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Political Parties Development in Bulgaria

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■ Over the third quarter of 2008, the political situation in Bulgaria was determined mainly by the strong public and political response provoked by the June reports issued by the European Anti-Fraud Office, OLAF, and the European Commission itself concerning the situation in the country and the progress it has made in the areas of internal order and justice. This brought to the fore the question not only of finding mechanisms to overcome the justified criticism of the European institutions, but also of demanding political accountability for the situation in which the country has been currently plunged into.

■ The relationships among the three parties of the governing coalition remain rather complicated but this by no means raises the issue about the stability of the tri-partite coalition for the time being at least. The fact that the non-confidence vote tabled by the opposition shortly before the parliamentary recess in July was conveniently overcome in Parliament is a testimony to the accuracy of this conclusion. The future of the tri-partite governing coalition will depend to a large extent on the political strategies, which the individual parties therein will employ with a view to the upcoming general election next year.

■ Despite the common actions undertaken by the GERB Party, the UDF, and DSB of late, GERB categorically claims that it will run next year's general election on its own. At the MEP elections, which will also take place next year, a joint party slate of the three formations looks like a plausible strategy for running these elections but this possibility is still at the stage of negotiations and the GERB Party leadership has not made its firm decision to this effect yet.

TABLE OF CONTENTS

Table of Contents..... 1

1. The Political Situation..... 2

2. State and Development of the Party System in Bulgaria..... 3

2.1. Processes within the Governing Coalition 3

2.1.1. Bulgarian Socialist Party (BSP)..... 4

2.1.2. National Movement Simeon the Second (NMSII)..... 5

2.1.3. Movement for Rights and Freedoms (MRF)..... 6

2.2 Processes within the Opposition Parties from the Right-Wing Political Space 7

2.2.1. Union of Democratic Forces (UDF)..... 7

2.2.2. Democrats for Strong Bulgaria (DSB) 8

2.2.3. Bulgarian New Democracy (BND) 9

2.2.4. Citizens for European Development of Bulgaria (The GERB Party) 10

2.2.5. The Ataka Party 12

3. Public Opinion 13

4. Major Conclusions and Forecasts 15

1. The Political Situation

During the third quarter of 2008, the political situation in Bulgaria was determined mainly by the powerful public and political effect provoked by the reports issued by the European Anti-Fraud Office, OLAF and the European Commission on the situation in the country and the progress it has made in the areas of internal order and justice. This legitimately brought about the questions not only of finding mechanisms for overcoming the justified criticism of the European institutions, but also of demanding political accountability for the situation the country has currently been plunged into.

It is in this context that the need for amending the political model in Bulgaria and implementing urgent reforms was brought to the fore for a yet another time. Such amendments and urgent reforms, however, take political consensus, which is hard to come by at the time being. What has impressed observers for years now is the lack of clearly expressed consensus among the major parties in the country for initiating and introducing institutional reforms. The leading motive underlying the political behavior of the individual parties is connected to a much larger extent with their narrow party interests rather than with any conscious awareness about the need for reforms that could map out the long-range prospects for the development of the country.

OLAF's report, which was broadly publicized in the Bulgarian media, provoked strong public and media reverberations and this shook the confidence of the majority of citizens in the country's politicians and institutions even stronger than ever before. What emerged was doubts about corrupt practices in the high corridors of power, which affects extremely negatively the international image and prestige of Bulgaria itself.

The OLAF report enumerates projects amounting to more than EUR 32 million, in connection with which irregularities, abuse and embezzlement of European funds have been established. The case of businessmen Lyudmil Stoikov and Mario Nickolov was subject to the greatest attention. According to OLAF, the Nickolov-Stoikov

group is "a criminal network of companies including more than 50 Bulgarian, European, and off-shore companies". The report also indicates that this network has "close connections with the incumbent Bulgarian government". A particular source of concern is OLAF's finding that "... there are influential forces both in the Bulgarian government and other institutions of state, which have no interest in punishing even a single person from Lyudmil Stoikov's group, the latter being investigated for draining EUR 6.5 million from the SAPARD Program".

The report also points out the fact that Lyudmil Stoikov has funded the election campaign of President Georgi Parvanov. In response, Parvanov declared that his campaign was run in a transparent manner and all funds raised to the purpose were publicly announced. This was the reason why he had no concerns with respect to the revelations made by OLAF. Parvanov even voiced misgivings as to the authenticity of the report and demanded that OLAF provide an official opinion on the particular case, as this had a bearing upon the prestige of all Bulgarian institutions. OLAF replied that they were categorically standing behind everything published in their report. The reaction on the part of the opposition was prompt, with the majority of right-wing parties demanding the immediate resignation of both the government and the President.

The political tension exacerbated even further when the regular report of the European Commission on Bulgaria's progress was officially made public. This report actually announces the Commission's decision to discontinue the accreditation of two PHARE Program agencies – those at the Ministry of Finance and the Ministry of Regional Development and Public Works respectively, as well as the freeze of disbursing pre-accession funding related to the PHARE, ISPA, and SAPARD programs. The report of the European Commission also indicates that the country has marked no progress with respect to combating corruption and organized crime.

The reaction of the governing majority was that the EC report was a source of grave concern

but it was nonetheless objective. For a yet another time the government declared that it was taking urgent measures aimed at attaining specific results in the problem areas. The Prosecutor's Office also announced their stance that despite the criticism and the still lacking results in the combat against corruption and organized crime, their efforts were channeled in the right direction and very soon that would be crowned by concrete charges, arraignments, and law-court sentences.

The opposition reacted as expected and tabled for a yet another time a non-confidence vote to the government, which failed to produce the results the opposition wanted. Some of the opposition parties even launched appeals for the entire opposition to leave Parliament together but this idea was soon abandoned.

The conduct, which the parties – both those from the governing tri-partite coalition and the opposition – demonstrated after the receipt of the two EC reports indicates that Bulgarian parties on the whole fail to assess realistically what is going on and fail to comprehend the signals sent by the European institutions. Moreover, the parties are looking forward to deriving political dividends for their own sake from the existing crisis situation rather than manifest willingness and concrete actions aimed at overcoming the crisis and solving the existing problems.

