# Friedrich Ebert Foundation Office Bulgaria

**Analyses** 









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## BAROMETER

### Political Parties Development in Bulgaria

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- The last few months of the current year will be extremely important for the government of the GERB Party. The government is facing serious challenges connected both with overcoming the consequences from the economic crisis and promoting the reforms of the public sector, which has virtually been on the verge of a total collapse over the past year. This holds especially true of the sectors of healthcare, education, pension reform.
- The major challenge, which the governing majority will be facing, is the fulfillment of this year's government budget. Although the first symptoms of bottoming-out of the crisis have been observed, the magnitude of the budget deficit may well exceed the government forecasts. This is likely to have an adverse effect on the parliamentary procedure of passing the 2011 country's budget. Should this happen, a wave of discontent and protests could be expected on the part of the various professions working in the public sector. For its part, this could undermine the confidence rating of the GERB Party and the incumbent government. This may also entail additional Cabinet re-shuffles and ministerial resignations to the purpose of deflating public discontent.
- The Blue Coalition has increasingly been distancing itself from the GERB Party. Upon the opening of the new parliamentary session at the National Assembly, the co-chairs of the Blue Coalition warned that their coalition holds considerable reserves as regards the economic policy GERB has been pursuing, which may become the occasion for the coalition members to reconsider their support for the governing majority.
- Despite the current grave economic situation in the country, the BSP cannot be recognized as a real alternative to the governing majority. Moreover, during this quarter as well, the electoral support for the party has remained at a very low level. Nonetheless, the BSP continues to be the second largest political force in the country, as there is no other genuine entity in the left-wing political environment, which could compete with the BSP for the votes of the left-wing electorate.
- The BSP and the MRF have finally agreed to table a non-confidence vote against the government on account of the failure of its healthcare policy. This initiative was launched by the BSP and mainly aims at capturing public attention on the eve of its Congress Session in October. This session, however, is hardly likely to bring about substantial changes, marking the beginning of a new stage in the development of the party.





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#### 1. The Political Situation

Despite the fact that the summer months are usually characterized with the lack of harsh political clashes, the new parliamentary session in the country, which opened in the second week of September, indicates that the political tension between the ruling majority and the opposition will be constantly rising.

Before the parliamentary summer recess, the political debate was mainly focused on the economic crisis and the reactions concerning the regular Monitoring Report just published by the European Commission on the progress Bulgaria had made in the area of internal order and justice. According to the July 2010 EC Report, what has been observed is both the aspiration and willingness for reforms to be carried out within the judicial system, stemming from the judiciary strategy adopted by the governing majority, the amendments to the Penal Proceedings Code, and the draft amendments to the Judiciary Act, tabled by the Ministry of Justice team.

At the same time, however, essential weaknesses still exist. Such shortcomings have been observed in the pre-trial and judicial practices of the competent authorities. Some of the findings in the EC Report point out the following weaknesses: the judicial process in Bulgaria lacks initiative and professional capacity, the pre-trial investigation of the more complicated cases seems to be carried out without direction and clear purpose, whereby the procedures are far too formal and lengthy, and the pre-trial evidence and conclusions often collapse once they get to the court-rooms.

The major criticism of the EC Report continues to focus on the ongoing flaws and weaknesses in combating corruption and the conflict of interests observed in the activities of politicians in particular. The Report also points out that despite the growing number of formal arraignments against alleged crimi-

nals, their further development in the course of the respective legal and court proceedings continues to be far too slow. Some of the underlying reasons are rooted in the lack of capacity both within the investigation and the police. This is the reason why one of the recommendations contained in the Report is for a reform at the Ministry of Interior to be carried out, targeted at the establishment of an effective and efficient criminal police force.

The governing GERB majority qualified the EC Monitoring Report as positive. In their opinion it indicates that the Bulgarian government is acting decisively and is heading in the right direction in the combat against organized crime and corruption. Prime Minister Boiko Borissov said that it was the most favorable EC Report on the progress of Bulgaria to date and the assessments it made further enhance the ambition and motivation of the governing majority to cope with corruption and organized crime in the country. And these make the major priorities, which the government will be pursuing in the future as well.

The Blue Coalition qualified the EC Report as being an objective one and came up with the stance that what it implied was the need for radical reforms within the entire law-enforcement and judicial system. The Blue Coalition leadership declared that in the future they would continue to support the efforts of the GERB Party and the government to combat organized crime and corruption.

For his part, President Georgi Parvanov also made a comment with respect to the EC Report. He is of the opinion that the European Commission has issued a clear and succinct positive assessment of the political will the government has manifested and the considerable progress Bulgaria has made concerning the major indicators in the area of justice and internal order.

According to the President, the positive assessments in the July 2010 EC Report have

to motivate the government for even more decisive actions in its combat against organized crime and corruption.

One of the ideas of the governing majority in the direction of attaining higher effectiveness in the combat against organized crime and corruption is to set up a specialized lawcourt to this effect. The project for the specialized law-court envisages that it will hear cases involving embezzlement, fraud, money-laundering, crimes of office, bribery, poor business management, unprofitable transactions, etc., whenever these crimes have been committed by magistrates, members of the Supreme Judicial Council and the Judicial Inspectorate, the Prime Minister, the ministers and their deputies, regional governors and mayors, as well as the chief secretaries of the various ministries. The specialized law-court will also hear all cases involving kidnapping, trafficking of people, money-laundering, and organized crime gangs. This idea, however, was met with reserves by a number of political parties and experts. Nevertheless, this idea is currently among the priorities of the governing majority pending implementation in the course of the new political season.

