

**Georgi Karasimeonov (Ed.)**

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## Political Parties Development in Bulgaria

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- The political situation in the country is getting increasingly more dynamic and tense. The major political parties are undergoing a process of internal regroupings, thus preparing for the general election due next year.
- The public attitudes towards the GERB Party are marked by increasingly more critical overtones with a view to the economic problems experienced by the country. Although the party continues to rank first among all other major political parties, what has been observed is a growing decline of confidence in both the government and the parliamentary majority. The latest opinion polls, however, indicate that the Prime Minister and GERB leader, Boiko Borissov, has retained the voter confidence and is currently ranking among the politicians enjoying the highest approval ratings.
- The situation within the Blue Coalition has exacerbated. The two constituent parties – the UDF and DSB – are experiencing internal differences as regards their coalition policy. Some of the local UDF party organizations have put forward the idea of reconsidering their relationships with DSB. Processes of internal party regrouping have been simmering within DSB as well.
- A heated contest for the leadership post in the BSP is about to begin between the former President Georgi Parvanov and the incumbent party leader, Sergei Stanishev. The two have made some harsh verbal exchanges in the public environment, which has additionally fuelled the tension within the party.

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## 1. The Political Situation

The political situation over the first quarter of 2012 was especially dynamic and packed with events. At the end of January the newly-elect President Rossen Plevneliev replaced Georgi Parvanov at the office of the Head of State. In his inauguration speech, President Plevneliev outlined his principal priorities. He announced his intention to be a dialog-prone and active President who would be working to achieve a supra-party consensus among the major political formations in the country. The new President appointed Tzvetlin Yovchev, former Director of the National Security Agency, to the post of Head of the Presidential Cabinet, while Ekaterina Zakhariyeva, former Deputy Minister at the Ministry of Regional Development and Public Works, was appointed Chief Secretary of the Presidential Cabinet.

There will be five commissions and seven councils functioning within the presidential administration. President Plevneliev has preserved the commissions existing thus far, which are as follows: 1) Bulgarian citizenship and Bulgarians Abroad Commission, 2) Clemency Appeal Commission, 3) Asylum Commission, 4) Commission on Pardoning Bad Debts to the Government, and 5) Commission on Assigning Names to Settlements and Sites of National Significance. The Presidential Administration has also set up the following councils: 1) Foreign Policy Council, 2) Defense and Security Council, 3) Legal Council, 4) Intellectual Development, Culture, and National Identity Council, 5) Regional Development and National Infrastructure Council, 6) Economic Development and Social Policies Council, and 7) Science and Education Council.

One of the first new initiatives of President Plevneliev was the organization of the so-called "month of political consultations".

What it actually involves are meetings between the President and the parliamentary represented parties to the purpose of finding a supra-party consensus on the national priorities. This initiative was highly appreciated by all the major parties in the country.

The Bulgarian government gave its support to the EU Treaty concluded for the salvation of the Euro on the explicit condition that Bulgaria will bind itself neither with any financial conditions nor with the requirement to harmonize its taxation system with the rest of the EU member states. The Bulgarian Parliament approved the principled position of the government that initially Bulgaria will adhere only to the fiscal rules of the Treaty requiring a 3 percent annual budget deficit and a level of foreign indebtedness, which does not exceed 60 percent of its GDP. Bulgaria will start implementing the rest of the provisions in the agreement concerning its overall economic policy only after it has actually joined the Euro Zone. For a yet another time, Simeon Dyankov, Deputy Prime Minister and Minister of Finance, declared that the government would make no financial commitments in connection with the new Treaty, as Bulgaria would not be a party to the European Stabilization Mechanism and thus would make no pecuniary contributions to the International Monetary Fund.

In the preliminary Monitoring Report on Bulgaria's progress in the area of Justice and Internal Order issued by the European Commission, a special attention is drawn to the judicial system reform for a yet another time. There are recommendations for elaborating transparent rules for the election of members to the Supreme Judicial Council. There is another set of recommendations concerning the establishment of a network of specialized prosecutors, and the implementation of

new and active investigation strategies. The European Commission demands results concerning the imposition of sanctions in conflict of interest cases. The Prosecutor's Office is criticized for the lack of effective actions in a number of cases involving alleged fraud with EU funds, given the fact that on the basis of the same evidence the investigation of these same cases continues in another EU member state. The Report also mentions that in all cases of fraud with EU funds filed in 2011, the respective penal liability has been substituted by administrative sanctions only.

In his presentation of the text of the Report, the Spokesperson of the European Commission, Mark Grey, underlined that Brussels' tolerance amounted to zero whenever abuse of EU funds was involved and that was the reason why the institution he represented would continue to closely monitor the development of these and other such cases.

It is for the first time ever that a Monitoring Report of the European Commission has included the fact that election fraud, vote purchasing, and controlled voting were observed at the time of the latest presidential and local elections in the fall of 2011.