Indicative for precisely such a conduct on the part of all Bulgarian parties is their attitude with respect to the reforms concerning the amendments to the electoral system in the country and the Political Parties Act, especially in the section regulating their funding. No consensus was arrived at as far as the amendments to the electoral system are concerned and this became crystal clear at the debate held to the purpose on the initiative of President Parvanov, in which representatives of all leading parties and various experts took part. In front of this forum, Georgi Parvanov insisted on the implementation of a mixed electoral system, whereby some of the MPs will be returned to Parliament by single mandate constituencies. The majority of parties challenged this idea and raised various arguments against it. Yet, a certain amount

of agreement was reached on account of the need for introducing some form of a majority element to the current proportional electoral system, the objective of which is to enhance the motivation of citizens to go to the polls, on the one hand, and to enhance the voters' confidence in the parties themselves, on the other.

The introduction of amendments to the current electoral system is imminent, but these amendments will certainly be bland, not radical. What is indicative and permits for such a conclusion is the attitudes of all the major political parties in the incumbent Bulgarian Parliament.

The political situation over the past three months was affected by the prolonged protests of farmers and milk producers who demanded that the government start paying up the subsidies they were promised to come from the European funds. Such protests were held in many places of the country, and there were several occasions on which clashes with the police took place.

Another hotly debated issue was the one about allocating funds from the government budget surplus. The opposition declared that once again groups and economic interests close to the tri-partite governing majority would benefit from the surplus. The parties from the governing coalition themselves also differed with respect to their ideas about spending the surplus. The BSP laid the emphasis on the social sector and pensions, the NMSII insisted that a larger amount of funds should go to the Silver Fund in support of future pensions and to the National Health Insurance Fund. For its part, the MRF outlined the significance of more funds being spent on infrastructure projects.

2. State and Development of the Party System in Bulgaria

2.1. Processes within the Governing Coalition

For a yet another time the reports issued by the European Commission's Anti-Fraud Agency, OLAF, and the European Commission itself put to the test the functioning of the government and the stability of the tri-partite governing coalition. The relationships among the three parties of the gov-

erning coalition remain rather complicated but this by no means raises the issue about the stability of the tri-partite coalition for the time being at least. The fact that the non-confidence vote tabled by the opposition shortly before the parliamentary recess in July was conveniently overcome in Parliament is a testimony to the accuracy of this conclusion. To a large extent the future of the tri-partite governing coalition will depend on the political strategies, which the individual parties therein will employ with a view to the upcoming general election next year.

2.1.1. Bulgarian Socialist Party (BSP)

For the largest party in the governing tri-partite coalition the past quarter was mainly shaped up by the critical report of the European Commission and the enhanced pressure on the part of the opposition to oust the Cabinet headed by the leader of the socialists, Sergei Stanishev. This is the reason why the major priority for the BSP leadership was to preserve the stability of the governing coalition and prevent the possibility for an early general election to take place.

To accomplish this, the socialists face the task of proving capable to preserve the coalition intact, which to a large extent depends on the conduct of their coalition partners rather than the actions of the opposition, as all initiatives undertaken by the opposition have failed to produce any tangible effect thus far. The MRF staunchly supports the unity of the government and this is the reason why the relations of this party with the BSP remain stable and reliable. The situation with the other coalition partner – NMSII – is somewhat different, because there has been an increasingly growing desire within this party to leave the coalition. This brings about a certain amount of tension between the BSP and NMSII, and the two parties get locked in arguments on various issues connected with the activities of the coalition at large and the government in particular more often than not.

In its capacity of a party, the leader of which is the country's Prime Minister, the BSP bears the bulk of the responsibility for the functioning of the government. This is the reason why the main

concern of the BSP throughout the period under observation was to find a way of overcoming the adverse consequences facing both the government and the country after the report of the European Commission went public. Prime Minister Stanishev stated that the government would do its best to comply with the recommendations made by the European Commission in the shortest possible time frames, so that the disbursement of the subsidies earmarked for the country from the European funds could be resumed.

The forthcoming 2009 general election puts the BSP in a situation of having to account for the results of its term of office before its own electorate. The tendency from the last elections held in 2007 – the elections for Members of the European Parliament (MEPs) and the regular local elections – indicate that the traditional electorate of the party has been shrinking. Even the elderly and the pensioners, who in their bulk invariably used to vote for the BSP over all the years after the collapse of the communist regime, have come to refrain from voting of late. The reason why is their disappointment with the party, which was returned to power owing to a program based on a number of social welfare promises.

This situation has brought about a change in the party's strategy to the purpose of restoring the confidence of its voters. Especially indicative to this effect are the past three months, during which the BSP took actual steps frequently employed by and characteristic for all left-wing parties. Thus for instance, the Supreme Council of the BSP has tabled a proposal for establishing a Veteran Socialists Movement, which is only a small aspect of the party's project to pursue policies targeting the elderly.

The document describing the goals and objectives of the BSP outlines the need for an increasingly greater commitment on the part of the BSP to the problems of the people from the "third age" group. In order to accomplish this objective, the BSP undertakes to implement various ideas such as: expanding the scope of the so-called domestic social patronage, i.e. providing regular services and care to the elderly in their own homes, setting up social care centers where the elderly can

stay, if need be, by providing tax incentives to investors willing to invest in such institutions, etc.

Besides, the BSP upholds the idea of spending some of the government budget surplus on welfare support for pensioners and the elderly, intending to allocate for the purpose nearly BGN 500 million. This amount includes a one-off additional pension payment at the end of the year to the tune of BGN 150. A considerable amount of funds is also envisaged for social welfare support including energy allowance for the socially underprivileged people, as well as one-off benefits aimed at compensating the people receiving the lowest incomes in the country.

Especially debatable was the idea of the BSP to send 5 thousand pensioners on a free-of-charge seaside vacation funded by the government budget surplus. Not only the opposition parties, but also the NMSII declared that this idea was a sheer pre-election populist move. A number of retiree organizations opposed this idea, too, by dubbing it "inappropriate". Nevertheless, the government made the decision to pursue this idea further and hundreds of pensioners, mainly from elderly care and nursing homes, left for the seaside on an unexpected free vacation.

All of the aforesaid indicates that to the very end of the incumbent government's term of office the BSP will continue to pursue the same socially-oriented line by demonstrating its nature of a left-wing party.

