in the periphery of public attention. This trend is likely to be preserved in the future as well with a view to the fact that all serious decisions are made within the circle around Borissov and the Cabinet, while the GERB parliamentary faction has subordinated its activity in order to be able to comply with these decisions precisely.

The past quarter registered the first more significant decline in the support



- rating of the GERB Party. Nonetheless, the governing party continues to be the uncontested leader in all electoral ratings, and Prime Minister Boiko Borissov's rating has remained at its usual sufficiently high level. The major reason underlying the high confidence rating is the success the government has scored in its combat against organized crime. At this point in time, the governing majority seems to be stable, mainly because the GERB parliamentary faction is centralized and super-disciplined, and the Attack Party has lent its unconditional support to the government. Irrespective of these facts, however, the growing economic crisis and GERB's incapacity to propose adequate measures to counter it or curb it at least could enhance the public discontent and this might bring about both political and governmental instability.
- 3. The Blue Coalition has continued its support for the GERB government, especially as far as the combat against organized crime and corruption is concerned. At the same time, however, both DSB and the UDF have taken a critical stance with respect to the policies, which the government has been proposing in its efforts to curb the economic crisis. The leaders of the two parties, Ivan Kostov and Martin Dimitrov respectively, have repeatedly shared their concern about the lack of a genuine strategy and coherent vision on the part of the government with respect to the way of taking the country out of the current crisis. Some of the

- measures proposed by GERB, such as raising the rate of the Value Added Tax, will not get the support of the traditional Right Wing.
- 4. The Attack Party continues to be the staunchest supporter of the GERB government. This, however, could adversely affect the image of the party, because a number of its announced priorities remain outside its current agenda. The discontent of numerous local party structures and organizations with the style in which Volen Siderov is administering the party may bring about even larger party splits and may have a negative impact on the electoral support for the party. It is notable that the opinion poll surveys held of late have been giving signals to this effect precisely.
- 5. The split, which occurred within the parliamentary faction of the Order, Legality, and Justice (OLJ) party, proved that this would adversely affect the overall image of the party. The latest opinion poll surveys indicate that if the general election were held today, the party would not stand a chance of being returned to Parliament again. The misgivings floating in the public environment that Alexei Petrov had been helping Yane Yanev's party with information from the secret services have a further negative effect on its image. Dimitar Abadjiev's voluntary leaving the party and Atanas Semov's enforced leaving Parliament are playing the role of an addition constraint undermining the public image of the party, bringing it down to the image of its leader Yane Yanev alone. Yanev's initia-



tives are limited to his constant appeals for the summoning of a Grand National Assembly and the elaboration of a new Constitution of the country. The party is lacking any genuine party life, its party structures are feeble and consequently offer no prospects for electoral growth. All this makes it possible to forecast that this party project is hardly likely to have any viable political future whatsoever.

- 6. The BSP has continued to have weak electoral support. Indicative in this respect are the recent opinion poll surveys. Despite the fact that the past quarter saw some lull in the internal party contradictions, the differences between the various leadership groups remain unresolved and all signs indicate that the clashes among them will continue in the future as well. This has an adverse impact on the overall development of the party and its role as an opposition political force. The economic crisis and the policy pursued by the GERB government to overcome it have given grounds for legitimate criticism on the part of the BSP, but such critical remarks cannot possibly turn into a genuine opportunity for the party to muster any significant public and party support.
- 7. The loss of a parliamentary seat, following the decision of the Constitutional Court, will not affect the MRF and its parliamentary faction in any substantial way. This decision, however, was a yet another serious blow at the public image of the party.

The information that Ahmed Dogan has received a royalty to the amount of BGN

1.5 million for consultancy services in the area of hydro-engineering is also having an exceedingly negative impact on the public attitude to the MRF as a whole. In the months to come, this fact will probably be subject to investigation by the Prosecutor's Office. As regards this case, DSB has already announced that it will be turned over to the parliamentary committee for combating corruption for further and more detailed scrutiny.

Ahmed Dogan has made replacements in the leadership of the party and significant party figures such as Emel Etem, Kassim Dahl, and Yunal Lyutfi lost their Deputy Chairperson posts. At the time being, it is difficult to assess whether these re-shuffles are a sign of a major change in the leadership of the party and a transformation of the elites cohabiting the MRF.

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