Over this third quarter of the year, the relations between the President and the executive branch of power have remained tense yet again. The occasion that brought about the rise of tension in the two institutions this time were the differences between President Parvanov and the Minister of Defense, Anyu Anguelov, in connection with the appointment of a new head of the military intelligence. Minister Anguelov insists that an external person should be appointed to this office, whereas Parvanov supports the nomination of the incumbent deputy Chief of the Military Intelligence Office, colonel Ventzislav Istatkov. Thus far, the President has refuted two of the nominations tabled by Anyu Anguelov, and the Minister of Defense declared that he was

not going to table a third nomination. In this way, the issue remains unresolved to date.

At the same time, the media dialog between President Georgi Parvanov and Prime Minister Boiko Borissov has been relentlessly running in the background. In one of his public speeches the President said that GERB's governance needed an alternative. Prime Minister Borissov responded that this statement was a yet another proof of the President's intention to set up a political project of his own after the end of his presidential mandate. Borissov renewed his appeal for Parvanov to come up and publicly announce his real intentions.

The tension between the judiciary and the executive branch of power has also been running at the previous high note, and this has been a tendency observed since the very beginning of GERB's government term of office. The Minister of Interior, Tzvetan Tzvetanov, has not discontinued his attacks and critical remarks with respect to the judicial system in connection with some of the rulings and court decisions it has been issuing. Over this third quarter of the year as well, the public has attentively observed all police operations, which the media have been covering in a lavish way, and these police actions are truly meeting the approval of the majority of Bulgarian citizens. What is observed at the same time, however, are serious gaps and omissions in the work done by the Ministry of Interior and the Prosecutor's Office. This brought about the delay of some of these pre-trial criminal proceedings, which have captured the close interest of the media audiences. The opposition parties and the Blue Coalition expressed the stance that the Prosecutor's Office had become the subject of a strong political pressure on the part of the governing majority, which resulted in premature court trials of a low effectiveness rate.

The past quarter saw some re-shuffles in the government at the level of deputy ministers. Prime Minister Boiko Borissov appoint-



ed Boryana Pencheva to the post of Deputy Minister of Finance. Pencheva replaced Anna Mikhailova at this post and will be in charge with the foreign indebtedness of the country. Her ministerial portfolio will also include the relations with the international financial institutions and the funds allocated to Bulgaria by the European Union. Another fresh appointment is Mariy Kossev, the new Deputy Minister of the Economy, Energy, and Tourism. He will be in charge with the energy sector. Another re-shuffle has been carried at the Ministry of Education as well. Following a political row, Milka Kodjabasheva had to part with her post and was replaced by Milena Damyanova.

The Bulgarian government took a cautious stance as regards the expulsion of Bulgarian Roma people from France. Prime Minister Boiko Borissov declared that Sofia had no contradictions with Paris on account of this expulsion and had no intention of plunging Bulgaria in an international row, which could prove an obstacle to the country's accession to the borderless Schengen area. Thus Borissov differentiated himself from the poignant stance Bucharest took on this contentious issue.

President Parvanov, however, took a stance differing from the stance of Prime Minister Borissov. During his talks with the Romanian President Traian Basescu in Sofia, Parvanov said that Bulgaria and Romania would act together in the process of joining the Schengen area, and this interaction is duly regulated by the respective bilateral documents. In the opinion of the Bulgarian President, the two countries can achieve more if they act together. President Parvanov also voiced his condemnation of the expulsion of the Roma people, because this contradicted the European values and practices.

During the official talks in Sofia, President Traian Basescu suggested that Romania and Bulgaria table a joint proposal to the European Commission for the mechanism for monitoring and cooperation in the area of justice and internal order to be dropped by the end of next year altogether.

Although this quarter saw the first symptoms that Bulgaria is bottoming out from the economic crisis in terms of abating unemployment, growing exports, and a rising growth trend in the sectors of services and tourism, the major economic problems in the country thus far remain unresolved.

The Minister of Finance, Simeon Dyankov, revealed the calculations underlying the 2011 draft government budget. The envisaged economic growth rate is expected to reach 3.6 percent. The exports are expected to rise by 10 percent. The draft budget also envisages a deficit to the tune of 2.5 percent or BGN 1,963 billion. The minimum wage in the country will retain its current level of BGN 140 and so will the level of the pensions.

Many economic experts in the country qualified the announced 3.6 percent growth rate forecast as far too optimistic. Besides, no additional buffers have been envisaged against a possible new aggravation of the crisis. The idea about laying down a mere 2.5 percent budget deficit was also subject to criticism. Besides, owing to the inflation forecasts, the actual incomes of the population will decline by 7 percent over the next two years.

The governing majority launched some of the long delayed reforms in the public sector. The pension reform in the social security area initially envisaged the increase of both the age and the required length of service, which make a person eligible to receive an old-age pension. After several months of deliberations with the social partners at the tri-partite council, the final decision was to retain the age eligibility and to increase only the mandatory length of service. Thus, the reforms proposed by the government now envisage that the required length of service will be gradually increased by an additional year over the next

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three years and this requirement has already been included in the calculations of the 2011 draft government budget. In this way, in 2013 men will be eligible to receive pensions after a 40-year length of service and at the current age of 63, while women will be eligible to this right after a 37-year length of service and at the current age of 60.