During the past quarter, information about the allegedly worsened relationships between President Parvanov and Prime Minister Sergei Stanishev threw a shadow of doubt yet again as to the actual state of affairs at the top of the country's governance. These allegations ensued from a media appearance of the incumbent Mayor of the town of Blagoevgrad, Kostadin Paskalev, who was nominated to run for this office by the BSP. In an interview Paskalev said that President Parvanov aimed at ousting Stanishev from the highest post in the executive branch of power. Both the President and the Prime Minister, however, denied these allegations and declared that the status of their relations was very good indeed.

2.1.2. NMSII (National Movement Simeon the Second)

Over the past quarter NMSII continued to pursue its strategy and attempts to markedly distinguish itself from the other parties in the tri-partite governing coalition where it currently belongs. Despite this fact, NMSII gave support to the government during the non-confidence vote procedure tabled by the parliamentary opposition at the National Assembly. At the same time, NMSII voiced its criticism to the Cabinet concerning a number of initiatives tabled by the BSP in the social sector in particular. This manifests the willingness of NMSII to distance itself from everything that detrimentally impacts the image of the country's governance, because it undoubtedly has a strong damaging effect on the party as well.

And yet, however, the actions of the party reveal an inherent inconsistency: on the one hand it attempts to behave as an opposition party to the incumbent government, although it is an indivisible part thereof, and on the other hand, it makes its best to back up the very same government. This behavior of the party is easy to explain. Two groups can be outlined within NMSII with an increasing clarity. One of them insists on the party's leaving the government because it thinks that this could boost its falling. The motive is that in this way NMSII would increase its chances of making it to the next Parliament, whereas staying in the tri-partite governing coalition would certainly condemn the party to death. The other group upholds quite the opposite opinion, namely that the party should stay in the coalition to the end of its term of office, thus gaining the time it needs to find a coalition formula in order to run next year's general election. The second group seems to enjoy the support of the party leader, Simeon Saxe-Coburg-Gotha, and this is the reason why it is gaining the upper hand at the time being.

All this, however, results in dual standards and opportunism, and definitely affects the image of the party, which cannot be said to bring about the effect the party's leadership has been looking for. The current opinion polls are quite indicative to this effect: at the time being the electoral sup-

port rating fails to show any chance for the party to make it to the next Parliament on its own. This raises the increasingly more poignant question about how to look for and find a suitable form and strategy for the party's running next year's general election.

Part and parcel of this new NMSII strategy is the decision of the party leadership to make the presence of all leading politicians of the party in the media environment more palpable. Especially powerful have been the media appearances of Mincho Spassov, Chairman of the parliamentary committee on internal order and security, who is becoming increasingly more popular owing to the stance he took at the time of the grand row at the Ministry of Interior. Over the past three months, too, Mincho Spassov continued to launch criticism at the way the Ministry of Interior was functioning at the time it was headed by the then Minister, Roumen Petkov. In Spassov's opinion, an unsubstantiated high amount of funds has been spent on the use of special intelligence devices and telephone wire-tapping, which has brought about no tangible results in practice. This heightened the tension between NMSII and the BSP, especially after the former Minister of Interior responded harshly to the attacks addressed to him by Mincho Spassov.

Another occasion exacerbating the tension between NMSII and the BSP was the economic policy, which the Cabinet said it intended to pursue. NMSII opposed the BSP idea to raise the level of direct taxation by introducing a progressive income tax, thus rescinding the ten percent flat rate income tax, which is currently in force, because the need for this flat rate type of taxation no longer existed. The Minister of State Administration and Administrative Reform, Nickolai Vassilev, said that should such a move be implemented, that would mean the end of NMSII's coalition partnership, meaning that this would force NMSII to leave the coalition altogether. According to N. Vassilev, this idea was a populist move on the part of the BSP undertaken to serve the purpose of the forthcoming general election next year. Vassilev added that by employing such moves the socialists intended to motivate their left-wing electorate to vote for them at the upcoming election.

An important event for NMSII is the party Congress, which will take place in the middle of October. To a large extent this is the event that will throw light on the future moves of the party. What will be discussed at the forum is whether the party will run the next general election on its own or in a coalition. An issue put to debate will probably be whether NMSII will remain in the governing tripartite coalition. The group, which stands for the party's leaving the governance of the country, is expected to officially table this proposal, insisting that this will inevitably have to take place after the forthcoming middle-of-November report of the European Commission, as it will probably be negative and critical once again.

The most important task of the NMSPII Fourth Regular Party Congress will be to elect a new party leadership, to pass the amendments to the party statute and the new name of the party, which failed to be registered by court because of the court appeals filed in by some of the delegates to the previous party congress due to procedural irregularities in conducting the congress proceedings. Most probably the name of the party will be the one, which was voted for at the previous congress but failed to enter in force, namely National Movement for Stability and Progress – NMSP. The Congress will also debate the pre-election program of the party as well.

2.1.3. Movement for Rights and Freedoms (MRF)

In its capacity of a party from the governing tripartite coalition, the MRF sustained much criticism launched by the opposition after the June report of the European Commission was made public. The tendency for ceaseless attacks against the MRF continued over the past three months as well, but this time the leader of the GERB Party, Boiko Borissov, also joined the attacks commonly and predominantly launched by the Ataka Party. In a media appearance Borissov declared that his major goal was to oust the MRF from power.

The MRF leader, Ahmed Dogan reacted promptly by expressing the opinion that such rhetoric only created prerequisites for artificial ten-

sion in the country, which Bulgarian society hardly needed right now. Dogan said that the opposition was offering no genuine alternative to the incumbent government, and that the only thing its loud protest actions and the series of non-confidence votes actually disclosed was merely its helplessness. According to Ahmed Dogan, the fact that the right-wing opposition is feeble has a detrimental effect on the functioning of the political system, because each and every country needs a strong Right Wing capable of tabling political proposals for pursuing alternative policies.