A new round of ministerial re-shuffles was announced in the middle of March. The Prime Minister demanded the resignation of the Minister of Health, Stephan Konstantinov. This was an expected move within the context of the piled-up problems in the healthcare sector, which were further exacerbated by the issue involving the exorbitant price of medications in particular. One of the rows that burst out at the beginning of March was connected with the information leaked in the public environment that the Bulgarian pharmaceutical companies were selling more expensive medicines in Bulgaria than in neighboring Serbia. The opposition expressed its suspicions that

lobbyist interests might have been involved so that such a price discrepancy could occur, and demanded an explanation from Prime Minister Boiko Borissov. The latter replied that he had no prior information about this fact and passed on the blame to the Minister of Health. Minister Konstantinov said he was not given the chance of influencing the price formation process in a direction beneficial for both the patients and citizens in this country, because he was faced with various lobbies around the GERB Party, which "were tying his hands" thus preventing him from introducing the necessary reforms.

The response of the opposition parties with respect to this resignation was far from surprising. The BSP, the MRF, and the Blue Coalition voiced quite similar assessments, which qualified Konstantinov's dismissal as a yet another proof of the government's failure in the healthcare sector. Subsequently, the GERB Party MP Dessislava Atanassova was elected in the capacity of a new appointee to the post of Minister of Health.

Another resignation – that of the Minister of the Economy, Energy, and Tourism, Traicho Traikov, provoked a much louder public and political reverberation. Whereas the resignation of the Minister of Health was an expected one, Traikov's resignation was more or less unexpected. Indicative in this respect are the reactions of the political parties and the leading political analysts in the country. The public opinion expressed a shared feeling that the replacement of Minister Traikov was ill substantiated. The Deputy Prime Minister, Tzvetan Tzvetanov, mentioned that personal considerations were underlying Traikov's resignation, while Prime Minister Boiko Borissov pointed out that the resignation was connected with a failed country presentation at the Bulgarian business forum in Qatar. For

his part, Traikov said that his resignation was rather prompted by energy-related interests in contentious projects such as the “Belene” Nuclear Power Plant. The fact that Traikov handed in his resignation two weeks before the deadline for making a decision on the fate of the “Belene” NPP enhances the suspicions that the underlying reason is rooted precisely in the unsolved issue about the future of this power plant. At the ministerial post Traikov was replaced by his deputy at the Ministry of the Economy, Energy and Tourism – the 33 year old Delyan Dobrev.

The stance expressed by the Blue Coalition was that the resignation of Traicho Traikov had much to do with the “Belene” NPP and was connected either with his disagreement to implement this project or with the then forthcoming negotiations on the price at which Russian gas was sold to Bulgaria.

MRF representatives said that Traikov had actually become a scapegoat in this particular case. What had to be done in their opinion was to publicly demand that the government take upon itself the collective responsibility and blame for the problems in the economy and healthcare, because what was observed was a deficit of policies and ideas generated by the governing majority, which could help improve the situation in these two sectors of paramount significance. A similar stance was voiced by the BSP as well.

The leader of the “Bulgaria of the Citizens” Civic Association – Meglena Kouneva – qualified the replacements of Traikov and Konstantinov as the result of the “helpless country’s governance”. She commented the statement of Prime Minister Borissov who said that “for the past three years nothing had happened at the Ministry of the Economy, Energy, and Tourism” as an open acknowledgement of the lack of reforms in the sector. At the beginning of

March, Kouneva officially announced that she had now left the National Movement for Stability and Progress (NMSP). In all likelihood this means that she will soon give support to the establishment of a new political party that will function under her leadership.

The National Assembly passed the appointments of the new ministers by virtue of the votes of the GERB parliamentary faction and the independent MPs from the OLI Party. The opposition united around the opinion that these replacements would hardly bring any changes in the policy pursued by the governing majority as regards the reforms in the key sectors of the economy and the public sphere at large.

Ex-President Georgi Parvanov announced his stance in favor of composing a brand new “Borissov” Cabinet. In Parvanov’s opinion, the very first minister who has to be ousted from the incumbent government is the Deputy Prime Minister and Minister of Finance, Simeon Dyanov. Parvanov made an appeal to Boiko Borissov to take the responsibility for the failure of the economic and energy policy of the government in an unequivocal and clear manner, because Traicho Traikov’s replacement meant precisely that. Parvanov – who is considered to be one of the staunchest proponents of the idea about the construction of the “Belene” NPP project – declared for a yet another time that power generation and the energy sector at large are the “the engine of the economy and the guarantor of the country’s security”.

The stance of the major parties with respect to the “Belene” NPP project remains unchanged. The Blue Coalition is against this project and suggests that the nuclear block, which has already been almost paid for, should be installed – if such a move is feasible – as a seventh block on the site of the “Kozloduy” NPP, and should that prove impossible, the

nuclear reactor will have to be sold to an interested party. The stance taken by the MRF is quite similar. It is only the BSP that has voiced its support in favor of the completion of the "Belene" NPP project, accusing the government at the same time for having failed to actively work for its implementation. The Attack Party also expressed its stance in favor of the "Belene" NPP, because in their opinion Bulgaria needs new energy resources.

The response of Prime Minister Borissov was that the "Belene" NPP project would be subject to completion only if proofs were produced for its profitability and if another foreign strategic investor agreed to take part in it. Otherwise Bulgaria would terminate this project altogether.