The three-year increase, however, becomes valid for the length of service of the police, the military, and all other employees included in the first and second categories of labor who work in dangerous and unfavorable labor conditions. Currently, the military and the police, for instance, are eligible to retire and receive pensions regardless of their age, as long as they have completed a 25year length of service. The additional three years will effectively raise the age, at which they become eligible to retire. Additional three years will also be required for the pension eligibility of teachers, but their current pension age will be retained, namely 57 years for women and 60 years for men.

This last proposal brought about the critical response of the trade unions and the opposition. The trade unions threatened the government with protests and this made the governing majority give up their intention to increase the pension age eligibility for people in the first and second categories who work under hard labor conditions. For a yet another time this showed that the government easily succumbs to the pressure of public opinion and trade union actions, which actually leads to the delay of the pension reform and the other reforms envisaged to take place in the public sector.

The healthcare sector reform continues to encompass unclear ideas connected with closing down hospitals, on one hand, and the lack of more substantial amendments to the current way of funding both the various kinds of hospitals and the activities of the National Health Insurance Fund, on the other.

The situation of the healthcare system is exceedingly grave. The National Health Insurance Fund has incurred a debt of more than BGN 125 million to the hospitals. The government has promised to repay this money by March 2011. The Bulgarian Union of Physicians (BUP), however, turned down this proposal and started preparing for a nation-wide protest, which is scheduled to start on October 15th. Should their demands fail to be met, The Union of Physicians and the Physicians Trade Unions are ready to launch permanent industrial actions. According to the qualification of the leader of the Podkrepa Confederation of Labor, Konstantin Trenchev, the healthcare sector is not only in trouble, it is actually agonizing.

Consequently, the BUP demanded the resignations of the Minister of Health, Prof. Anna-Maria Borissova, the Minister of Finance, Simeon Dyankov, and his Deputy, Vladislav Goranov. The Blue Coalition and the two opposition parties – the BSP and the MRF – also expressed their stance that Anna-Maria Borissova had to hand in her resignation.

The peaking tension in the healthcare sector finally brought about the resignation of the Minister of Health. Anna-Maria Borissova. Boiko Borissov readily accepted her resignation and came up with a proposal for the appointment of a new Minister of Health - Doctor Stephan Konstantinov, one of the incumbent deputy chairmen of the Bulgarian Union of Physicians. He will be the third minister at this post within the limits of a single year only, which is a yet another proof of the poor cadre policy both the Bulgarian Prime Minister and the GERB Party at large have been practising thus far.

In the meantime, the tension also brought about the promise of the government that the hospitals would gradually start receiving their pending receivables. Thus, at the very end of September, the Ministry of Finance disbursed



the first tranche of the debt owed to the hospitals amounting to BGN 65 million.

With the appointment of doctor Stephan Konstantinov Prime Minister Borissov obviously aims at abating the tension within the healthcare sector. This, however, is only a temporary solution, because the problems remain unresolved, and the governing majority has not come up with any clear plan for reforms in the sector as yet.

# 2. Situation and Development of the Party System in Bulgaria

## 2.1. Trends in the Development of the Right-Wing Political Space

Despite the looming economic problems, the GERB Party continues to be the political entity without any genuine alternative in the country in terms of its electoral support. The Attack Party continues to be the most loyal ally of the GERB Party, lending the governing majority its unconditional and staunch support. The Blue Coalition has been repeatedly distancing itself from the economic policy pursued by the GERB Party, and is even becoming one of its most severe critics. The Order, Legality, and Justice Party returned to its traditional populist discourse and actions by organizing a subscription for holding a nation-wide referendum demanding the elaboration of a new Constitution of the country.

#### 2.1.1. The GERB Party

Despite the fact that the past quarter saw the first more tangible decline in the confidence rating of the GERB Party and its government, no substantial changes in the electoral support for the ruling majority have been observed at the time being. The GERB Party continues to be the first political force in the country and no visible alternative has been noticed, which could possibly threaten its hegemony on the electoral terrain.

In September, the GERB Party streamlined its legislative priorities for the new parliamentary session. By the end of the current year, the government intends to table draft bills concerning the reforms in the healthcare and judicial sectors, alongside the 2011 draft government budget, which Parliament has to vote for before this year's end.

The co-Chair of the GERB parliamentary faction, Todor Dimitrov, said that the draft Electoral Code would be tabled for deliberations as early as the beginning of the autumn parliamentary session and that draft amendment bills to the Health Act and the Medicinal Products Act would be tabled as well. Dimitrov also said that other priorities for the GERB Party would be the amendments to the Health Social Security and Insurance Act that would kick-start the beginning of the reform in the healthcare sector. The amendments will codify the way hospitals and other healthcare establishments are funded, as well as the measures targeted at those who have failed to pay their healthcare contributions, alongside the implementation of the individual patient's electronic health cards.

The past quarter also saw a multiplication of internal party controversies within the GERB Party. After a serious political row, the Deputy Speaker of the National Assembly, Lachezar Ivanov, handed in his resignation not only from this post, but from all posts he had thus far occupied, including the post of a regional leader of the Sofia district GERB organization. The underlying reason is the attempt Ivanov had made to stop a journalist investigation from being broadcast from one of the national private TV stations. As soon as this became public knowledge, Ivanov handed in his resignation. Following the decision of GERB's Executive Commission, Ivanov was replaced by Atanas Atanassov at the post of Deputy Speaker of the National Assembly.