Concerning the criticism contained the report of the European Commission Ahmed Dogan expressed the opinion that it was completely substantiated. He hastened to add, however, that it was not only the government that was to blame for the problems connected with the appropriation of the European funds. According to him, the government was doing its best so that the country could meet the actual challenges stemming from its EU membership. The major problem in Dogan's opinion is the lack of administrative capacity in the country and its institutions, i.e. people who have been trained to work in the new conditions and realities, which the country has been facing after its accession to the EU. Thus, the government's priority should be the need to secure a well-trained state administration, capable of coping with the management, surveillance, and control over the appropriation of EU funds, because it is precisely such administration that Bulgaria lacks altogether. In the opinion of the MRF leader, this issue was an especially grave source for concern indicating that the government should make additional efforts to attract competent and well-trained people to the state governance and the civil service, a hindrance to accomplish which, however, were the exceedingly low salaries and remunerations in the sector of the state administration.

In the middle of August, the MRF lost its majority in the municipal council of the town of Ardino in the Rhodopes – a municipality, which has always been considered to be one of the party's mainstays. Having won the local elections there with substantial difficulties after Mehmed

Dikme left the party and joined the New Time party, the MRF's majority in this municipality was quite brittle. The MRF lost its majority when two of the municipal councilors elected on the MRF party slate chose to join the New Time party's faction. As a consequence, the Chairman of the Municipal Council and MRF member, Aidun Serkan, was voted down and was replaced by Gyuner Osman, one of the two who changed their former party allegiance and joined the New Time. A reaction on the part of the Regional Governor of the Kurdjali district, Anguel Kodzhamanov, followed, who declared this election illegitimate due to irregularities in the election procedure. Representatives of the New Time party, however, said that even if the election procedure were to be repeated, the outcome would be the same.

2.2. Processes within the Opposition Parties from the Right-Wing Political Space

2.2.1. Union of Democratic Forces (UDF)

The most important internal political event for the UDF over the past quarter was the National Conference of the party held at the end of July in the town of Veliko Turnovo. Amendments to the party statute were voted for at the Conference, many of which had been subject to numerous debates during the months preceding the highest party forum. The key amendments to the statute are those making it possible for the party leader and the leading bodies of the party to be elected by direct vote, alongside the introduction of primaries at which the candidates for elected offices such as members of parliament, mayors, and municipal councilors will be nominated. According to the party leader, Plamen Yurukov, these amendments have made the UDF the most democratic party in the country to date and this will impact in a most positive way not only the development of the party, but first and foremost it will boost the confidence of the party members and supporters as well.

This amendment to the party statute is indicative of the UDF intentions to open up more broadly to its supporters and all citizens in the country as a whole. With a view to the upcom-

ing general election next year, the party is looking for felicitous mechanisms to ensure its political success. The current opinion poll surveys concerning electoral attitudes indicate a low level of confidence with respect to the UDF as a party and little chance for it to make it to the next National Assembly. This is the reason why such acts as the amendments to the UDF party statute, aimed at enhancing the party's internal party democracy, have been undertaken precisely to the purpose of overcoming the downward trend of shrinking voter support for the party.

Another amendment to the party statute states that the party will no longer admit to its ranks collaborators of the former Secret State Security Services. Representatives of the UDF said that they would table proposals for their idea to be implemented nation-wide. Moreover, they would like to expand it by means of amending the Political Parties Act, whereby all candidates for mayors, municipal councilors, members of parliament, president and vice-president shall be subject to respective check-ups revealing whether they collaborate with today's secret services. The UDF proposes that there should be a ban on such people to get involved with politics.

The idea of amending the party statute came up at a time when accusations were hurled at the UDF leader, Plamen Yurukov, by Yane Yanev, leader of the "Order, Legality and Justice" Party, who had just been excluded from the ADF parliamentary faction, formed around the UDF. The accusations concerned the alleged fact that Yurukov was a collaborator of the newly-established State Agency for National Security (SANS). Yurukov qualified this information as an outright lie, sheer slander and defamation. In Yurukov's opinion, that was an attempt by the UDF adversaries to discredit the party at a time when everybody could see that it was restoring the confidence of the voters and was making a steady progress forward.

These allegations provoked the discontent of Yurukov's opponents within the UDF. There were even expectations that the issue about the resignation of the party leader would have to be brought up before the party conference. However, this did

not happen. According to insiders, the amendment to the party statute, which bans UDF membership to incumbent agents and collaborators of the secret services, was drafted on the recommendation of one of the leading UDF politicians at the beginning of the country's transition to a market democracy and former Speaker of the National Assembly, Alexander Yordanov. He is said to have recommended it for Yurukov's sake in case the allegations against the party leader proved to be true. The implication was that should that happen, Yurukov would be forced to leave the leadership post.

The allegations, however, proved to be a genuine piece of defamation, because SANS disproved the information on the explicit insistence of Yurukov for the case to be clarified.

The National UDF Conference decided that the party should start preparation for drafting the new pre-election party program. Besides, it voted a special declaration concerning the need for an early general election and demand for the President's resignation on account that his presidential campaign was financed by people the companies of whom are accused of having embezzled European funds.

As soon as the reports of the European Anti-Fraud Office, OLAF, and the European Commission were made public, joint opposition actions were launched together with the GERB Party and DSB with the intent of ousting the incumbent government from power. Despite this fact, however, the UDF is most likely to run the next general election on its own. The party announced that the major objective of its leadership is the formation of a strong right-centrist government after the general election next year on the basis of all the Bulgarian parties, which are members of the European People's Party (EPP). According to the UDF leadership, only a right-centrist government could shift the current adverse direction of the country's development, which has resulted from the governance of the incumbent tri-partite coalition.

2.2.2. Democrats for Strong Bulgaria (DSB)

Over the past quarter, DSB reconsidered its attitude to the GERB Party and its leader Boiko Borissov

and this marked the beginning of joint opposition actions by the two parties. This change in the DSB behavior is prompted by the common goal of the parties, members of the European People's Party (EPP) to oust the incumbent government of the tri-partite coalition from power on account of the suspended European funding for Bulgaria. DSB was one of the opposition parties, which most insistently stayed their stance on the need for summoning an early general election. The party leadership thinks that the government has proved incapable and incompetent of leading Bulgaria at the time when it has finally become a full-fledged EU member country.

On the other hand, in the opinion of the DSB leadership, corruption in the upper echelons of power has grown to a threatening extent, which results in undermining Bulgaria's image in the eyes of its EU partners. The consequences from this state of affairs strongly damage the country as a whole. According to the DSB leader, Ivan Kostov, thus far Bulgaria has failed to avail itself of the advantages granted by its EU membership and it is the Bulgarian citizens who are the hardest hit by this worrisome fact.

