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Analyses









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- The lack of a clear vision about overcoming the crisis and the chaotic and inconsistent moves in the government's decision-making process to this effect brought about the first more tangible decline in the confidence rating of the Cabinet. The ruling party continues to focus its efforts on combating crime, which thus far has won the approval of the country's population. Should, however, the situation in the country remain unchanged over the following months, and should the confidence rating of the ruling party continue to decline, possible re-shuffles in the government cannot be ruled out. Boiko Borissov has already said that the economic team of the government needs some reinforcement. Therefore, it is in the economic team precisely that changes are likely to take place.
- The Blue Coalition is becoming increasingly more critical with respect to the economic policy pursued by the government. Although it gave its support to the updating of the government budget, the Blue Coalition insists on launching reforms in the sectors of healthcare, pensions, and the state administration. Should the government fail to overcome the crisis, the Blue Coalition might withdraw its support for the GERB Party altogether. This, however, could take place at the end of the year at the earliest, when the real outcomes from the fulfillment of the government budget may become obvious.
- The majority of the electorate cannot recognize the BSP as a political alternative to the GERB Party. The reasons why lie in the fact that the party is focusing too many of its resources on internal party in-fights. This creates conditions for the isolation of the party elite from both the grass-root party membership and the supporters of the party, and also leads to the encapsulation of the party.





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1. The Political Situation

Over the past three months, the political situation in the country was mainly determined by the deepening economic crisis and the debate about the ways of overcoming it. Although at the end of April the Minister of Finance, Simeon Dyankov, declared that Bulgaria was coming out of the crisis, the situation with the government budget is more than alarming. The increasing budget deficit and the forecasts that by the end of the year it will have risen to 3.9 per cent brought about the decision of government for the country's budget to be formally updated by the National Assembly. This is the first such updating for 14 years now, since the then governing BSP and the Videnov Cabinet made recourse to this procedure for the last time.

The revised forecasts for the updated budget envisage a 1 per cent economic growth rate by the end of the current year, which is quite optimistic given the declining rate of investments in the country. The macroeconomic framework of the Republican Budget also envisages a budget deficit forecast to the tune of 3.9 per cent of the country's GDP. The maximum amount of the new 2010 government debt has been increased from BGN 2.7 billion to BGN 3.5 billion, whereas the maximum amount of the overall government indebtedness, which cannot be exceeded by the end of 2010, has been increased from BGN 12.2 billion to BGN 12.5 billion. What the updated version of the budget also envisages is to limit the spending of the various government institutions, ministries, and agencies by up to 20 per cent.

As far as the local municipal authorities are concerned, their expenditures are curbed by 15 per cent, with the exception of expenditures on education, social welfare support, defense and security, and the funds already approved and earmarked for environmental

projects. The subsidy for the political parties paid out of the Republican Budget has been curtailed by 15 per cent as well. An amount to the tune of BGN 180 million, however, has been laid down in the updated government budget for funding infrastructure projects, whereby representatives of the Cabinet declared that these projects remain on the government agenda as a major priority.

The indicators underlying the updated versions of the 2010 government budget were subject to criticism by both politicians and experts. Thus for instance, the Blue Coalition deems that the pending reforms in the pension system, healthcare, and education, which the government must now launch, are especially important, alongside the genuine curbing of all public expenditures. Otherwise, the country will be threatened by a new budget update this autumn, which will also entail serious problems in the government budget for the following year.

In fact, the GERB government has been spending significantly more in comparison with previous years, when the country's governance was in the hands of the tri-partite coalition of the BSP, NMSP, and the MRF. Many economic experts qualify the current level of spending as unreasonable in a situation of a crisis. On the other hand, the lack of genuine reforms in the public sector, the launch of which the government has postponed yet again over this second quarter of the year, gives rise to pessimistic forecasts about the development of the economic situation in the country.

The decision of the government to spend BGN 2 billion from the fiscal reserve to the purpose of compensating for the budget deficit provoked especially polar opinions and a highly controversial debate. The Minister of Finance, Simeon Dyankov, justified this decision by pointing out that this was the only possible and reasonable way of solving the



problem given the current precarious situation. The Blue Coalition representatives, however, qualified this move as far too hazardous.

At the time being, the government has given up the idea of raising taxes and social security contributions. Prime Minister Borissov, however, said that should the anti-crisis measures fail to work properly, the government would have no other choice but to raise the VAT. In other words, the issue of raising taxes is still on the government's agenda.

In the middle of June it became clear that a Eurostat mission will be arriving in Bulgaria in order to hold an inspection of the statistical data about the country's economy and budget. The EU institutions expressed their concerns that Bulgaria is running an excessive budget deficit, which has not been properly reflected in the available statistical data. The Bulgarian government said that it did not fear the inspection, because the data submitted by the National Statistical Institute were correct. Despite this fact, however, the Eurostat mission is a clear signal to the GERB government about the concerns, which the European Commission is having with respect to the situation with the Bulgarian government budget.