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Prime Minister Boiko Borissov said that his party would be acting in the same way in similar situations in the future as well and would not permit its own representatives to undermine the confidence rating of the party by their misconduct or other offences. He also added that he would act even-handedly, notwithstanding the fact whether an offense had been committed by his party fellow or somebody else of a different political affiliation.

The punishment with exclusion from the party of Danny Kanazireva, Chairperson of the GERB faction at the Municipal Council of the town of Plovdiv, provoked serious public reverberations. The GERB Party leadership motivated their decision with the fact that Kanazireva's critical attitude to the GERB Party had undermined the party public image and prestige. Kanazireva refuted these attacks and accused the GERB Party of having become a party where "fear and internal party intrigues reign supreme".

Over the past three months, replacements of GERB regional coordinators were observed in a number of towns, namely: Gabrovo, Pleven, Lovech, Stara Zagora, Targovishte, and Pazardjik. The GERB central leadership said that the replacement of these regional coordinators was due to serious internal party conflicts. For the time being, the central party leadership has managed to mitigate the conflicts. It is highly likely, however, for these internal GERB conflicts on the regional level to deepen even further with a view to the upcoming local elections next year and the process of raising respective nominations for mayors and municipal councilors.

#### 2.1.2. The Attack Party

In his introductory speech at the opening of the new parliamentary session in the plenary room of the National Assembly, the Chairman of the Attack Party, Volen Siderov, indicated that his party would be the most loyal ally of the GERB Party during the new political season as well. Siderov declared that in the future his party was willing to support all reform efforts undertaken by the GERB Party, because this was the only way for the country to overcome the crisis and put an end to corruption and organized crime.

Siderov announced that the Attack Party intended to launch an operation, which he called "Retribution", aimed at punishing "all those who have been plundering the country over the last twenty years". In his typical populist style Siderov pointed out that the representatives of the entire political elite were among the major culprits for the current economic crisis and added that the DSB leader, Ivan Kostov, had a special place among them. Thus Siderov once again revealed Attack's traditional hostile attitude to the Blue Coalition as a whole and to Ivan Kostov in particular.

In the middle of September, Volen Siderov launched the idea about the re-privatization and nationalization of certain sectors of the Bulgarian economy. In his opinion, what should be subject to reconsideration are the privatization deals for the Bulgarian Telecommunications Company (BTC) and the deals concerning the other two mobile operators - Globul and M-Tel. The leader of the Attack Party intends to table a proposal for the establishment of a standing parliamentary committee, the task of which would be to reconsider the privatization deals carried out in the country in their entirety. This idea of the Attack Party is far from new. A draft bill to this effect was tabled at the previous National Assembly, but no one ever took it seriously enough.

Although the re-privatization and nationalization concepts promoted by the Attack Party contradict GERB's economic line, they are hardly likely to bring about any serious contradictions between the two partner parties. The Attack Party is simply availing itself of such social-populist rhetoric as a reaction



to the economic problems in the country. Siderov's party continues to experience a deficit of workable ideas in the economic sector and closely adheres to all legislative proposals of an economic nature, which the GERB Party has been tabling thus far. Thus for instance, it is by virtue of the Attack's votes that GERB's proposals about the amendments to the Social Security Code for increasing the length of service and pension age of future retirees were passed at a meeting of the social parliamentary committee.

### 2.1.3. The Blue Coalition (Democrats for Strong Bulgaria, DSB, and the Union of Democratic Forces, UDF)

The Blue Coalition is becoming increasingly more critical with respect to the GERB Party and its government. This trend has been observed for over several months now and in all likelihood it is about to become a permanent feature of the attitude of the traditional Right Wing to the GERB Party.

The DSB leader, Ivan Kostov, shared his concerns that by the end of the current year there would be a shortfall of budget revenues and that the budget expenditures laid down in the updated government budget would be exceeded. In his opinion, this could bring about the need for a second updating of this year's government budget. Should such a need occur however, DSB would seek individual personal liability from all members of the incumbent government of the country.

The DSB also announced their insistence that the leaders of the National Revenue Agency (NRA), the Customs Agency, the National Social Security Institute (NSSI), the National Health Insurance Fund (NHIF), and the Minister of Finance should submit updated information about the fulfillment of their respective budgets to the parliamentary budget committee.

The DSB has no intention of lending support to the 2011 National Health Insurance

Fund budget, because the health insurance contributions of the insured continue to be used in a non-transparent way to unclear purposes. According to Peter Moskov, the DSB support, which the governing majority has been receiving so far, was beginning to deplete because of the lack of reforms in the major social sectors. The Blue Coalition said that they would table a demand for a parliamentary hearing of the leaders of the National Social Security Institute and the National Health Insurance Fund on the issue of the growing deficits they have been running and the indebtedness of the Bulgaria hospitals.

The UDF leader, Martin Dimitrov, launched the idea about the implementation of a so-called Fiscal Board, by virtue of which to run a government budget deficit exceeding 3 percent permitted threshold would only be possible on the condition that three thirds of the Members of Parliament have voted for such a measure. In Dimitrov's opinion, in this way the country will adhere to a balanced budget and the government will be spending as much as the budget allows for.

An agreement for the establishment of a political union was signed by the Chairmen of the UDF, DSB, and VMRO local organizations in the town of Rousse. The establishment of this union stems from the decision of the Blue Coalition to expand the format of the coalition with a view to the upcoming local elections next year. The objectives of this union are for its members to table a joint nomination for the future mayor of the town and compile a joint party slate of municipal councilors in Rousse. The format is an open one and it is possible for other right-wing parties to join it with time. This idea was given approval by the national leaderships of the three parties and the three party leaders hope that this example will have followers in the rest of the towns in the country.