On that background, at the end of March, the Cabinet made a decision for the total discontinuation of the "Belene" NPP project, which was subsequently endorsed by the National Assembly as well. The arguments pointed out by the government, which were also given support by the Blue Coalition and independent MPs, are based on the fact that the project is economically inefficient. Only the MPs of the BSP and the Attack Party voted against the decision. It is in this connection that the BSP MPs announced their intention to table a parliamentary non-confidence vote against the Cabinet. The Russian side put forward their financial claims and it is possible for these claims to be referred to international arbitration.

The economic situation in the country continues to be rather precarious. The February unemployment rate stands at 11.5 percent, which is 0.4 points higher than the January unemployment level. Thus far, the labor offices and bureaus have registered 376,171 unemployed, which makes 10,000 newly-registered unemployed in comparison with their January number. At the end of March,

however, Eurostat revised the Bulgarian unemployment figure to 12.4 percent, which is well above the EU average of 10 percent.

The Minister of Finance, Simeon Dyankov, announced that he was planning to diversify the sources of raising the BGN 2 billion, which the country needs for the foreign debt repayments due at the beginning of 2013. In his opinion, the most appropriate plan is to raise a portion of this sum from the privatization of no longer needed government assets, to cover another portion by floating short-term treasury bills and government bonds of up to 3 year maturity, and to round up the third portion with medium-term (five- or seven-year) Euro bonds.

In the middle of March, the Bulgarian Anti-trust Commission announced the results of one of its audits, which indicates the presence of a cartel agreement among the largest liquid fuel suppliers concerning the level of the consumer retail prices at the petrol stations in the country. The participants in this cartel are: Lukoil Bulgaria, Rompetrol Bulgaria, Naftex Petrol, and OMV Bulgaria. These companies have infringed the ban on agreements among business entities connected with price level setting or with other terms of trade. The Anti-trust Commission points out that the arrangements at which these companies have arrived on the issue of diesel and petrol prices have "prevented, limited, or infringed the wholesale market competition" with respect to petrol and diesel liquid fuels. The ruling of the Commission is not a subject to appeal. The sanction threatening these companies may reach 10 percent of their turnover for the previous calendar year.

## 2. State and Development of the Party System

### 2.1 Trends within the Right-Wing Political Environment

#### 2.1.1 Citizens for European Development of Bulgaria (The GERB Party)

Over the past quarter, the GERB Party focused increasingly more on the problems of its governance, because it is quite obvious that the reforms in key sectors of the country's governance have been delayed. This affects the public confidence both in the Cabinet and the party, which is evidenced by a number of opinion polls that are quite indicative in this respect. The priorities in the short-term period of time will be the administrative reform and the establishment of an e-government, the water sector reform connected with the management of the country's water wealth and its dams, the reform in the judicial system and the elaboration of transparent rules for the election of a new Supreme Judicial Council in particular.

What lies in store for the governing majority is a difficult year from an economic point of view, and this will be the major challenge precisely, which the party and the government will have to face.

Several key changes were carried out at the Sofia City Municipal Council in the month of February. Andrei Ivanov handed in his resignation as a Chairman of the Municipal Council, but remained at the post of municipal councilor and Chairman of the GERB Party Sofia City organization. In the opinion of Tzvetan Tzvetanov, the performance of the Sofia City organization at the past local elections was exceptionally successful and that was the reason why no changes whatsoever had to be effected there. After Ivanov's resignation,

Elen Gerdjikov was elected to the post of new Chairman of the Municipal Council.

Over the quarter under review, a number of changes were carried out in the leadership of the regional GERB party organizations. Thus for instance, in the town of Pazardjik, the regional structure of the party from now on will be under the leadership of Doncho Varsanov who is the incumbent Regional Governor of the town of Pazardjik. Before the replacement, the role of head of the regional GERB party organization was performed by MP Ivan Ivanov. The Deputy Prime Minister and Deputy Chairman of the GERB Party, Tzvetan Tzvetanov, explained the reason underlying these replacements with the fact that the majority of the regional party leaders thus far were occupied as Members of Parliament at the same time. This prompted the GERB central leadership to reconsider the situation and make the respective changes in some of the regional centers with a view to the higher responsibilities of the regional party leaders on the eve of the general election due next year. This namely is the reason why similar changes were undertaken in the towns of Razgrad, Haskovo, and Veliko Turnovo as well.

#### 2.1.2 The Blue Coalition (the Union of Democratic Forces - UDF and Democrats for Strong Bulgaria - DSB)

At the opening of the new parliamentary plenary session at the beginning of 2012, the DSB leader, Ivan Kostov, declared that the major priority of the Blue Coalition throughout the entire year would be the salvation of the Bulgarian economy. Kostov drew special attention to the fact that the medium-size business in the country was facing bankruptcy on a mass scale. The DSB leader addressed

the governing GERB majority with an appeal, summoning them to make amendments to the policy they were pursuing with respect to the monopolies in the Bulgarian economy. It is in this connection that the Blue Coalition is working on amendments to the Protection of Competition Act, which provide for the better protection of consumer interests. The UDF and DSB intend to propose a clear definition of the term "a business entity holding a dominant market position" and to clarify what is the precise meaning of the term "abuse of a dominant market position". In Kostov's opinion, it is small- and medium-size business that is the genuine engine of the Bulgarian economy and the Blue Coalition will do its best to protect its interests. The other categorical declaration of the Blue Coalition was that they would do their utmost in order to prevent a situation of an excessive government budget deficit.