At the end of June, the Minister of Finance, Simeon Dyankov, announced the intention of the Bulgarian government to issue government bonds to the amount of about EUR 1 billion and offer them for sale on the international stock markets. This is precisely the step, which the DSB leader, Ivan Kostov, has been insisting on for months as well. The issue will be sold over the next year and the revenues will be used both for the funding of infrastructure projects and for stimulating economic growth. According to Dyankov, there is also an option for debt to the same amount to be issued as early as this year on the condition that the situation in the country might get worse. The intentions of the government to issue debt, however, come on the

background of the worsening financial image of the country on the international markets. In turn, this would entail more unfavorable terms upon the floating of such Bulgarian government bonds. The worsened credit rating of the country is also due to the doubts expressed by Olli Rehn, the European Commissioner for economic and monetary affairs, with respect to the reliability of Bulgarian statistical data.

Yet again, the relations between President Parvanov and Prime Minister Borissov have remained tense during the second quarter of the current year, too. Although the procedure for the impeachment of the President failed to gain support at the National Assembly, there are clear signs that the difficulties in their relationships will extend into the future as well. The reasons why lie mainly in the critical attitude of the President manifested with respect to the government, which provokes the adverse responses of Prime Minister Borissov and his ministers. Parvanov has repeatedly criticized the government on account of the haphazard anti-crisis measures it was proposing and the lack of reforms. In turn, Borissov said that such an activity on the part of the President – an unlikely behavior for him during the term of office of the tripartite coalition – was due to the President's intention to set up a party of his own after the expiry of his second and final term of office. In Borissov's opinion, this project of Parvanov's making had already been launched and was gaining momentum.

Actually, over the past several months, the subject matter about the possible party Parvanov is alleged to be willing to head in the future has been subject to repeated discussions in the public environment. Nonetheless. Parvanov's behavior over the last months leaves some room for hints in the direction of such intentions. The president himself hinted at the possibility that he might support a civic



movement with center-left orientation after he leaves office.

Prime Minister Borissov declared that the government is likely to reconsider Bulgaria's participation in the contentious energy projects, party to which is Russia, namely: the "Belene" Nuclear Power Plant and the Bourgas – Alexandroupolis oil pipeline. In Borissov's opinion, the construction of an oil pipeline on the bottom of the Black Sea might endanger the environmental balance in the region and thus jeopardize the Bulgarian summer tourist resorts along the Black Sea coastline. Borissov expressed his misgivings as to the economic benefits for Bulgaria from this project both in the short- and medium-term period of time. And yet, the government will make its final decision only after the international environmental risk assessment of the project is finally worked out and its conclusions have been carefully weighed.

As far as the "Belene" NPP is concerned, Prime Minister Borissov said that the project could remain frozen until the time a foreign investor emerged. The reason why is the fact that Bulgaria cannot afford to guarantee the project on purely economic grounds, namely the lack of spare funds. The BSP launched severe criticism at the intentions voiced by Borissov. The concerns voiced by the BSP representatives are to the effect that the freezing of the project would impair the Bulgarian national interest and that the country would consequently have to bear grave economic losses. The Blue Coalition, however, was of the opposite opinion and congratulated Borissov on voicing these intentions.

The economic crisis will continue to determine the economic situation in the country over the coming months. It is the development of the crisis that will govern both the relations among the major political parties in the country and the attitude of the civil society towards the political parties themselves.

On June 19th, local by-elections were held for a new mayor in the central Bulgarian town of Gabrovo. Seven parties were listed to run this election: the GERB party, the BSP, the nationalist Attack Party, NMSP, the OLJ Party, the Bulgarian Social Democracy, and the rightwing Blue Coalition Plus, which brings together nine right-wing political formations. Their respective candidates were: Nickolay Sirakov, Nickolay Grigorov, Radi Stoyanov, Nickolina Karabelova, Pencho Penchev, Boyan Savyanov, and Iva Nikolova. The candidate of the ruling GERB party, Nikolay Sirakov, who had served thus far as deputy mayor of the town, was widely viewed as the most likely winner.

As expected, the GERB candidate, Nickolay Sirakov, won the local by-elections in the town of Gabrovo with a landslide of nearly 60 per cent (the exact figure being 59.87 per cent) of all the valid votes. The candidate of the BSP, Nickolay Grigorov, won 16 per cent, the OLJ candidate - 9.29 per cent, the Blue Coalition – 7.38 per cent, the Attack Party – 3.81 per cent, the National Movement for Stability and Progress – 2.44 per cent, the Bulgarian Social Democracy – 1.36 per cent. The voter turnout was 25.55 per cent.

2. Situation and Development of the Party System in Bulgaria

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

The relationships among the parliamentary represented right-wing parties have been developing in an exceedingly dynamic way. The Blue Coalition has begun to distance itself increasingly more from the economic policy pursued by the GERB Party and has even enhanced its criticism on account of the country's governance in this key area, especially with a view to the ongoing crisis. At the same time, however, the Blue Coalition has been

relentlessly supporting the government in its efforts to combat crime. The major GERB supporter – the Attack Party – has been losing its electoral support and is launching initiatives aimed at revealing a different image of the party. The disintegration of the OLJ parliamentary faction, headed by Yane Yanev, has yielded visible results by now (as forecast in the previous issue of Barometer), namely that the party is becoming increasingly more marginalized and is moving out of the focus of public attention.