The UDF and DSB leaderships came up with a statement, which suggest that options



for similar broader unification of right-wing formations will be sought for on the national level as well, especially having in mind that next year's local elections will coincide with the presidential election.

The political distancing, which occurred between the Blue Coalition and the GERB Party, became evident in one of the statements made by the UDF party leader, Martin Dimitrov, who appealed for the establishment of a broad right-centrist association to the exclusion of GERB, the purpose of which will be to give its support to a joint candidate at the presidential election next year.

The Sofia City DSB organization announced that the local elections in the capital city had to be won by the candidate of the Right Wing. Yet again the same idea has been launched that the candidate nominated by the Blue Coalition must differ from the nomination of the GERB Party.

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

On the 6<sup>th</sup> of September, the OLJ started a nation-wide subscription to organize a referendum demanding the summoning of a Grand National Assembly to the purpose of drafting and passing a new Constitution of the country. The idea about a new Constitution was launched by Yane Yanev, the OLJ leader, as early as the beginning of the mandate of the incumbent National Assembly. Thus far, however, little was known about the details of the constitutional project proposed by the OLJ. But the launch of the subscription has brought more clarity on the issue now.

The proposals contained in this project for a new country's Constitutions are both strongly populist and radical and some of them contradict basic principles of representative democracy. Thus for instance, a procedure is proposed for the impeachment of Members of Parliament on the initiative of voters from a given constituency. The proposal for MPs,

mayors, and municipal councilors to be elected for no more than two consecutive terms of office wholly contradicts the usual and wellestablished European practices.

The most radical are the proposals, which question the parliamentary form of governance and offer instead a transition to a presidential republic, whereby the President is entrusted with exceedingly strong powers. Thus for instance, the project envisages that it will be the President who heads the executive branch of power and appoints the government with the approval of the National Assembly. The enhanced presidential powers also include: the right to a presidential legislative initiative, enhanced presidential veto powers, the presidential right to independently summon referenda, the presidential right to appoint and release from office the Prosecutor in Chief and the Chairpersons of the Supreme Courts of the country.

The OLJ project also includes a lesser number of the people's deputies sitting in the National Assembly: from the current number of 240 it envisages to lower their number to 100, whereby half of the MPs will be elected by a majority vote. As far as the judicial system is concerned, the project proposes a smaller number of members sitting on the Supreme Judicial Council and the removal of any political quotas for the members it will be made up of. Besides, the project launches the idea for the Prosecutor's Office to become independent from both the judicial and executive branches of power. Another proposal concerns the right of voters to directly elect the administrative leaders of the law-courts and the prosecutor's offices.

Thus far there has not been a clearly pronounced response on the part of any of the political parties in the country with respect to the ideas concerning the proposal for a new country's Constitution, which the OLI has publicly expressed. There has also been a lack of



any serious attention on the part of the public opinion and the media on this issue. The underlying reason why seems to be rooted in the different political agenda the Bulgarian society has been living with for quite some time now. The deep economic crisis and grave financial difficulties experienced by almost all public sectors belittle the issue of summoning a Grand National Assembly and the elaboration of a new Constitution, simultaneously making it irrational, inexpedient, and ill-timed.

The objectives pursued by the OLJ with the subscription for a nation-wide referendum are rather of a strategic party nature. For several months now the party has been outside the media and public attention and this move is aimed at making the party subject to public discussions once again. Only a few months ago a subscription for a referendum meant to hear the public opinion on the issue of Turkey's accession to the EU was launched by VMRO - a party, which lost its long-standing parliamentary representation after the last general election. This example is sufficient to show that political parties, which have been losing public support, avail of such populist themes with purely opportunistic goals that meet their current, temporary, and narrow party strategy, pursued with a view to their preparation for the upcoming local elections next year.

# 2.2. Trends in the Development of the Parliamentary Opposition

At the very beginning of the new parliamentary session, talks with the MRF started on the initiative of the BSP to the purpose of tabling a non-confidence vote against Boiko Borissov's government. These talks have been the first genuine joint opposition activities, which the two parties have undertaken since the beginning of the GERB parliamentary mandate. Notwithstanding the fact that the relations between the two parties are based on pragmatic considerations rather, it is evident that

this time their move is an attempt to lay the foundations of a new stage in their relationships, which have been stagnating ever since the loss of the general election last year.

#### 2.2.1. Bulgarian Socialist Party (BSP)

Despite the current grave economic situation in the country, the BSP cannot be recognized as a real alternative to the governing majority. Moreover, during this quarter as well, the electoral support for the party has remained at a very low level. Nonetheless, the BSP continues to be the second largest political force in the country, as there is no other genuine entity in the left-wing political environment, which could compete with the BSP for the votes of the left-wing electorate.

Unlike the second quarter of 2010, in which there was an abundance of verbal clashes and sharp exchanges between the major camps within the party, what has been observed over these three months instead is a quiet respite. This is the reason why no serious tension has been noticed in the party on the eve of its October Congress session. This does not mean that the conflicts have been resolved. On the contrary, the differences within the party will continue to determine the highlights of the BSP internal political life.