DSB representatives were especially critical with respect to the allocation of funds from the government budget surplus in the way planned by the government. For a yet another time DSB declared their stance against the planned accumulation of large-scale budget surpluses. In their opinion the governing majority was doing so with a single purpose: to be able to benefit companies and circles close to the parties belonging to the tri-partite governing coalition and this is precisely what happened over the previous year as well.

The rapprochement in the relations between DSB and the GERB Party, however, showed that the party headed by Ivan Kostov is far from united in its assessment concerning any joint actions with Boiko Borissov's party. According to insiders, some of the leading DSB politicians disagree with the decision for cooperation with the GERB Party. For a yet another time this testifies to the fact that the discontent within the party, mostly with respect to its leader, Ivan Kostov, has been

steadily growing. Despite the growing discontent, however, Kostov has preserved his stable positions and there will hardly be any change in the party leadership before the general election due to take place next year.

One of the priority matters for the DSB is the party strategy for the next general election. All the indications currently are that DSB will run this election on its own. The opinion poll surveys, however, show that the likelihood for the party to prove incapable of making it to the next Parliament is rather high (see the next Chapter entitled "Public Opinion"). Therefore, the next several months will be of a crucial importance for the future of this party. This is the reason why DSB will be enhancing its opposition rhetoric and criticism with respect to the government. What is being currently observed is that the party is laying the emphasis on the development of specific policies and proposals, which its representatives will subsequently present to the citizens. Most probably it is on this basis that the party will continue to build its strategy for the forthcoming general election.

2.2.3. Bulgarian New Democracy (BND)

It is for the first time that the newly established Bulgarian New Democracy party (BND), which was set up by the MPs who left the parliamentary faction of NMSII, appears in the opinion poll surveys concerning next year's general election. The opinion polls indicate that this party has a relatively low electoral support at the time being and should it run the election on its own, its chances of making it to the next Parliament are infinitesimally small (see the next Chapter entitled "Public Opinion"). This brings to the agenda the issue about finding an effective and felicitous formula for the party's running next year's general election. At the time being the likely options seem limited and possible partners could be sought for among the smaller right-wing and liberal parties such as the New Time, for instance.

BND supported the parliamentary non-confidence vote against the government and thus they showed for a yet another time that they oppose the tri-partite governing coalition. The party

leader, Nickolai Svinarov, said that the country needed urgent reforms to overcome the problem, for which it had been constantly receiving criticism by the European Commission. According to Svinarov, some of the problems in the country are institutional and they can be solved by making radical amendments to the Constitution, but this can be accomplished only provided a Grand National Assembly is summoned. These amendments should ensure better checks and balances among the three powers and what is most important: they should provide for reforms in the judiciary.

Over the past quarter, BND undertook several memorable initiatives. One of them is the idea about the establishment of an independent civic committee including public figures, economists, and non-governmental organizations, designed to monitor and control the appropriation of the funds disbursed by the European Union. Representatives of BND announced that during the autumn session of the National Assembly they would table a draft bill, intended to legally provide for the establishment of such a committee, having made preliminary consultations with all political parties, the President and the Prime Minister included.

Another of the party's initiatives is connected with the establishment of a new standing parliamentary committee entrusted with the task of controlling the State Agency for National Security (SANS). This was the way in which BND actually challenged the current idea of the governing majority for SANS to be subject to control by the existing parliamentary committee on internal order and security.

2.2.4. Citizens for European Development of Bulgaria (The GERB Party)

Over the past three months the GERB Party once again topped the opinion poll surveys, which measure the electoral behavior of the voters. And this is what by itself increases the attention to this party from the point of view of the prospects facing the country's governance after next year's general election. It will be extremely important for GERB to be recognized by the voters as an alternative to the incumbent government capable of restor-

ing the lost image and influence of the right-wing political parties in Bulgaria. It is to this effect that the party launched several initiatives over the past few months. The GERB Party has put its stakes on the legitimacy imparted by its status of a member party of the European People's Party in order to present itself as the right-wing alternative to the incumbent tri-partite governing coalition.

What is important to note in this respect are the first steps of the party's actual interaction with the two major parliamentary represented right-wing parties – the UDF and DSB, which has been already mentioned in the sections devoted to them. The GERB party's objectives concerning the joint actions with the UDF and DSB are connected with its willingness to find mechanisms for ousting the incumbent government from power. But the more immediate intent of these steps is to attempt to enhance public attention on the problems and deficiencies of the incumbent government rather than a genuine opportunity for attaining the objective the opposition has declared, namely – to provoke an early general election.

On the other hand, by undertaking joint actions with the two parties of the old and traditional Right Wing in the country, the GERB Party aims at gaining legitimacy as a right-wing party in the eyes of the right-wing voters in the country, as this is something, in which the leaders of the other right-wing parties and DSB in particular have strongly doubted thus far. What is worth mentioning once again in this respect is the change in the relations between GERB and DSB. An especially indicative signal about this change was an interview given by Boiko Borissov for the "Trud" Daily in the middle of August where he apologized to Ivan Kostov for having previously addressed poignant and offensive words to him. Boiko Borissov qualified his previous conduct with respect to DSB as a "gross mistake" and declared that in the future he was ready to work with Kostov in the name of the success of the Bulgarian Right Wing.

This new line in the GERB Party's political conduct also marks the beginning of a new stage in the development of the party with a view to the forthcoming general election next year. The GERB

Party has enhanced its activity in the capacity of an extra-parliamentary opposition party and a number of its moves have been indicative to this effect. Thus for instance, the joint initiative of GERB, the UDF, and DSB for the country's citizens to sign an appeal for ousting the incumbent country's government by raising signatures on the streets of all Bulgarian towns and cities is a proper example in this respect. The three parties announced that more than one million signatures had been raised under this so-called "resignation order" before the end of September 2008.

Despite the joint actions with DSB and the UDF, the GERB Party categorically claims that it will run the next general election on its own. At the MEP election also due to take place next year, the GERB Party might join forces with the other two parties and run it on a joint party slate, but this is still in the sphere of negotiations and the GERB Party leadership has not made a categorical decision to this effect yet.