2.1.1. The GERB Party

The past quarter revealed the first more significant differences within the GERB Party and outlined increasingly more discernible groups within its government. The dialogue between the two Deputy Prime Ministers – Tzvetan Tzvetanov and Simeon Dyankov – was visibly exacerbated. The particular occasion for the tension flaring between them was the criticism directed by Tzvetanov to the Customs Agency, which is subordinated to Simeon Dyankov. Tzvetanov announced that the lower collection rate of customs duties and excise taxes was due to the growing amounts of goods smuggled into the country, and that a share of the blame for this situation fell on the leadership of the Customs Agency personified by its head – Vanyo Tanov. The Minister of Finance, Simeon Dyankov, defended the work of the Agency and in turn launched criticism at the Minister of Interior, Tzvetan Tzvetanov, by saying that his ministry had to do its job both in a better and more competent way. At a first glance, this criticism seems paradoxical with a view to the fact that the Ministry of Interior and the police in particular enjoy the highest public confidence rating, and Minister Tzvetanov is the politician enjoying the highest rating in the country – surpassing even the rating of Prime Minister Boiko Borissov himself (more on this see in the Public Opinion Section).

The stance taken by Simeon Dyankov, however, resembles the criticism directed at Tzvetanov by certain circles in the public environment to the effect that the police actions rather smack of PR actions, and that despite the fact of their broad media coverage, they have brought about neither any tangible result, nor any court sentences.

As far as the vision of the Minister of Finance about the development of the economy and overcoming the consequences of the current economic crisis is concerned, Dyankov subscribes to rational ideas, such as effecting reforms in the public sector and budget expenditure cuts, including lay-offs of civil servants from the public administration. One of the anti-crisis measures proposed by Dyankov is the 20 per cent cut in the various ministries and government agencies. This idea, however, has not been backed up unanimously by all the members of the Bulgarian Cabinet. Even Prime Minister Borissov himself failed to accept some of Dyankov's ideas, which, however, has resulted in the delay of the reforms and has created the impression that the government is acting chaotically, inconsistently, and without a clear vision about coping with the crisis.

The ministers who come closest to the ideas of Simeon Dyankov are Traicho Traikov, Minister of the Economy, Energy, and Tourism, and Rossen Plevneliev, Minister of Regional Development and Public Works. The Minister of Labor and Social Policy, Totyo Mladenov, on the other hand, so far has been manifesting his disagreement with some of Dyankov's visions about the reforms in the sphere of social policy.

During the second quarter of 2010, the GERB government continued to put its stakes on police actions mainly, which have been promptly covered by the Bulgarian media. It is this activity on the part of the police that brought about the rising confidence rating of the Minister of Interior, Tzvetan Tzvetanov.



Boiko Borissov announced that the GERB nomination for the presidential election next year will be Tzvetan Tzvetanov. This announcement took many by surprise, because there is still plenty of time before the election in the fall of next year. Even Tzvetanov himself expressed his surprise by saying that it was quite early days yet to speak about the possible presidential nominations of the GERB Party.

The election outcome in the town of Gabrovo is viewed a positive assessment for the work of the entire team of the former Mayor, Tomislav Donchev, who is now Minister in charge of the EU funds. It is to this effect that the Deputy Chairman of the GERB Party, Tsvetan Tsvetanov, made the following statement after the election: "I would like to thank the people of Gabrovo for their votes and the support they have extended to us. Many thanks to the team of Tomislav Donchev, and to the entire GERB staff in Gabrovo, because it is due to their efforts that we achieved today's results. The election outcome indicates the validity of the policy GERB has been pursuing not only in Gabrovo, but throughout the country as well. This is a good interim assessment of the work done by the GERB Cabinet and by all of us".

2.1.2. The Attack Party

The trend of a declining electoral support for the Attack Party has been observed over the second quarter of 2010 as well. The loss of electoral impact, as far as the party led by Volen Siderov is concerned, can be said to be due to several objective reasons, two of which can be pointed out as the most important ones:

Firstly, the unconditional support, which the Attack Party has been lending to GERB and its government, has resulted in the gradual obliteration of the image, which the Attack Party had thus far managed to impose in society at large. The electoral strength of the party over the past several years stemmed mainly from its populism and radical rhetoric, which used to put the stamp of stigma and disgrace on the entire political elite in the country. The current situation, however, has placed the Attack Party in a role, which is quite unusual for it, namely the role of being a constructive instrument to the country's governance. And yet, what is required for such a role to be performed is both a political and expert capacity, on the basis of which solutions to emerging problems can be proposed. And it is visible that what the party direly lacks is precisely such a capacity. At the same time, the negative consequences from the country's governance, which GERB is currently bearing, have an indirect adverse impact on GERB's most loyal ally – the Attack Party.

Secondly, the dwindling support for the Attack Party is also underlain by internal party reasons. The grave situation within the local party structures, where numerous splits have occurred and party members and activists have left the party, is weakening the Attack both from an organizational and electoral point of view. This is due to the poignant infights, rivalries, and bitter disputes with the central party leadership, which in all probability will be extended into the future, too. All this is likely to have an adverse impact on the preparation of the party for the local elections next year.