In the middle of July, the Prosecutor's Office brought up charges against Sergei Stanishev. The charges stem from the fact that in his capacity of Prime Minister of the country he has lost some classified information sent over to him by the secret services due to carelessness and neglect. This matter was subject to debates for several months before the indictment became an actual fact. Stanishev qualified the charges as a political act inspired by the incumbent executive branch of power. For a yet another time Stanishev expressed the stance that the Prosecutor's Office is subject to a strong pressure on the part of the governing majority, which is an

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unprecedented occurrence for the years of the country's transition.

The BSP started the new parliamentary season with a proposal to table a non-confidence vote against the Cabinet. The party suggested three major possible topics for the vote: the grave collapse of the healthcare sector, the failure of the anti-crisis measures, the frozen incomes of the Bulgarians and their quality of life. The BSP leader decided that the situation in the healthcare sector is the most critical of all. According to Stanishev, what is being observed is the total failure of the entire anti-crisis policy of the government and he made the forecast that the current year would be marked either by zero or negative growth of the economy. In his opinion, each of the suggested topics is a proper occasion for his party to table a non-confidence vote against the government.

The first consultations between the BSP and the MRF on the subject of the nonconfidence vote failed to bring about any positive result. The two parties even failed to agree on the subject-matter of the vote. The BSP suggested that they should table a nonconfidence vote on account of the crisis in the healthcare sector, whereas the MRF insisted that the vote should focus on the crisis in the sectors of education and culture. According to insiders, however, the major reason for the lack of consensus was the desire of the MRF to postpone the non-confidence vote for after the BSP October Congress session, thus preventing the BSP from using the vote for internal party purposes. Nonetheless, after lengthy talks and maybe due to the resignation of the Minister of Health, the two parties agreed on the subject-matter concerning the crisis in the healthcare sector and the demand for a nonconfidence vote was duly tabled in Parliament.

The BSP made an attempt to set up an ad-hoc parliamentary committee intended to make an inquiry into the situation with the reserves of the National Health Insurance Fund, because of the reasonable doubts the party has that the revenues NHIF receives from the healthcare contributions are spent in an improper way. The Blue Coalition gave its support to this idea but it was voted down by the parliamentary majority. Consequently, the BSP declared that they would address the Prosecutor's Office on this issue.

### 2.2.2. Movement for Rights and Freedoms (MRF)

Over this third guarter of the year, the MRF markedly enhanced its criticism targeted at the country's government. This makes the observers substantiate the conclusion that the party will be much more active during the new political season. The major reason underlying such heightened activity are the forthcoming local and presidential elections next year, which are key elections for the future of the party. Especially important for the MRF are the local elections, as they are the principal political resource of the party now, since it went into opposition.

All these circumstances have modified the tactic and strategy of the MRF. This became evident at the opening of the new plenary session at the National Assembly, where the MRF launched an appeal for the formation of an alternative to the GERB governance. The MRF Deputy Chairman, Lyutvi Mestan, stated that it was necessary for the political parties in Bulgaria, which have been distancing themselves from the governing populist formations - the GERB and Attack Parties, to direct their potential to building an alternative to the current populist governance. Mestan appealed to the Blue Coalition to get involved in this process, because the country needed an authentic right-wing policy. Mestan also pointed out that there was no greater and more significant political challenge than the establishment of an alternative to the incumbent government.



In the opinion of Lyutvi Mestan, the passing of next year's government budget will put to the test the governing potential of the GERB Party and to a large extent will answer the question whether the term of office of the incumbent National Assembly will be completed or will rather be terminated by an early parliamentary election. Mestan directed critical remarks against the GERB Party on account of its anti-crisis measures, which he chose to qualify as "pro-crisis" measures. Then Mestan declared that his party would be a serious corrective to the country's government by becoming its increasingly louder critic, and that the MRF could even initiate a non-confidence vote against the government.

The consultations on such a non-confidence vote are already a tangible fact. As mentioned earlier, it was on the initiative of the BSP that such talks were carried out, its subject-matter has already been agreed, and the demand for the first non-confidence vote against the GERB governance has already been tabled at the Bulgarian Parliament.

The first days of September also saw the beginning of the conflict of interest law-suit against Ahmed Dogan on account of the royalties he has received to the tune of BGN 1.5 million for consultancy services in connection with the construction of the "Tzankov kamak" dam and the "Upper Arda" cascade of several hydroelectric power plants. At the hearing, the Supreme Administrative Court issued a ruling that Dogan should submit information about the type of consulting activities he had performed and proof about his expertise in the areas of geodesy and hydro-engineering.

Ahmed Dogan did not appear at the law-court hearing in person, he was represented by his attorney at law. On the whole, over the current quarter Dogan has been avoiding public and media appearances. Thus no comment has been heard from him on account of these notorious consultancy royalties. Dogan

failed to appear at the opening of the autumn parliamentary session as well.

Nonetheless, the party leadership took a stance on the contentious issue of the consultancy royalties. They qualified the law-suit against Dogan as a political act, aimed at discrediting the party and its leader. The MRF said that their tolerance was on the verge of depleting and the party would take the necessary legal action in order to defend itself.

A step in this direction is the decision made by the MRF leadership to file a petition at the Strasbourg Human Rights Court concerning the cassation of the outcome from last year's general election in several polling stations in Turkey, which resulted in the annulment of one of the MRF parliamentary seats. The party thinks that the annulment of nearly 18 thousand votes in Turkey only because the protocols of the polling commissions had not been properly signed infringes the right of citizens to a free vote at the time of elections.