Besides, the representatives of GERB were especially critical shortly after the report of the European Commission was made public and the accreditation of two paying agencies handling pre-accession EU funds was withdrawn. The GERB Party leader, Boiko Borissov, repeatedly appealed to Prime Minister Sergei Stanishev to provoke an early general election himself by handing in the Cabinet's resignation. According to Borissov, the only way of coping with the problems for which Bulgaria has been so severely criticized by the European Commission is to convene an early general election and form a right-centrist government.

An especially interesting moment in the evolution of the GERB Party is the stance declared not long ago by the party leader, Boiko Borissov, that his and the party's major priority was to take out the MRF from the governance of the country. This actually is a subject matter, which thus far has been the main emphasis in the political discourse of the radically right-wing Ataka Party. This shows that GERB has been gradually expanding the range of its messages targeting now not only the moderate right-wing voter, but also the extreme right-wing of the political spectrum. Indicative to

this effect is Borissov's rhetoric with respect to the MRF manifested in many of his public appearances and media interviews, which over the past three months has even surpassed the rhetoric of the Ataka Party and the extremist statements made by the Ataka Party leader, Volen Siderov.

The criticism launched by the leader of the GERB Party to the country's government provoked the reactions of the governing majority, who directed their attacks to Borissov in connection with his activities in the capacity of a Sofia City Mayor. Especially poignant for Borissov is the problem connected with the management and storage of the waste produced by the capital city, on account of which Bulgaria was threatened with sanctions on the part of the European Commission. This problem has remained unsolved for several years now and to date only temporary measures to solve it have been undertaken. It is on this issue that an indirect argument between the Prime Minister and the Sofia City Mayor started as to whose responsibility this problem actually was: of the municipality or the of the country's government. In Stanishev's opinion, Boiko Borissov has failed to cope with the management of the capital city and this underlies the gradual undermining of Borissov's public impact. This is precisely the reason why – according to the Prime Minister – for Borissov to insist so urgently on provoking an early general election, because with time he will only be piling up additional proofs of his failure as a Sofia City Mayor.

Another issue connected with the GERB party and Boiko Borissov, which merits a comment, is the change in the relations between the Sofia City Mayor and President Georgi Parvanov. Thus far neither of them had addressed attacks on the other. On this account Borissov even sustained criticism on the part of the DSB leader, Ivan Kostov, who suspected that Borissov was actually an ally of Parvanov's and was constantly appealing for Borissov to distinguish himself from the President, so that DSB and GERB could start a respective dialog and agree on cooperation. After the OLAF report was made public, which mentioned that the President's campaign was funded by the Nickolov-Stoikov group of businessmen respon-

sible for draining pre-accession EU funds from the SAPARD Program, Borissov, however, joined the opposition in its demands for the resignation of President Georgi Parvanov.

For his part, Parvanov criticized Boiko Borissov on account of the capital city waste management problems by saying that the Mayor was consistently failing to find a solution to this acute issue for several years in a row. Borissov said that he was not going to argue with the President, because Parvanov had proved his allegiance to the governing tri-partite coalition and it was in the President's interest for the coalition to survive. In Borissov's opinion, this was the reason why the President was attacking him in his capacity of a Sofia City mayor.

In reality, the problems of the capital city, connected not only with the improper waste management but also with the clogged city traffic because of unsuitable infrastructure, are Borissov's weak spots, which have been piling up negatives for him. This fact will be used in the future by his political opponents as well.

At the end of August and the beginning of September, the GERB terminated its coalition relationships with the IMRO party at the Municipal Council of the city of Plovdiv and the Plovdiv City Mayor, Savcho Atanasov, who himself belongs to the IMRO party but was elected with the massive support of GERB. The occasion for the split was that a municipal company with assets exceeding BGN 5 million was transferred to private hands because of a bad debt to the amount of BGN 50 thousand. The GERB Party representatives blamed the City Mayor for this gross infringement. Despite the fact that the GERB representatives tried to form a new majority at the Municipal Council with the parties members of the European People's Party, their attempt failed. On the contrary, the municipal councilors of the IMRO party, the Ataka Party, the BSP, and the MRF, managed to oust the Chairman of the Municipal Council – Yordan Kyumurdjiev from the GERB Party – and replaced him by Ilko Illiev from IMRO. This is a serious blow on the political impact of the GERB Party in Plovdiv, which

will most probably lead to reconsidering GERB's relationships with IMRO not only on the local level but nation-wide as well.

2.2.5. The Ataka Party

During the past quarter, the Ataka Party was especially active in its initiatives. The actions of the party and of its leader in particular revealed two different and contradictory images. In some of his public manifestations the party leader, Volen Siderov, was trying to mitigate his radical rhetoric thus consolidating the trend, which has consistently been observed over the last several months.

Siderov repeatedly appealed to the Bulgarian political parties to unite themselves for joint actions in the direction of elaborating a single national doctrine, which guarantees the national consensus on all the major priorities of the country that should be pursued over the next several years. Some of these priorities, which Siderov himself outlined, include finding ways and means of solving problem-ridden spheres such as: restoring the demographic balance of the population, drafting a national strategy for the development of education, mapping out the prospects facing the economic development of the country, and raising the overall standard of living of the population. In order to elaborate such a national strategy, Siderov appealed to all nationally responsible parties to accept his proposal for summoning a National Round Table, much like the one convened after the collapse of the communist regime.

Siderov accused the rest of the parties that thus far they had not responded to his appeal. In the opinion of the Ataka Party leader, this behavior was irresponsible and indicated that the political parties in Bulgaria thought of nothing else but their narrow-party and group interests.

Although these actions on the part of Siderov fully comply with the usual and characteristically populist political style of the party, they also revealed another image of the Ataka Party, differing from the one the party has been manifesting during the past several years. It seems that some portion of the new strategy of the party is to demonstrate a more moderate and benign nature

in view of the forthcoming general election next year, at which the party expects to score a good electoral outcome, which would enhance not only its role but also its political weight.