What the Attack Party will be remembered for over the past quarter is an extremely socially-populist idea, which provoked ambivalent and confusing critical responses. The party leader, Volen Siderov, launched the idea about government interference in the process of setting the interest rate levels of all loans and deposits in the portfolios of commercial banks. The Attack Party proposes to table legislative amendments, which would legally bind the levels of interest rates on deposits with the interest levels of loans.

Siderov insists on decreasing interest rates by virtue of a decision elaborated by the state, so that the level of interest rates in Bulgaria could reach the levels existing in the majority of European countries.

The legislative amendments, which the Attack Party intends to table for a broad parliamentary debate at the National Assembly, envisage that the Bulgarian National Bank should fix every six months the average interest rate of the deposits made in the commercial banks by virtue of a respective ordinance. In the opinion of Siderov, the banking sector has remained unscathed by the crisis, but at the same time there is no influx of money into the real economy. The party leader has substantiated his proposal about such a regulation of the banking sector with his belief that for the time being the neo-liberal slogan about "less of a big government and more of super-liberalism" should be amended, so that the country can prove capable of coping with the crisis.

The idea about the administration of bank interest rates is totally unacceptable for the bankers. Their unwillingness to accept this proposal is also shared by the rest of the political parties in the country, the GERB Party included.

At the same time, the European partners of the GERB Party continue to manifest their critical attitude with respect to the fact that the major and staunchest supporter of the country's governance is a radical right-wing populist formation. It is in this sense that the GERB Party faces the difficult task of having to differentiate itself from some of the extreme initiatives launched by the Attack Party. In the final account, however, this fact could adversely affect the support which Siderov's party is currently lending to the GERB Party.

2.1.3. The Blue Coalition

Over the past three months, the Blue Coalition has enhanced the critical tone in its communications with the governing GERB Party.

The occasion for this attitude is the economic crisis, as well as the policy the government has been pursuing to overcome the effects brought about by the crisis.

According to the forecasts made by DSB, the 2010 unemployment rate can get as high as 15 per cent. The reasons why lie in the inheritance from the previous government, but also in the inability of the incumbent government to launch reforms in the area of labor and social policies. Thus for instance, the increased level of the thresholds for the social security contributions paid by the selfemployed and the contradictory signals given with respect to the country's taxation policy have crowded out both companies and citizens, sending them into the grey sector of the economy, in the opinion of DSB.

DSB has proposed a whole set of measures aimed at curbing unemployment and stimulating employment at the same time. One of these measures envisages the creation of new jobs by means of encouraging small and family business, handicraft enterprises, and self-employment. To this end DSB deems it necessary to lower the minimum monthly threshold of the social security contributions for the self-employed, which currently stands at BGN 420. The party has also proposed to encourage the start-up small businesses by abolishing the minimum social security thresholds and the minimum monthly social security income during the first six months of their active economic operation. Other ideas in this area are: the introduction of a family health insurance and family social security contributions for all family businesses and also the elaboration of the regulatory basis for the development of family farming. The DSB representatives also insist on the implementation of flexible work hours and hourly remuneration, as well as on raising the permitted upper limit for extra work time from 150 to 300 hours per year.



The DSB leader, Ivan Kostov, tabled a proposal for the government to issue government bonds. This issue would serve as a precautionary measure against the possible occurrence of a deteriorating economic situation in the country. As mentioned above, this idea has already been subject to discussions among the top echelons of the governing GERB Party as well.

The leader of the UDF, Martin Dimitrov, was also especially critical with respect to the government. In his opinion, the Cabinet has continued to increase the budget expenditures, which are now higher in comparison with 2009. According to Martin Dimitrov, this policy completely contradicts the normal economic logic and will only contribute to the further deepening of the fiscal crisis. He declared his categorical stance against the decision for spending money from the fiscal reserve. DSB took the same categorical stance on this account as well. Another proposal tabled by the Blue Coalition was for governmental agencies and structures to be merged where possible, with a view to the optimization and curbing of public expenditures.

The declining public confidence in the GERB Party has brought about an increased electoral support for the Blue Coalition (for further detail see in the Public Opinion Section). The reason why is the changing attitudes of some of the hesitating right-wing voters, who gave their support for the GERB Party at the 2009 general election. These voters are most probably disappointed with the vacillating and inconsistent actions of both the GERB Party and Borissov's Cabinet and quite possibly see the Blue Coalition as an alternative to the economic policy, which GERB has been pursuing thus far. The Blue Coalition has sufficient experience in the governance of the country and - beyond any doubt - it can make full use of its adequate political and expert potential capacity, which the country currently needs. So far, however, the GERB Party has neither made any move to take advantage of the expertise of the Blue Coalition, nor has it even started looking for ways and means leading to a closer cooperation with the Blue Coalition. On the other hand, however, it also seems that the Blue Coalition is reluctant to commit itself to a closer cooperation with GERB and will probably retain its stance of a party, which has given its principled support to the government without participating directly in the country's governance.

As far as the relations between the GERB Party and the Blue Coalition are concerned at the level of the Sofia Municipality governance, they can be said to be getting increasingly closer. The Blue Coalition, which at last year's local by-elections gave its support to the GERB candidate for Sofia City Mayor, Yordanka Fandakova, now has deputy mayors of its own. Having won the elections, Fandakova appointed the DSB municipal councilor, Christo Anguelichkin, to the post of deputy mayor in charge of education, and the former UDF MP, Ivan Sotirov, to the post of deputy mayor in charge of security.