#### 3. Public Opinion

The opinion poll survey held by the MBMD Agency at the beginning of September indicates that the GERB Party has retained its electoral support and in this respect is convincingly way ahead of all the other parties. If the general election were held in September, Boiko Borissov's party would receive 32.3 percent of the voters' ballots. The second ranking party after GERB is the BSP, for which 10.3 percent of the voters are willing to cast their ballots. This percentage marks a decline in comparison with July, when the electoral support for the Bulgarian Socialist Party stood at 12 percent. The number of voters who intend to vote for the MRF is 5.1 percent. The rest of the parliamentary represented parties, such as the Blue Coalition, the Attack Party, and the OLJ, have almost similar results hovering around the four percent electoral threshold. The most tangible decline has been registered with respect to the Attack Party, which could capture the votes of about 2 percent of the electorate only.

The MBMD opinion poll survey shows that the confidence rating of the GERB government has increased by 3 percent in comparison with July. About 39.7 percent of the respondents say that they trust the government, while their number in July was around 36.2 percent. At the same time, however, 51.6 percent of the respondents have declared that they rather tend to distrust the Cabinet of Boiko Borissov.

As far as the approval rating of individual politicians is concerned, Tzvetan Tzvetanov, Deputy Prime Minister and Minister of Interior, enjoys the highest rating of 55.9 percent and once again surpasses the approval rating of Prime Minister Boiko Borissov, the rating of whom stands at 52.4 percent.

The trend of a declining approval rating of President Georgi Parvanov has been retained over the current guarter as well. He receives the approval of one third of the respondents – 36.1 percent, whereas the disapproval he has gathered stands at over 50 percent.

The disapproval rating of some of the key ministers in the Cabinet, however, is disturbingly high. Thus for instance, the Deputy Prime Minister and Minister of Finance, Simeon Dyankov, has gathered the disapproval of 59.1 percent of the respondents, and the confidence rating he enjoys is merely 12.3 percent. The Minister of Health, Anna-Maria Borissova, who recently handed in her resignation, gathers the disapproval of 65.4 percent of the respondents. The reasons for the high disapproval rating of these two ministers can be explained with the economic crisis and the grave situation in the healthcare sector, a proof to which is the above-mentioned resignation of the Healthcare Minister.

As regards the opposition leaders, Sergei Stanishev and Ahmed Dogan score quite a low level of overall approval. The confidence rating of Stanishev stands at 12.5 percent, and his disapproval rating is as high as 75.2 percent. Ahmed Dogan has retained his traditionally high disapproval rating - 83.7 percent, while the confidence he enjoys stands at 7.2 percent only.

The support rating of the leaders of the rest of the parliamentary represented parties is equally low as well. The leader of the Attack Party, Volen Siderov, has a 9 percent support rating, whereas the disapproval he gathers stands at 78.7 percent. The percentage of respondents who have expressed disapproval with respect to the DSB leader, Ivan Kostov, is 80.3 percent, and the approval he is currently enjoying stands at 8.9 percent.

The MBMD opinion poll survey also shows that among the country's institutions it is the police and the church that enjoy the highest confidence rating - 41.6 percent and 48 percent respectively.

#### 4. Major Conclusions and Forecasts

1. The last few months of the current year will be extremely important for the governance of the GERB Party. The government is facing serious challenges connected both with overcoming the consequences from the economic crisis and the reform of the public sector, which over the past year has virtually been on the threshold of a total collapse. The situation in the healthcare sector is especially grave and bleak, as a number of hospitals in the country are facing insolvency and are consequently threatened by bankruptcy proceedings. The liabilities of the National Health Insurance Fund owed to the hospitals exceed the amount of BGN 125 million, which is the reason why healthcare workers and physicians have declared their readiness to launch industrial action in the middle of October. Despite the recent disbursement of half of the amount of



the incurred debt and the resignation of the Minister of Health, Prof. Anna-Maria Borissova, these measures are incapable of providing any resolution to the massive problems in the healthcare sector, as no clear plan for reforms in the sector has been tabled thus far.

A number of universities throughout the country are facing a serious crisis because of the lack of sufficient funding. For a yet another time this clearly reveals the need for the continuation of the educational reform, which in practice has been stagnant over the past few months.

The government also launched a new pension reform, the underlying principle of which is the idea to increase both the mandatory age and length of service eligibility of future pensioners. As soon as the governing majority encountered the first more serious resistance on the part of the trade unions and the opposition parties, however, the Cabinet is about to modify its ideas about reforming the pension system. This is a yet another proof of the lack of a lucid strategy and sufficient political willpower for accomplishing the long-needed reforms in this sector.

Another major challenge, which the governing majority is facing right now, is the fulfillment of this year's government budget. Although the first symptoms of bottomingout of the crisis can be observed, the magnitude of the budget deficit may well exceed the government forecasts. This is likely to have an adverse effect on the parliamentary procedure of passing the 2011 country's budget. Should this happen, a wave of discontent and protests could be expected on the part of the various professions working in the public sector. For its part, this could undermine the confidence rating of the GERB Party and the incumbent government. This may also entail additional Cabinet re-shuffles and ministerial resignations to the purpose of deflating public discontent.

2. What has been observed from an internal party point of view is the occurrence of the first more serious contradictions and differences within the GERB Party, which are mainly connected with clientele infighting on the level of local party structures. This became the underlying reason for some replacements of regional party coordinators. Despite this fact, however, tension and internal strife within the local structures are expected to rise with a view to next year's local elections.