At the same time, the party got involved with several rows connected with some of its representatives. Thus for instance, during the protests organized by the milk producers in Sofia, the representative of Ataka at the European parliament, MEP Dimitar Stoyanov, was arrested after an argument and clash with the police. Stoyanov claimed he was beaten by the police and showed his wounds, for which he also had a medical testimonial. This provoked protest actions by Ataka in front of the building of the Police Department where Stoyanov was detained. Siderov demanded an explanation from the Prime Minister and the Minister of Interior about how it was possible for the police to beat an MEP. Minister Mikhail Mickov said that the check-up he demanded did not indicate that the police had exceeded its powers and only "petty administrative infringements" had been committed on the scene of the brawl. In response, the Ataka Party threatened to refer the case to the European institutions.

During the celebrations of Bulgaria's National Day devoted to the unification of the country on September 6th in Plovdiv, activists of the Ataka Party were arrested after launching protests against the government. Volen Siderov stood in defense of his followers by saying that for a yet another time the police had exceeded its powers, which – in his opinion – indicated that "Bulgaria has become a police state, where the rights of citizens fail to be observed".

The standing "tent camp" in front of the Presidency, which has been functioning for more than two months now, is another manifestation of Ataka's protest actions. In this camp the party is collecting signatures for the resignation of the President and the government.

The development of the Ataka Party over the past three months indicates that in the future the party will continue to demonstrate a dual face: on the one hand it will be trying to outgrow its image of a radical party, which seems to be the

current strategy of its leader, but on the other, it will employ its radicalism and conspicuous protest actions whenever the conditions are right for reaping benefits from the escalation of the overall political and social tension in the country.

3. Public Opinion

Over the past quarter, the public opinion and attitudes of the citizens in the country were under the impact of the publicized reports of the European Anti-Fraud Office, OLAF, and the European Commission, which yet again brought to the fore the problems Bulgaria has with respect to corruption, organized crime, and the lack of appropriate measures for adequately fighting them. This enhanced the trend observed for years now of a growing lack of confidence on the part of Bulgarian citizens both in the political elite and the Bulgarian institutions on the whole. This problem affects the state and functioning of the political system in the country, because the shrinking confidence in the institutions impacts their legitimacy.

Indicative in this respect are a number of opinion poll surveys held over the period subject to this analysis. Thus for instance, a survey held by Market LINKS at the end of August reveals that the citizens give an extremely low assessment to the functioning of the institutions. Within a scale ranging their assessments from 2 (poor) to 6 (excellent), Parliament gets the lowest assessment – 2.56, followed by the government – 2.76. The parliamentary opposition in the country also gets a low assessment – 2.7, which shows its ineffectiveness despite the constant non-confidence votes against the government, which it has been tabling in Parliament. This assessment is also quite indicative of the confidence, which the voters have in the opposition parties at the Bulgarian National Assembly.

President Parvanov, the performance of whom has usually been highly assessed by the citizens over the past years, gets an assessment of 3.64, which is a lower score than the one he received in February 2008 – 4.02. This shows that within the general context of the way the insti-

tutions function in the country, the confidence of the respondents in the President has also declined. Indicative of this situation is the shrinking rating of the President, which is 12 percent lower in comparison with the beginning of the current year, and for the month of August it stands at 56 percent. This result has replaced Parvanov from ranking first in the rating scale of the politicians – a place he invariably maintained over the past several years. Most probably this is due to the overall decline of the confidence, which the voters have in the politicians. It is interesting whether this situation will be preserved in the future, too. Only then the reasons for this decline could be discussed more precisely and an evaluation could be made whether the decline is due to the very work Parvanov has been doing or this is merely a temporary phenomenon of a fleeting nature, resulting from the current state of affairs.

The Sofia City Mayor and leader of the GERB Party, Boiko Borisov, has come to rank first in the rating scale of the politicians. What is interesting in this case is the fact that there has been a 2 percent decline in his confidence rating, too, in comparison with the beginning of the current year, and in August his overall rating stands at 66 percent. The reason for this decline, though insignificant, should probably be connected with his performance in the capacity of a Sofia City Mayor, where the problems with city traffic and waste management are becoming increasingly graver and more complicated, and this provokes the discontent of a large part of the capital city inhabitants.

All the other politicians and leaders of major parties mark a decline in the confidence they enjoy. Only the leader of the Ataka Party, Volen Siderov, has increased his rating from 20 percent at the beginning of the current year to 26 percent in August. The poignant rhetoric Siderov manifests with respect to the governing majority, as well as the numerous protest actions he held over the period under review, seem to have positively impacted his personal rating.

The leaders of parliamentary represented parties who enjoy the lowest confidence rating

are: Ivan Kostov (DSB) – 9 percent, Plamen Yurukov (UDF) – 10 percent, Simeon Saxe-Coburg-Gotha (NMSII) – 11 percent, and Ahmed Dogan (MRF) – 12 percent.

The decline of confidence in the governing tri-partite coalition has been increasingly growing over the past several months. This is due to numerous factors such as the constant doubts of unrestrained corruption, which were major emphasis in the report of the European Anti-Fraud Office, OLAF, the higher rate of inflation in comparison with last year, as well as the lack of any positive change in the standard of living of the greater majority of Bulgarians. Thus for instance, nearly 58 percent of the respondents think that the government should hand it its resignation because of the criticism in the report of the European Commission, while only 22.4 percent of the respondent are of the opposite opinion. Another 48.5 percent of the respondents are of the opinion that an early general election should be held in the country, while the number of those who disagree with this is 38.3 percent.

Within the context of the upcoming general election next year, the question about the political parties likely to be returned to the next National Assembly becomes increasingly more interesting. The Market LINKS survey shows that the GERB Party continues to lead in the opinion polls, whereby 28 percent of the voters have expressed willingness to vote for it. This marks a 1.2 percent electoral support increase since the beginning if the current year. The BSP gets a 15.4 percent support by the voters, thus marking a certain decline by a little more than 2 percent in comparison with February 2008. The Ataka party ranks third with 8.4 percent, which is a nearly 2 percent increase of the support for this radical right-wing populist party in comparison with the previous survey, which Markey LINKS held in February. A little more than 5 percent of the voters would cast their ballot for the MRF, which indicates that the party commands stable electoral positions.

This survey confirms once again the trend of the last two years, which indicates that the chances of NMSII to make it to the next Parliament

on its own are infinitesimal, because the electoral support for this party has reached the critical level of 0.6 percent.