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

The fact that the OLJ parliamentary faction no longer exists is having a visible impact on the party. Its image is getting increasingly more obliterated and the party has been losing its public weight. This is the reason why the party leadership undertook certain initiatives to the purpose of re-focusing some public attention on itself.

The OLJ Party declared that they were not going to second any non-confidence vote motion against Boiko Borissov's government, should such a motion be tabled by the BSP. According to the OLJ leader, Yane Yanev, such a non-confidence vote would be absolutely futile and would only serve the purpose of

uniting the ranks of the Cabinet and the governing majority. Yanev appealed to all who would like to see Boiko Borissov step down from office to sign the subscription prepared by the OLJ with a proposal for summoning a referendum demanding that the incumbent Parliament be dissolved and a general election for a Grand National Assembly be held, which will be entrusted with the task of elaborating and passing a new Constitution of the country.

At the beginning of May, the OLJ Party launched its promotion campaign for this subscription, the start for which is scheduled for the 6th of September. According to the party's expectations, at least a million citizens will sign up their subscription. Yanev said that in practice this subscription will be a nonconfidence vote for the government. The OLJ is also planning a campaign aimed at involving all the Bulgarians living abroad to sign the subscription. In Yanev's opinion, the number of the immigrants who will sign the subscription will be higher than the number of Bulgarians who voted abroad at the previous general election. The OLJ leader announced that the subscription proposed by his party would not merely be just another idea for a referendum, but will also include the organization of conferences, round tables, and debates.

Yane Yanev made a presentation of the major emphases in the new constitution, which the OLJ Party will treat as priority issues. Some of them are: diminishing the number of the members of parliament from 240 to 100, introducing an imperative parliamentary term of office, making it possible for the voters to impeach MPs, and the requirement for Bulgaria to pronounce its stance on Turkey's EU accession only by means of a referendum.

The OLJ Party insists on the greater independence of the judiciary. In the opinion of Yane Yanev, the current Bulgarian Constitution makes room for political interference in the structuring, organization, and the control of the judiciary branch of power. The OLJ also envisages a constitutional provision, whereby the immunity of magistrates will be abolished altogether.

2.2. Processes in the Development of the Parliamentary Opposition

Over the past quarter, the parliamentary opposition continued to exist in its isolated and weakened state. What has also been observed is the lack of coordination of opposition activities between the BSP and the MRF. The BSP has proved incapable of getting rid of its internal party strife, which has an adverse impact both on its consolidation and prospects for development. Thus far the MRF is standing apart from the serious political debate and is trying to avoid confrontation with the GERB Party, although it has not been sparing its criticism as far as the country's governance is concerned.

2.2.1. The Bulgarian Socialist Party (BSP)

The past three months did not see any let up in the contradictions tearing up the BSP. The attacks against the party leader, Sergei Stanishev, gathered further momentum and even people who until recently belonged to his inner circle began to criticize him for the policy he is pursuing. Thus for instance, Kiril Dobrev openly attacked Stanishev by declaring that the party needed "an anti-crisis rescue plan" and the leader was delaying the reforms that should be carried out within the party. This stance on the part of Dobrev is indicative about the way in which certain circles within the BSP have started to re-orientate themselves with a view to the possible transformation of the Left Wing in the future. Observers do not rule out the hypothesis that certain party circles could nominate Dobrev, who is close to President Parvanov, for the post of BSP leader-to-be.



The public opinion polls indicate that the personal rating of Sergei Stanishev is lower than the rating of his party as a whole (for further detail see the Public Opinion Section). This fact has shown for yet another time that both the BSP membership and the party supporters are in a situation of an intensely splitmind as far as the assessments, which they have been making with respect to their own party leader, are concerned.

As already mentioned above, there is an increasingly louder talk in the public environment about President Parvanov's alleged party project, which – as rumors go – is to be openly announced after the end of his second and last presidential term of office. Thus for instance, Vessela Lecheva, former Chairman of the former State Agency for Youth and Sports, declared that the only leader capable of uniting the left-wing political environment is Georgi Parvanov. Lecheva even went on to publicly share that she would direct her personal efforts in precisely this direction. In her opinion, there is nothing more logical than the situation in which Parvanov will head the left-wing political environment. In her words, conversations to this effect have already been taking place.

In actual fact, in his capacity of a figure enjoying a high public rating, especially among the supporters of the left wing, Parvanov has the potential to back up – either formally or informally – such a project, which could consolidate the Left Wing in the future. But, of course, the implementation of this idea can take place only after his presidential term of office has expired.

At the same time, "the old guard" in the BSP around Roumen Ovcharov and Roumen Petkov has not lost its positions, either. Roumen Petkov, who is close to President Parvanov, has lately become especially active in the media environment. Yet again over the past three months, Petkov was strongly critical

with respect to Stanishev and at one of the party plenums once again appealed to him to hand in his resignation as a party leader and to acknowledge his own responsibility for the current situation of the BSP.