For the time being, the central GERB leadership is effectively coping with these problems and some of its actions have revealed for a yet another time the strongly centralized and authoritarian nature of the party with respect to the way decisions are made and the internal party democracy is practised. The recent exclusion from the party of the chairperson of the group of municipal councilors in the town of Plovdiv, Dani Kanazireva, is a clear proof to the above conclusion. The party decisions are made by a very close circle of people around Prime Minister Borissov and very often this happens in a non-transparent way for the broad party membership and the regional structures of the party. For a leader's party, however, such as GERB is, this is the usual way the party functions. No changes can be expected in this direction in the foreseeable future as well.

3. The Attack Party continues to be the closest and staunchest ally of the GERB Party and for the time being it is lending its most categorical support to the governing majority. The beginning of the new parliamentary session was a yet another confirmation of this fact, as the Attack has backed up some of the most contentious ideas launched by the GERB Party concerning the pension and healthcare reforms.

At the same time, Volen Siderov's party has launched extremely populist ideas about the nationalization of some sectors of the

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economy. This move is mainly targeted at the extremely leftist and nostalgically minded nationalists, who during the 1990s were traditional BSP voters and whom the Attack Party managed to attract as its own electorate in 2005. Such ideas, however, will find it hard to retrieve the electoral positions, which Attack has now almost completely lost, and they are hardly likely to be the proper solution that can help the Attack Party to overcome the loss of political identity as a result of its unconditional support for the GERB Party.

4. The Blue Coalition has increasingly been distancing itself from the GERB Party. Upon the opening of the new parliamentary session at the National Assembly, the cochairs of the Blue Coalition, Martin Dimitrov and Ivan Kostov, warned that their coalition holds considerable reserves as regards the economic policy pursued by GERB, which may become the occasion for the coalition members to reconsider their current support for the governing majority.

In the immediate short term, the support of the Blue Coalition for the GERB Party will depend on the fulfillment of this year's government budget. Martin Dimitrov made an unambiguous statement that another budget updating cannot be ruled out and this time the Blue Coalition is hardly likely to lend support to such a move. Nevertheless, the coalition members made it perfectly clear that they did not intend to back up the non-confidence vote against the government. This is a matter of principle for the Blue Coalition, because the BSP continues to be the major ideological adversary of the traditional Right Wing in Bulgaria.

The Blue Coalition indicated that it has already started its preparation for next year's local elections. The idea is for the coalition to expand with the inclusion of smaller right-wing parties and such an expansion has been successfully accomplished in the town of Rousse now. It is highly likely for the idea about the

formation of a "Blue Coalition Plus" to be accomplished on the national level as well, by nominating a presidential candidate different from the nomination tabled by the GERB Party.

5. The lost electoral support made the OJL Party put once again its stakes on populism, which has been a characteristic trait of the party ever since it was officially established. The launch of the subscription for holding a referendum on the demand for the elaboration of a new Constitution of the country indicates that Yane Yanev's party has no other political resources at its disposal, which could help it win the confidence and support of the voters. The lack of a cadre potential and rational political solutions, attuned to the political agenda of the country, have resulted in such extremely inexpedient and improper ideas, which run counter to the current political situation in Bulgaria. The objective of the OJL Party, however, is to get into the focus of public attention and attract the interest it needs, but this initiative is hardly likely to bring about the desired result.

6. Over the current third quarter of the year, the opinion poll surveys once again indicate that the electoral position of the BSP is in a situation of ongoing stagnation. This is the reason why the party cannot be recognized as an alternative to the incumbent government. And it is visible that the lack of internal party consolidation and the inability of the party to renew its party elite are among the major reasons underlying the poor electoral support, which the party has been receiving of late.

The idea of the BSP to initiate a non-confidence vote against the Cabinet is a step aimed at focusing wider public attention on the party. This move, however, is hardly likely to yield substantial positive results. The misgivings of the MRF that the BSP was trying to avail of such a non-confidence vote for purely internal party goals were not quite unsubstantiated in the current political environment, having in



mind in particular the forthcoming October Congress session of the socialist party.

Now that the BSP and the MRF have finally agreed to table a non-confidence vote against the government on account of the failure of its healthcare policy does not belittle the fact that the BSP Congress session in October is hardly likely to bring about substantial changes, marking the beginning of a new stage in the development of the party. And yet, the reforms and consolidation of the BSP have become imperative with a view to the local and presidential elections next year, because they will provide a key test for the future prospects of the party.

7. The beginning of the autumn parliamentary session indicated that the MRF will enhance its stance of an opposition party during the new political season. The party was cautious to commit itself to consultations with the BSP on a non-confidence vote against Boiko Borissov's government, but what can be expected in the near future is for the MRF to

become increasingly more critical with respect to the incumbent governance. This will mainly depend on the way in which the governing majority is coping with the current political priorities, such as the reforms in the public sector, the fulfillment of this year's government budget, and the mitigation of the consequences ensuing from the economic crisis.

Next year's local and presidential elections will play the role of major determinants as far as the MRF political strategy is concerned. For a party such as the MRF, local elections have always been a priority. This is the reason why the party will start its preparation for these elections quite early on. GERB's intention to introduce a requirement allowing only people with permanent address in Bulgaria of at least a year's duration to vote at these elections will have a direct bearing on the MRF. Consequently, the party will openly oppose such an idea, should it become subject to a parliamentary vote.

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