The right-wing opposition parties also enjoy a low level of electoral support, which makes their return to the next Parliament quite dubious. DSB gets 2.1 percent, which indicates some rise in its electoral support in comparison with February, when the figure of its support rating was 1.6 percent. This figure, however, could hardly return the party to Parliament after next year's general election. The UDF is in a similar situation, enjoying a 1.9 percent of the voters' electoral support.

Political formations such as the IMRO, the new BND party, the NEW Time, and the Democratic Party have no chances whatsoever of making it to the next Parliament on their own.

4. Major Conclusions and Forecasts

1. The political situation in the country is characterized by a growing tension among the political parties both from the governing tri-partite coalition and the opposition. The BSP and the major opposition GERB Party are leading in this clash. The autumn season will actually mark the beginning of the election campaign almost a year before the date of the regular general election, which is due to take place next year. A number of both internal problems and external factors have an impact on the poignancy of this clash. What stands apart among the external factors is the growing pressure exerted by the European Union on Bulgaria, designed to make it eliminate corruption from a number of the country's institutions, and the situation in the world after the recent events, which took place in Georgia in August. The global financial crisis is of a great significance as well, although it has impacted Bulgaria to a limited extent. The relations with Russia have once again become the focal subject matter of the internal political debate. The rising price of natural gas and the inflation rate at large have provoked conflicts among governmental institutions, trade unions, and employers' organizations. New industrial actions and protests of the affected professional groups are expected to take place over the coming months.

2. Although the tension felt in the political life of the country is transferring into the governing tri-partite coalition, there are no justifiable reasons to believe that it will bring about its disintegration and a possible early general election, irrespective of the enhanced pressure exerted by the opposition. NMSII remains the most unreliable partner in the governing coalition. The reason why is the presence of certain NMSII circles, the members of which are discontent with the party's participation in the tri-partite coalition. Discontent also stems from their concern with the fact of the shrinking electoral impact of the party, which stands at one percent if the general election were to take place today. At the same time, the leader of the party, Simeon Saxe-Coburg-Gotha, has not given any signs that NMSII intends to leave the coalition, although the forthcoming Congress of the party is expected to see clashes on this subject matter precisely.

3. The internal conflicts within the major party of the tri-partite governing coalition – the BSP – have been growing. On one hand, they reverberate in the clash between the leftist wing around Yanaki Stoilov, Alexander Lillov, etc., and the party leadership around the leader, Sergei Stanishev. The party leader and Prime Minister of the country has been repeatedly accused by the leftists on account of the liberal economic course pursued by the government. For their part the leftists insist that the socially-oriented policy in the country should be enhanced.

There have also been differences between the younger and relatively newer members of the party leadership and the "old guard", exemplified by Roumen Ovcharov and Roumen Petkov, in connection with the shift of layers within the BSP and its rejuvenation. On the whole, the BSP continues to be a complicated conglomeration of conflicting interests as a result of the party's evolution from a post-communist formation to a modern social democratic party. However, it is hardly likely to expect any split within the BSP on the eve of the forthcoming general election.

4. The processes of restructuring continue within the opposition right-wing political environ-

ment. What has been observed here over the last few months is that the smaller parties – the UDF and DSB – start to group around the GERB party, which has consolidated itself as the leading opposition party. Under the pressure exerted by the European People's Party (EPP), these three Bulgarian parties have set up an informal union to the purpose of provoking an early general election. According to information released by the opposition, the three parties have collected about a million signatures under their "order" for the resignation of the government. On the whole, this remains a mere political initiative without genuine possibilities for provoking such an early general election, but what is important is that this indicates these parties' readiness for launching united opposition actions.

At the same time, each of the three parties has declared to date that it would run the next general election on its own and only after the election its leaders would look for option in order to set up a joint government.

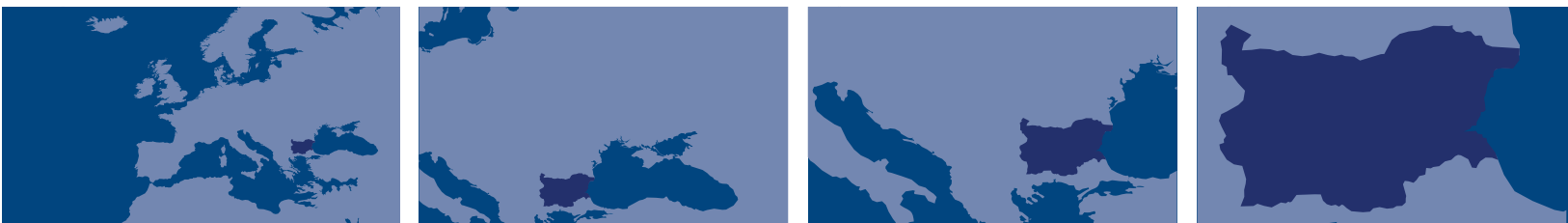
The extreme right Ataka Party continues its radical opposition actions not in Parliament but on the streets of the cities and bigger towns throughout the country and is making attempts at the same time to set up closer relations with the GERB Party. The informal leader of the GERB Party, Boiko Borissov, does not conceal his sympathies for Ataka and is pushing it to adopt a more moderate course of action, which will make it easier for him to start some form of cooperation with it, because – for the time being – the EPP opposes such an initiative. After the recent general election in Austria, where the extreme right was given considerable support, it is likely for the EPP to demand a more categorical differentiation of the GERB Party from the Ataka Party.

5. The electoral attitudes at the time being portend a complicated set up at the next National Assembly. It will be made up of two blocks – the BSP and the MRF on one hand, and the GERB Party, on the other. Should GERB fail to be returned with an absolute majority and should the smaller right-wing parties remain outside Parliament, the GERB Party will find it difficult to form the new government. For the time being, GERB is ruling out the

possibility of setting up a coalition with the BSP and the MRF. It would also be difficult for GERB to set up a coalition with Ataka, which is very likely to be returned to the next Parliament, because of the negative stance of the EPP towards it. The BSP and the MRF will not have a majority either, according to data from the current opinion polls. This portends a "hung" Parliament and complicated negotiations for the formation of the government, in which President Parvanov will undoubtedly play an important role. But the event-ridden and tense situation, which is likely to develop over the next few months, may modify today's electoral attitudes and this is the reason why the forecasts made today are only of a relative nature.

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