Despite these attacks, Sergei Stanishev has so far managed to preserve his positions. Thus for instance, regardless of the subscription, which the BSP had organized for nearly a month to raise a sufficient number of signatures for the summoning of an ad-hoc Party Congress, a recent party plenum passed the motion tabled by Stanishev for a regular session of the current Party Congress to be held in the month of October. Stanishev's motion was seconded by 78 party members, while another 19 abstained from the vote. Stanishev declared that he was ready to run once again for the leadership post, should the Congress decide to hold an election for Chairman of the party.

In April the former BSP MP, Tatyana Doncheva, presented her new political project called Movement 21 Civic Association. In Doncheva's words, the goals of the new movement are to encourage the citizens in the country to make decisions of their own. Doncheva also added that it was still early days to say whether the movement would transform into a political party at a later stage.

Apart from Tatyana Doncheva, there are no other prominent political figures in the new movement, which is a clear sign that Doncheva's political project is still far from its actual implementation. In all likelihood, its actualization will take place either at the end of the current year or at the beginning of the next, because 2011 is the year when two kinds of elections will be simultaneously held in the country – both local and presidential elections. And, of course, whether this project will actually take off the ground will depend to a decisive extent on the situation within the BSP.

Alongside Doncheva, other initiators of the Movement 21 Civic Association are: the former selection officer of the national football team, Plamen Markov, the Chairman of the group of municipal councilors at the Sofia City Municipality, Zhelyo Boichev, and the aide to the parliamentary committee for defense and security, Danail Georgiev.

The conditions for effecting changes within the left-wing political environment are just ripe, because the BSP is currently incapable of being recognized by the country's electorate as an alternative to the GERB Party, despite the deepening economic crisis. During the past guarter, the BSP continued its attacks against the government on account of the economic policy it has been pursuing. The party is even considering the idea of tabling a parliamentary non-confidence vote against the governing majority. It is quite obvious for the BSP that such a non-confidence vote will bring about no tangible result, but as it seems, the party has no other alternative and this will be a good opportunity for the party to publicly voice its views about taking the country out of the crisis.

The BSP accused the GERB Party of making use of the executive branch of power to the purpose of effecting political reprisals, which are turning the country into a police state. The Member of the European Parliament, Christian Vigenin, elected from the BSP MEP party slate, even delivered a statement at the European Parliament, which contained accusations against the governing majority in Bulgaria to the effect that the government was infringing human rights by means of political reprisals. For its part, the BSP leadership launched accusations at the GERB Party that the latter was attacking members of the opposition sitting on the local government institutions to the purpose of discrediting them before the local elections due to be held next year. One of the reasons underlying this re-

action was the arrest of the Chairman of the Municipal Council in the town of Varna. Borislav Goutzanov, on charges of abuses and incurring losses to the municipality to especially large amounts. At the time being, Goutzanov is remanded to home arrest.

Despite the exacerbated relations between the BSP and the governing majority, the socialists returned to their leadership posts at the parliamentary committees, which they had left almost a year ago, when Emilia Maslarova was ousted from the chairmanship of the social policy parliamentary committee because of the charges of abuse of power brought up against her by the Prosecutor's Office. The BSP motives for this return are the willingness of the party to use its full potential in the legislative work and other business of Parliament, thus actively participating in the parliamentary life of the country.

2.2.2. The Movement for Rights and Freedoms (MRF)

As it was already mentioned, for a period of several quarters in a row over the past three months, the MRF continued to stand apart from the poignant political battles and confrontations, although its representatives ware not sparing any critical remarks with respect to the country's governance. And yet, what has been observed over the past quarter is certain activation and signs that the party is getting out of this prolonged state of passivity. The party leadership has now focused its activities in the direction of consolidating and rallying together both its membership and supporters.

Much like the BSP, the MRF also launched criticism of its own as far as the measures proposed for overcoming the crisis are concerned. One of the conjectures the MRF has voiced is that the economic crisis in the country has been deepening, the underlying reason why being the lack of an adequate policy on the part of the governing majority. Accord-



ing to the MRF, the constant attacks repeatedly raised by the GERB Party that the previous governance of the tri-partite coalition was bearing the blame for the budget deficit are unjustified. The MRF pointed out that the major reason for the current budget deficit is the excessive spending by the incumbent government, which exceeds the expenditures of the tri-partite coalition at a time when there was economic growth in the country and budget surpluses were realized.

At a long last, after long months of passivity and detachment from the limelight of public attention, in May the MRF leader Ahmed Dogan once again reminded the public of his existence by making a statement in his typical provocative style. At a meeting in the town of Djebel, where there was a commemoration of the anniversary from the consequences of the so-called Revival Process (i.e. the change of the names of the Bulgarian ethnic Turks), Ahmed Dogan declared that this country could not be governed without the MRF and that it was his party that was part and parcel of the "foundations of the national security and unity".

Over the past quarter Dogan made visits to a number of the country's regions to the purpose of mobilizing and rallying the party membership and supporters. This is an indication that the MRF has started – as early as that – to prepare for the local elections next year. In this connection precisely, the MRF expressed its concerns that the governing GERB Party is making use of the levers of power to discredit MRF representatives in the local government with a view to the upcoming local elections. The particular occasion for these concerns was the fact that accusations and charges for alleged abuses and mismanagement were brought up against the Mayor of the town of Kurdjali, Hassan Azis.