Over the past quarter it became clear that the Blue Coalition intends to organize a debate through a series of round tables on new amendments to the Bulgarian Constitution. This idea was prompted by the latest interim Report of the European Commission, which indicates that no substantial progress has been made in the area of combating corruption in this country. MEP Svetoslav Malinov said that a tendency of deteriorated attitude towards Bulgaria was observed and that the expectations were for an even more critical tone in the regular summer report.

According to Ivan Kostov, taxes in Bulgaria are low and this makes it possible to attract investors, but nonetheless this somehow is failing to happen. The reasons why, in his own opinion, are rooted in the monopolization of entire sectors of the economy, the corrupt administration, and the malfunctioning adjudication process.

The DSB leader, Ivan Kostov, also said that what should be set up was an appropriate mechanism whereby Bulgarian treasury bills and government bonds could be traded on a continuous basis, because it was in this way only that genuine liquidity could be available. Apart from that, Kostov also suggested that the treasury bills and government bonds market should be accessible for pension funds, insurance companies, business entities, and even for physical persons. Kostov warned about the disastrous consequences that could occur if the Ministry of Finance attempted to use only the remainder of the current fiscal reserve to fund the budget deficit and the repayment of the interest due on the foreign bonds early next year to the exclusion of the option to go out and borrow money on the international market. Should that happen, then the country would face the problem of being incapable of servicing its foreign debt altogether. The DSB leader is against the idea of borrowing funds from the International Monetary Fund.

The UDF declared its stance in favor of drafting, tabling and implementing a new regulatory policy, the purpose of which is to discontinue the current practice of governmental protection of the monopolies from competition. In his statement the UDF leader, Martin Dimitrov, was categorical that the GERB governance was continuing its policy of tolerating monopolies and that the government remained indifferent to the rising prices of fuels, food, and medication. In practice, this situation is wiping out the small- and medium-size business in the country. It is in this connection that the Blue Coalition will table amendments to the Competition Act, which could bring about an effective limitation of the power of monopolies in Bulgaria.

The UDF will insist on alleviating the imports of fuels, which – for its part – will create

conditions for healthier competition on the market and will consequently promote the depreciation of diesel and petrol prices.

The UDF National Council granted permission to the party leadership to initiate talks with other right-wing parties for jointly running next year's general election. Martin Dimitrov said that he had always stood for a broad right-wing association, but initially such talks would be held with DSB only. There are differences among the members of the UDF National Council as regards their union with DSB in the form of the Blue Coalition. The representatives of the Sofia City UDF organization and the Head of the Party Election Headquarters, Boris Markov, continue to be the staunchest opponents of this coalition format. In the opinion of Ivan Sotirov, former Deputy Sofia City Mayor, to run a general election once again with DSB would mean in practice the total marginalization of the UDF in the near future.

The former Speaker of the National Assembly, Alexander Yordanov, is another adversary of the coalition with DSB and suggests that the UDF should seek partnership with Meglena Kouneva, if she chose not to enter into a coalition with the BSP. At the same time, Alexander Yordanov qualified GERB as a "natural partner" of the UDF.

The representatives of two of the bigger UDF local organizations – those in the towns of Plovdiv and Bourgas – also oppose the coalition of their party with DSB.

Unlike these representatives of the UDF, the MEP Nadejda Neinsky voiced her open support for the coalition with DSB. In her opinion, any other solution would be not only a "political suicide", but also a betrayal of the right-wing voters who voted for the Blue Coalition in 2009. She reminded her colleagues of the fact that the UDF had run a national

election on its own twice – at a presidential election and at the election for members of the European Parliament. Both times the outcome for the party was below 100,000 votes. A similar stance was voiced by the former mayor of the town of Pleven, Naiden Zelenogorsky, the UDF local party organizations in Veliko Turnovo and Lovech, as well as by the majority of the UDF MPs.

Within DSB, there has been a growing tension as well. At the end of March, Proshko Proshkov, former candidate for Sofia city mayor of the Blue Coalition at the latest local elections, surprisingly handed in his resignation in the capacity of a member of the DSB National Leadership. In his words, the party should entirely reconsider its coalition policy, which he called "a policy of fear". Proshkov also stated that the analysis made of the outcome from the 2011 presidential and local elections was wrong. He also shared that he would give his approval to the Blue Coalition only if "it worked with self-confidence and as a genuine governmental alternative, rather than chasing the cherished 4 percent" electoral threshold.

Some of the loudest critics of the UDF leader, Martin Dimitrov, set up a civic association called "Democratic Action – D2" headed by the former UDF Sofia City leader, Stephan Ivanov. The objective of the Association is to launch new ideas for possible solutions and policies, which – according to its founders – were lacking within the UDF. Among the founders of the D2 Association are also: Ivan Neikov, former Social Policy Minister at Ivan Kostov's Cabinet (1997-2001) and Milena Stefanova, Deputy Rector of Sofia University and former municipal councilor at the Sofia City Municipal Council elected on the party slate of the UDF. The other members of the Association are: the former leader of the UDF Plovdiv local organization, Dr. Grigor Mallev,

the Deputy Chairman of the UDF Sofia local organization, Teodor Petkov, etc.