What provoked the interest of observers was the support the MRF extended to the

GERB candidate, Nickolay Sirakov, running for the seat of Mayor at the local by-elections in the town of Gabrovo. The motives for the decision made by the MRF are that Sirakov has had a long career in the public sector and has been on the team of the former Gabrovo Mayor, Tomislav Donchev. Not long ago, Donchev was appointed Minister without a portfolio in the GERB Cabinet with the assignment to oversee and manage the European funds, for which Bulgaria has thus far filed in respective applications. This in fact is the reason why by-elections for a new Gabrovo mayor had to be scheduled. As soon as GERB heard about the publicly announced decision of the MRF, their response was that they did not need the support of the MRF. According to the co-Chair of the GERB parliamentary faction, Krassimir Velchev, GERB has never held any talks whatsoever with representatives of any political force concerning support at any election, and that GERB in principle does not enter any party coalitions and other pre-election agreements. MRF representatives have not even contacted the local structures of GERB in advance in order to inform them about their intentions. The then candidate for the Mayor's seat, now Mayor elect, Nickolay Sirakov, said that in practice the MRF has never had any electorate of its own in the town of Gabrovo.

3. Public Opinion

An opinion poll survey held by the Alpha Research Agency indicates a change in the attitudes of the voters both with respect to their electoral support for the political parties and their assessments about and confidence in the country's government.

The average assessment about the performance of the Cabinet is a score of 3.34 according to the six grade rating scale (where 6 marks the highest, and 1 marks the lowest

grade). According to data of the same Agency, the score of this assessment was 4.13 after the first 100 days spent by the government in office. In June, for the first time, the disapproval for the performance of the Cabinet has gained the upper hand and now exceeds its approval rating in a ratio of 33 to 26 per cent.

The confidence rating of Prime Minister Boiko Borissov has also declined by 11 per cent, but the confidence, which the respondents have shown for him and which stands at 40 per cent, continues to be significantly higher than the lack of confidence, which currently stands at 25 per cent.

According to 53 per cent of the respondents in this opinion poll survey, there is some feeling of inconsistency and chaos in the actions of the governing majority. Excessive self-confidence concerning the intentions of the governing party is pointed out by 54 per cent of the respondents, and another 73 per cent have pointed out the lack of sufficient administrative resources and professionally trained personnel, in order to substantiate their perceptions.

The Alpha Research opinion poll survey indicates that the electoral support for the GERB Party has subsided by 9 per cent and at the time being it stands at 30.4 per cent. Despite this fact, according to the attitudes of the voters, the party retains its leading position in the political environment, as currently there is no other alternative, to which the voters who are feeling discontent with the country's governance could re-direct their party preferences.

If a general election was held today, the GERB Party would hardly be able to set up a government on its own. The party has lost a significant part of its supporters in the big cities and towns, among the economically active citizens (the decline marked in this particular group of respondents is from 46 to 34 per cent), among the highly educated (a decline from 40 to 32 per cent), and among the representatives of private business (a decline from 48 to 34 per cent).

The support rating for the BSP has stabilized at 12 per cent, but the confidence rating its leader, Sergei Stanishev, enjoys continues to decline. Over the past four months he has lost 4 per cent of his support rating and at the beginning of June only 10 per cent of the voters have declared their support for him. In this way, Stanishev is the only party leader in the country, the support rating for whom is lower than the support rating of his party as a whole.

The opinion poll survey held by the Alpha Research Agency also shows that the electoral support for the Attack Party has been declining and at the time being stands at 2.3 per cent, whereas in August 2009 it marked a 6 per cent electoral support.

The Blue Coalition has preserved its electoral impact and has even managed to improve its electoral standing slightly - to 4.3 per cent. This is due to the fact that the parties of the Blue Coalition have attracted some of the voters who have withdrawn their support for the GERB Party. The MRF has also preserved its previous standing and at the time being 5.1 per cent of the voters would cast their ballots for this party.

Minister Tzvetan Tzvetanov has the highest personal rating, which currently stands at 48.2 per cent. This marks a growth of 12 per cent within the limits of the past year. At the same time, however, the opinions about the actions of the Ministry of Interior are highly polarized. Thus for instance, 46 per cent of the respondents think that these police actions have a real impact on the crime rate in the country, while the opinion of the other 45 per cent is that these police actions are mostly of a propaganda nature.

Several other ministers from the GERB Cabinet have been consolidating their positions in the confidence rating scale. Thus for instance, the rating of the Minister of



Regional Development and Public Works, Rossen Plevneliev, ranks second among all the ministers, and similar high ratings enjoy the following ministers: Nickolay Mladenov, Minister of Foreign Affairs, Vezhdi Rashidov, Minister of Culture, and Miroslav Naidenov, Minister of Agriculture.

The lowest confidence rating is shared by the following ministers of the GERB Cabinet: Anna-Maria Borissova, Minister of Health, Totyo Mladenov, Minister of Labor and Social Policy, Nona Karadjova, Minister of the Environment and Waters, and Sergei Ignatov, Minister of Education, Science, and Youth.

The enhanced public activity and the discussions surrounding the possible political project of President Georgi Parvanov have failed to yield any positive news for him in the current situation. His rating has been continuing its trend of decline and the confidence he currently enjoys has dropped from 44 per cent in February to 34 per cent in May.

4. Major Conclusions and Forecasts

1. The economic crisis will continue to determine the unfolding of the political situation in the country for some time to come. The updating of the government budget has consolidated the opinion that Boiko Borissov's government has made a number of mistakes, which have brought about the aggravation of the economic situation. The governing majority failed to master the deepening crisis processes in the economy, the consequence of which is reflected in the growth of the budget deficit. The intended reforms in key public sectors have not been launched properly yet, which further aggravates the current situation. Spending money from the fiscal reserve, as the budget update provides for, is a shortterm solution, which may have serious adverse consequences in the long run, should the government fail to overcome the economic crisis.

The lack of a clear vision and strategy for coming out of the crisis, along with the chaotic and inconsistent actions in the process of making political decisions concerning the ways and means of overcoming the crisis, brought about the first more tangible decline of the confidence rating of the Cabinet. The governing majority continues to focus its efforts on combating crime, which thus far has won the approval of many of the citizens of this country. These efforts have been highly assessed internationally as well.

Should the situation in the country remain unchanged over the coming months, and should the confidence rating of the governing party continue to decline, changes in the government cannot be ruled out. Boiko Borissov already declared that the economic team of the government should be reinforced. It is precisely there that re-shuffles may occur.

- 2. The Blue Coalition is becoming increasingly more critical with respect to the economic policy pursued by the government. Although it gave its support to the procedure of updating of the government budget, the Blue Coalition insists on launching reforms in the sectors of healthcare, pensions, and the state administration. Should the government fail to overcome the crisis, the Blue Coalition might withdraw its support from the GERB Party altogether. This, however, could take place at the end of the year at the earliest, when the real outcomes from the fulfillment of the government budget will be tentatively obvious. The approaching local and presidential elections, due to take place next year, might well prove to be a yet another factor conducive for the lasting withdrawal of the Blue Coalition from the GERB Party.
- 3. The Attack Party is continuing to lose electoral support and to obliterate its former image. There are two major factors contributing to this state of affairs. The first one is the unconditional support Attack has been

lending to the GERB Party, and the other the ongoing internal party problems, which the central leadership is having with the local party structures.

The Attack Party is completely aware that by supporting GERB it runs the genuine risk of demolishing its image. This is the reason why for the first time ever since the incumbent Parliament came into office the Attack Party is making an attempt to come up with initiatives of its own, unlike those upheld by the GERB Party. The proposals tabled by the party for more comprehensive economic reforms, some of which are connected with controlling the interest rate levels of the Bulgarian banks, throw some shadow of doubt on the economic liberalism pursued by the government.

Proposing such measures, however, is not a novelty for the Attack Party. Since the very beginning of its formation, Volen Siderov's party came up with a number of socially populist proposals, which later on became an inseparable part of the populist discourse of the Attack Party. The return to populism seems to be an attempt aimed at restoring the confidence of the party electorate. This lost confidence, however, will be particularly hard to restore, given the current situation. Other similar initiatives, different from the political intentions of the GERB Party, may be expected from the Attack in the future as well. Nonetheless, for the time being at least, the Attack Party is hardly likely to withdraw its support for the governing GERB majority.

4. The opinion poll surveys indicate that the OLJ Party has lost at the time being its chances of making it to the National Assembly at the next general election. The disintegration of the OLJ parliamentary faction at the end of last year brought about the gradual annihilation of this party. It is quite probable, though, that this coming fall, when the party launches its initiative for raising a subscription in favor of a referendum for the elaboration of a new

country's constitution, the party and its leader, Yane Yanev, will once again return in the focus of public attention. Such initiatives, however, are hardly likely to restore the lost electoral support for the OLJ Party.

5. The BSP is not recognized as a political alternative to the GERB Party by the majority of the electorate. The reasons why lie in the fact that the party is focusing too many of its resources on internal party in-fighting. This creates conditions for the isolation of the party elite from both the grass-root party membership and the supporters of the party and leads to the encapsulation of the party altogether.

The weakness of the BSP highlights the issue about the restructuring of the left-wing political environment and the emergence of new parties therein. The claim made by Tatyana Doncheva with the establishment of her civic "Movement 21" is facing unclear prospects at the time being. Doncheva herself continues to be a BSP member and gives no categorical reply whether her membership status will change in the future. She is very likely to wait for the BSP Congress to convene in October, in order to see whether there will be any change in the party status quo. Only after that or rather in the eve of the elections next year there may be a greater clarity as to whether Doncheva's Movement will be transformed into a party.

The possibility for President Parvanov to directly or indirectly commit himself to a political project, which is increasingly more broadly debated in the public environment at present, could also have an impact on the processes taking place within the BSP and the Left Wing at large.

6. The MRF has continued to distance itself from the focus of public debate in the country, preferring rather to stay on the sidelines for the time being. The main aspiration of the party now is to preserve its resources on the territory of the local authorities as a prereq-



uisite for waging a successful local elections campaign next year.

The MRF, however, has not been sparing its criticism to the government, although its representatives have been trying to maintain the moderately constructive tone of their critical remarks. The relations of the party with the BSP have remained complicated and are marked by a lack of a genuine cooperation and common opposition activities. This trend is highly likely to be preserved over the coming months as well.

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