Ivan Neikov said that the principal idea of the Association is to set up an expert group, which will not only elaborate policies, but will also become a discussion forum held at least once a month. The Association does not aim at becoming an alternative to the incumbent UDF leadership; its purpose rather is to function as a think-tank, the ideas of which could be useful for all political parties in the country.

### 2.1.3 The Attack Party

Over the past quarter, the Attack Party has traditionally continued to put its stakes on populist messages. The party tabled exceedingly unrealistic legislative amendments, such as an amendment to the Labor Code, whereby the minimum wage should be set at BGN 1,000, and the minimum pension – at BGN 500. Another such a proposal was to impose a moratorium on the rising price of bread for a three month's period of time.

The Attack party leader, Volen Siderov, launched his sharp criticism on account of the visit of the Turkish government to Bulgaria at the end of March. He declared his stance against the joint session of the two Cabinets and qualified it as a retraction from national dignity, as there were a number of pending issues between the two countries. According to Siderov this was "a disgraceful visit, which expresses the lack of any governmental policy as regards Turkey".

It is for the first time that the Attack Party expressed a categorical stance on the "Belene" NPP project. Volen Siderov said he was not bothered by the fact that the nuclear reactors were Russian made, as long as their price was reasonable. In his opinion, the current criticism concerning the Russian partici-

pation in this project was based on "attitudes and complexes from previous times".

Siderov also said that Bulgaria had to continue the construction of the "Belene" NPP, because this country lacked sufficient energy resources. In his words the major sources of crude oil and gas were in Russia and that was the reason why the European Union had to enlarge in the direction of Russia, as well as the Ukraine, rather than Turkey. He pointed out that while Bulgaria was delaying the implementation of its energy projects, Turkey was building several electric power plants and thus the possibility for Turkey to sell electricity to Bulgaria was becoming quite realistic.

The MEP Dimitar Stoyanov, who was ousted from the Attack Party not long ago, and his mother Kapka Georgieva, ex-wife of the Attack Party leader, initiated the establishment of a new political party. Dimitar Stoyanov was elected Chairman of the initiative committee of the National Democratic Party (NDP). The Constituent Assembly of the new party will be held on June 2<sup>nd</sup> this year. Before his election, Dimitar Stoyanov explained that the name of the new party was chosen in connection with the two principal ideas, which the party would be defending: the "national" – because of "the idea about the national interest, about the patriotic beginning, about the maturity and unification of the Bulgarian nation", and the "democratic" – because "all authoritarian forms of governance" should be rejected.

Dimitar Stoyanov stated that the new patriotic formation would pursue a moderate political course on the example of other similar parties in Europe. He mentioned that what the European experience had shown thus far was that confrontation among parties in conditions of a rampant financial crisis created additional political divisions and was counterproductive.

Stoyanov said that so far about 20 municipal structures of the Attack Party had expressed their readiness to join the new party.

The leader of the Attack Party, Volen Siderov, declared that the new party was a mere satellite of the GERB Party. In his opinion the governing majority were creating “such parties precisely, in order to erode the popular vote for the Attack Party”.

Much like Dimitar Stoyanov, the other MEP elected on the party slate of the Attack Party, Slavi Binev, organized a new political project called Civic Movement for Genuine Democracy – CMGD (the Bulgarian abbreviations of which – GORD – sounds exactly as the word “proud” in Bulgarian). CMGD issued an appeal for a modern state, which received the support of public figures such as: the writer Lyuben Dilov-son, the volleyball player Lyubo Ganev, the journalist Kroum Savov, and the sculptor Georgi Chapkunov. In their opinion, the modern state is an agreement among people, which is concluded in the name of collective security and welfare. This is the reason why they will work for a united nation, which has overcome the demographic catastrophe and has taken its merited place among the most successful European nations.

#### **2.1.4 The Order, Legality and Justice Party (OLJ)**

During the first quarter of the year, the OLJ gave its support to Boiko Borissov’s government once again and voted for key parliamentary bills in sync with the governing majority. Subsequently, the OLJ party leader, Yane Yanev, was elected Chairman of the ad-hoc parliamentary committee of inquiry entrusted with the task of reviewing the pardoning acts and Bulgarian citizenship acts granted by the former Vice President, Anguel Marin. This

committee was set on the demand tabled by the GERB Party when it became clear that ex-President Parvanov had failed to issue a second decree to transfer the presidential powers of pardoning debts, granting clemency and Bulgarian citizenship to Vice President Marin after they were sworn for their second presidential term of office back in 2006.

BSP representatives said that this committee was illegitimate, because the presidential institution was not subject to parliamentary control, and that the major task of this committee was to launch a personal attack against ex-President Georgi Parvanov. The opposition addressed the issue about the legitimacy of this parliamentary committee to the Constitutional Court.

### **2.2 Trends within the Parliamentary Opposition**

#### **2.2.1 The Bulgarian Socialist Party (BSP)**

The major event for the BSP during the period under review was the declaration made by ex-President Georgi Parvanov that he once again intended to head the party whose leader he was before entering the presidential office. At the end of February it became clear that a meeting was held between Sergei Stanishev and Parvanov, at which the ex-President made a proposal to the incumbent BSP leader to withdraw from the contest for the leadership post in the party against the unconditional support of the party for his candidature for President of the Party of European Socialists (PES) at its forthcoming congress in November. Stanishev, however, categorically refused to accept this proposal. This is what Parvanov himself shared in front of BSP supporters in the town of Razgrad.

Parvanov said that his major political battle was with Boiko Borissov and the GERB

governing majority. Parvanov also said that he intended to run for the leadership post in the BSP because he had amassed huge experience, which could be useful for the party in the difficult times it was going through. The principal objective Parvanov has set to himself to accomplish is to transform the BSP into a leading party once again and into a party that has climbed to the helm of the country's governance.

For his part, Sergei Stanishev said that the BSP would prove incapable of turning into an alternative to the GERB Party provided it was headed by Georgi Parvanov, because the line pursued by Parvanov in his presidential capacity with respect to the current governing majority was inconsistent. Stanishev also expressed his confidence that Parvanov was incapable of winning the leadership post in the BSP. In his opinion there was no potential danger of a split within the party, because each one who had attempted to do so over the past 20 years had sustained a failure and was compelled to leave the political scene altogether. According to Stanishev, the BSP was facing the unique opportunity of developing itself both into a European party with a modern party platform and into an alternative to the GERB Party, should it continue to pursue the policy, which Stanishev himself had outlined over the past few years.

The BSP leadership took a cautious stance with respect to Meglena Kouneva's project. Stanishev said that Kouneva had to define where she was positioning her political project within the political environment. According to the BSP leader, the attitude towards Kouneva's new project will depend on her attitude concerning the GERB Party and the model she has chosen of governing the country.

Other leading BSP figures also took a critical stance regarding Parvanov's leader-

ship claims. MP Mikhail Mickov qualified the way in which Georgi Parvanov was entering his campaign for the leadership post as harmful, as it was dividing rather than uniting the party membership. Mickov is of the opinion that the subject matter concerning the BSP leadership will unnecessarily replace all other significant issues, on which the party is laying the stress at the National Assembly at present.

MP Peter Moutafchiev does not share the idea of organizing primaries for the post of party chairman as suggested by Georgi Parvanov. In his opinion, the BSP is not a party of a single personality, but a party of ideas. The direct chairmanship election at possible primaries will give the chairperson too many powers, whereas the BSP is not a leader's party and this fact precisely has preserved it throughout the years. The Party Congress gives opportunities for a wide representation of the party membership, as it is a collective body preserving the balance between the chairperson and the party leadership.

Four years after Stanishev's government introduced the 10 percent flat rate on the personal and corporate incomes, the BSP announced its stance in favor of the return to progressive taxation. This announcement was made following a decision of the National Council of the party where subject to debate were issues concerning the governance project of the party in the area of taxation and fiscal policy. According to the author of the document – MP Roumen Ovcharov, in the current situation it was only natural for the BSP to demand that the rich should shoulder the heavier weight of the consequences of the economic crisis. He maintained that low incomes should be relieved from any taxation whatsoever. Currently, however, the BSP is not ready with the respective calculations and has no specific proposals as to the tax rate levels and the delimitation of the tax brackets.

The issue about the repeal of the flat tax rate was raised by ex-President Georgi Parvanov as well. In a letter to the National Council of the party he says that his personal proposal concerning the issue of the flat tax rate is that it should first become subject to an internal party opinion poll survey.

### **2.2.2 The Movement for Rights and Freedoms (MRF)**

After last year's presidential and local elections, the MRF has been making attempts to overcome the political isolation, in which it has found itself for the last three years. The MRF leader, Ahmed Dogan, took part in the meeting with President Plevneliev organized in the month of political consultations.

The MRF leader, Ahmed Dogan, qualified his meeting with President Rossen Plevneliev as a "landmark visit". At the meeting, Dogan's party proposed three principal measures for achieving economic growth and employment, namely: investments, incomes, and jobs. The MRF thinks that the fiscal reserve must not be allowed to fall below the minimum the Government Budget Act stipulates and that the Silver Fund should not be subject to risk-related management. In the opinion of the MRF, the Electoral Code needs urgent amendments. The MRF leader pointed out that "the current position of Bulgaria is at the bottom – below all the other EU member states, but within the context of the EU 2020 Strategy it has the opportunity for development". According to the MRF leader, what such a development takes is not only national consensus and political will, but also proper administrative capacity and expert potential.

Dogan also stated that Bulgaria needs a fundamental updating of the principles underlying its strategy for national security. He

expressed the stance that the MRF was ready to cooperate and seek a supra-party consensual environment on the issues of security and freedom as well. In Dogan's opinion, the big question when deliberating on the issue of national security is the ability to find the measure and focus of security and freedom, of security and human rights at the same time.

In the middle of March, the MRF leadership released the leaders of the municipal party organization in the town of Kurdjali. The municipal party council was dismissed and replaced by an operating bureau of 11 members headed by Mukharem Mukharem. These replacements were carried out because of the heightened tension between the leadership groups of the party in the town of Kurdjali. The interim leadership has been entrusted with the organization and holding of the conference, at which a respective report will be made of the past period and the new leadership and other municipal bodies will be elected.

### **3. The Public Opinion**

The opinion poll survey held by the Alpha Research Agency at the end of February indicates a certain decline in the popular support for the governing party. The confidence ratings of the government, Prime Minister Borissov, and President Plevneliev have been preserved at approximately the same levels measured in December 2011. The quick response of the Cabinet in the aftermath of the floods in Southeastern Bulgaria this winter has been positively assessed by the citizens and this actually is one of the reasons why the level of support and confidence for the GERB Party has been preserved.

On the other hand, however, the cases of police violence, the rows with the bonuses in the state administration, and the high price

of medication have had an adverse impact on the image of the governing majority. Despite the fact that the Minister of Interior, Tzvetan Tzvetanov, continues to be the minister with the highest approval rating, for the first time he now receives more negative than positive assessments for his ministerial work.

The support for the GERB Party, however, has marked a 2 percent decline in comparison with December 2011. At the end of February, 23.9 percent of the respondents declare that they would cast their ballots for the governing party. There is a withdrawal of support for the GERB Party mainly on the part of the citizens inhabiting the regional centers and the villages, the middle-aged generation, and the people with higher education.

The approval rating for the functioning of the government has been preserved almost unchanged in comparison with December 2011: 22 percent are the positive assessments of the respondents, and 36 percent are the negative assessments. The approval comes mainly from within the GERB Party electorate, and to a lesser extent such approval is expressed by supporters of the Attack Party and the Blue Coalition.

The Alpha Research survey indicates that Boko Borissov's personal rating remains at its previous level, whereby the positive assessments are 38 percent, and the negative assessments are 33 percent. The confidence in the Prime Minister encompasses broader public circles than the confidence the Cabinet enjoys.

This Alpha Research survey also indicates that the majority of the Bulgarians continue to seek support from the state and the government and also to consider that where regulation has failed to achieve good results, this can be remedied by more regulation. 72 percent of the respondents are convinced that big government is a good thing and state in-

terference in the economy brings about positive results. Another 67 percent are in favor of state interference in the financial institutions. As far as the judiciary is concerned, the opinions are polarized: 41 percent of the respondents believe that the government should interfere in the functioning of the judicial system, while 40 percent are against such interference. The only two spheres in which the Bulgarians stand against state interference are the media and the private life of citizens.

The trend of expressing dissatisfaction with key governmental institutions continues. The popular confidence in the National Assembly has strongly eroded (Parliament now enjoys only 11 percent confidence rating), while the confidence rating of the Speaker of the National Assembly, Tzetzka Tzacheva, stands at 15 percent.

President Rossen Plevneliev, however, makes a marked exception from this general tendency by retaining his high confidence rating. A month after his January inaugural ceremony at the presidential office, he receives the positive assessments of 43 percent of the respondents, while only 16 percent of the respondents have assessed his activity in a negative way.

The support for the BSP has marked a slight increase – from 16 percent in December 2011 to 17 percent at the end of February. The battle for the leadership post in the party is likely to impact the popular support for the BSP over the next few months. Georgi Parvanov has managed to retain a confidence rating of 33 percent, but there has been a slight rise in the confidence rating Sergei Stanishev enjoys: from 17 percent in December 2011 to 20 percent at the end of February.

The electoral potential of the MRF and the confidence rating of its leader, Ahmed Dogan, stand within the traditional 5 percent of the popular vote.

The Blue Coalition has preserved its electoral standing from the end of December 2011 – 2.9 percent, and the confidence ratings of both Martin Dimitrov and Ivan Kostov remain at their previous low levels.

The approval rating for the Attack Party and its leader, Volen Siderov, shows a durable trend of continuous shrinking. Merely 1.9 percent of the respondents say they would cast their ballots for the party, whereas Siderov's personal rating stands at 4 percent.

The Chairperson of the Bulgaria of the Citizens Association, Meglena Kouneva, is one of the best approved politicians in the country and enjoys a 26 percent confidence rating. This figure on its own indicates a substantial electoral potential, which – however – must be tested in a genuine electoral situation. Around 10 percent of the respondents declare their interest in the new movement, but merely 2 percent have declared their firm intention to vote for it.

#### 4. Major Conclusions and Forecasts

1. The political situation in the country is getting increasingly more dynamic and tense. The major political parties are undergoing a process of internal regrouping as they are preparing for the general election due next year.

The economic situation in the country remains unstable and this polarizes the relations among the parties. A growing number of economic entities are declaring insolvency and the unemployment rate is rising. All this enhances the disapproval of the people for the political elite. At the time being, the civic and social protests are sporadic and feeble. In the future, however, should the economic problems in the country further aggravate, a protest wave may be expected, which will get politicized on the eve of the 2013 general election.

2. The attitude of the citizens to the GERB Party is getting increasingly more critical with a view to the economic problems plaguing the country. Despite the fact that the party continues to be the first ranking political force, the distrust with the government and the parliamentary majority has been growing. Currently, the Prime Minister and party leader, Boiko Borissov, is retaining the confidence of the voters and ranks among the politicians with the highest approval rating. In the future, however, the situation may change and this will depend on the capacity of the governing majority to cope with the consequences of the crisis. For the time being, the necessary reforms in key public sectors continue to be deferred.

3. The situation in the Blue Coalition has exacerbated. Both in the UDF and DSB there are internal differences on account of the coalition policy of the two parties. Some of the local UDF organizations oppose the leader, Martin Dimitrov, and defend the idea of reconsidering the party relationship with DSB. For his part, Martin Dimitrov said that by the middle of the current year there would be greater clarity concerning the options the UDF could avail of in order to run the general election next year.

Processes of internal regrouping are simmering within DSB as well. There are circles in the party, which insist on seeking cooperation with Meglena Kouneva. One of the younger persons in the party, Proshko Proshkov, who had asserted himself as a leading and authoritative figure in the party of late – left the DSB leadership and took a critical stance with respect to the leaders by declaring that DSB had to open up to the country's electorate on a wider basis and start seeking cooperation with other parties as well.

4. The Attack Party parliamentary faction is facing disintegration. Currently, it numbers 10 MPs, which is the critical minimum for the ex-

istence of a parliamentary faction. The establishment of the new party of Dimitar Stoyanov and Kapka Georgieva will further fragment the nationalist vote in the country and will diminish the chances of this type of parties to make it to Parliament at the next general election. Volen Siderov continues to put his stakes on populism by tabling extreme leftist measures in the economic sphere. In all likelihood, this will be his main line of conduct in the future as well, especially within the context of the economic crisis in the country and the impoverishment of broad strata of the population.

5. Yet again, Yane Yanev's OJ went to the side of the governing majority. Having been the staunchest critic of the GERB Party and Prime Minister Borissov for almost two years, he has currently become a staunch supporter of the country's government. The underlying reasons are both situational and pragmatic, but this only enhances the image of the party as a populist and opportunistic formation. However, the party is making no gains from this state of affairs, on the contrary – this only enhances the process of its lasting marginalization.

6. A battle for the leadership post is looming within the BSP between ex-President Georgi Parvanov and the incumbent party leader, Sergei Stanishev. There were some harsh verbal exchanges between the two of them in the public environment, which additionally fueled up the existing tension within the party.

Immediately after the end of his presidential term of office, Parvanov restored his membership in the BSP and went on a tour to visit the party structures throughout the country. He said that what the party needed was a clash of ideas and clear-cut concepts for the country's governance. For his part, Stanishev accused Parvanov of being inconsistent with respect to the GERB Party and reminded the ex-President

of his unsuccessful attempt to organize a political project of his own – the ABC Movement.

There are circles within the BSP, which have put forward the idea of nominating a third candidate leader of the party to the purpose of mitigating the existing tension. For the time being, however, this option is highly unlikely to materialize. Another option, which cannot be ruled out, is for Parvanov himself to give up the leadership contest, in case that his chances for success cannot be guaranteed. Then he may lend support to another candidate who would be the formal party leader, making it possible for Parvanov to preserve his authority though remaining in the background.

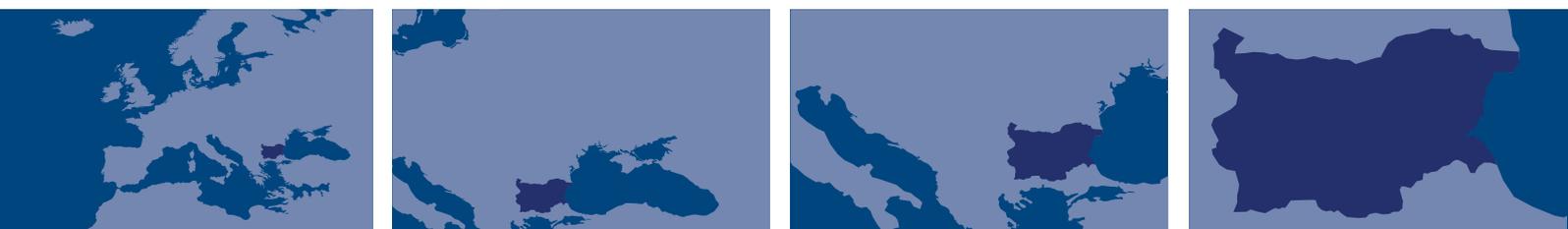
7. After the 2011 presidential and local elections, the MRF has been making attempts to overcome the political isolation, in which it has stagnated ever since the 2009 general election. For the first time since 2006, the leader of the party, Ahmed Dogan, visited the presidential office in the month of political consultations organized by the new President Rossen Plevneliev. At the meeting with the president, Dogan said that his party was willing to pursue the national priorities and reforms and that the MRF would look forward to establishing constructive relations both with the political parties and the institutions of state.

At the time being, the MRF continues to criticize the governing majority on key issues concerning the country's governance and is pursuing its chosen opposition conduct. At the same time, however, the GERB Party and the MRF managed to discover common ground in the process of electing the new leadership of the National Association of Municipalities. Many observers qualified this fact as a new stage in the relationships between the two parties. On the national level, however, their relations remain distant and pragmatic.

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**About the editor:**

**Georgi Karasimeonov**, Professor, Doctor of Philosophical Sciences, is Director of the Institute for Political and Legal Studies and Editor-in-Chief of the *Political Studies* academic periodical. From 1991 to 1998 he was Chairman of the Bulgarian Political Science Association. Address for contacts: [ipls@dir.bg](mailto:ipls@dir.bg)



#### Imprint

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Office Bulgaria  
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Marc Meinardus, Director

#### Orders

e-mail: [office@fes.bg](mailto:office@fes.bg)  
Att.: Emilia Burgaslieva

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