

THE BULGARIAN ‘NATIONALLY RESPONSIBLE CAPITAL’ ON THE EVE OF EU INTEGRATION*

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Resumen: This paper examines the recent attitudes of the Bulgarian economic elites towards the process of European enlargement and the integration of Bulgaria into the structure of EU. The accent of the análisis falls upon the public activity of the representatives of the so-called “nationally responsible capital” united in the Bulgarian Business Club “Renaissance”. The simple is chosen to illustrate the attitudes of the “Bulgarian strategic investors” towards the EU enlargement, as it is symbolic for the Bulgarian large capital. Several hypotheses will be reviewed in the course of the analysis, namely that the Bulgarian business will be supportive of Bulgaria’s NATO membership but rather reserved in its expectations towards EU membership. Its rhetoric will be directed towards the quality of its international cooperation with similar large foreign enterprises, as an instrumental of proof of its internal legitimacy. These will be accompanied by continuous lobbying efforts in search of support from the administration for favouring the “patriotic” capital. The conclusions are based on recently published empirical survey results concerning the attitude of the Bulgarian business towards EU integration and on content analysis of the public speeches, interviews and reports of the “Renaissance” group members relevant to the topic.

Palabras Clave: Bulgarian nationally, Business, EU integration, NATO, responsible capital.

"People of the same trade seldom meet together, even for merriment and diversion, but the conversation ends in a conspiracy against the public, or in some contrivance to raise prices"
(Adam Smith, *The Wealth of Nations*)

INTRODUCTION

The idea that lies behind this paper is to attempt to examine, summarize and derive some conclusions from recently analyzed attitudes of the Bulgarian economic elites towards the process of European enlargement and the full-fledged integration of Republic of Bulgaria into the structure of the European Union. Bearing in mind the significance of the attitudes and the importance of behaviour of the strategic elites¹ on the eve of European integration it seems useful to attempt some theoretical conclusions based on empirical studies and qualitative analyses that sketch the contours of existing social realities in Bulgaria that will allow to gain an insight of the logic to possible future behaviour strategies of the selected strategic elite sample presented in the current work. The accent of the presented paper falls on some theoretic conclusions based on the public activity trends exhibited by the members of the of the self-dubbed "nationally responsible capital" better known to the Bulgarian public, as the owners and leaders of the strategic industrial sectors, represented under the umbrella of the so-called Bulgarian Business Club "Renaissance".

The sample organization is deliberately chosen for several reasons, namely it bears a symbolic significance within the Bulgarian public space by exhibiting a condensed collective portrait of the "patriotic national capital" that inherits the previously organized Confederation of Large Industrialists (popularly known as G-13), and has a linkage with the empirical and qualitative study results used to support the present analysis.

Several arguments in the course of the review will be put forward for defense that include business elite's opinion on Bulgarian euro-integration, compared to country's NATO membership approval; business elite's rhetoric towards maintaining image of "competency" and "international acceptance", as a tool for internal legitimacy, its rhetoric towards convincing the public in elite's preparedness for operating the European Union's structural funds, and least but not last, the continuous search for political and administrative support from the state for favouring the "patriotic business" over external competitors and internal rivals. The logic of these arguments will be drawn on the lines of Mancur Olson's and his critics' works concerning the wealth distribution and the amassing of distributive coalitions and their social and political influence. The persistence, reemergence and public space dominance of figures that claim to be representative of the Bulgarian economic elite linked to wealth with "history" (i.e. deeply entrenched distributive coalitions remnant of the former state socialist regime, associated with the Bulgarian communist party's nomenclature and its conversion of capital) and their aspirations for public and lately direct political recognition combined with the results from the surveys yield opportunity to test yet once again the validity of Olsonian paradigm on Bulgarian ground.

Regardless of the explicit pessimism stemming from this approach it seems appropriate to apply it once again towards an institutional environment, which suffered a crisis of legitimacy² and consequential major political reshuffle by the unprecedented entrance on the Bulgarian political scene of the ex-monarch of the country based on his quest for new morale and economic growth declared on the eve of his entrance on the Bulgarian political scene in 2001.

THE CLUB OF THE WEALTH WITH "HISTORY"

The Bulgarian Business Club "Renaissance" (*Vuzrazhdane* in Bulgarian) was founded on the 17th of September 2001 in Sofia, as a non-profit organization created with a mission of "unifying active Bulgarians with recognized skills in the sphere of business and the economy. The Bulgarian Business Club is an organization of individuals who are real owners. This unique nature of the Association, behind which more than 80% of the Bulgarian private capital

actually stands, with more than BGN 2 billion in investments in Bulgaria and employment for more than 50,000 people, provides a big opportunity for the Club's opinions and decisions to have values shaping to a great extent the development of the Bulgarian economy"³.

The declared aims of this particular organization include "raising the prosperity of the nation, to promote and consolidate the international image of the Bulgarian state and business, and to contribute to the cultivation of a spirit of entrepreneurship of the Bulgarians and to their economic prosperity. In this sense, the Club's members support all political positions and decisions, which work towards the development of Bulgaria as a democratic and economically stable country"⁴. The declared principles to which this particular association adheres are concerned with the necessity of participation of its members on equal basis in the process of decision-making in matters regarding the national economic development and strategic economic planning process. The government principle of the executive body of the organization is the rotational one and it is headquartered at the HQ of "Nove Holding" who's President currently is Mr. Vassil Bojkov. The short glance of "Vuzrazhdane's" structure and history at first does not reveal significant differences from other similar business associations registered and active in Bulgaria, except the significant political and media attention received at inception, historical recall of the collective social memory and the elite membership base of its founders and members of managerial council, whose list of names reveals personalities that became a hallmark for the Bulgarian transition economy.

The time of inception and name of the club are also not chosen arbitrarily. "Vuzrazhdane" signifies the period of the beginning of the 18th century Bulgarian National Revival, a time when the nation experiences revival of its cultural, economic and political values out of which a national liberation movement was born and holds a special place in the heart of each Bulgarian. The time of the inception –September 2001– is synchronized with the change of government in the country, namely the new government coalition formed by the National Movement Simeon the Second (NMSS) and the Movement for Rights and Freedoms (MRF), led by the ex-monarch Mr. Simeon Saxecoburggotha who swept the political

landscape in Bulgaria by heavily damaging the previously existing bi-partisan political model. The interesting part of this "synchronization" was the correspondence between the declared will of the new Prime minister of Bulgaria for pursuing policies geared towards national growth, prosperity and upsurge of the Bulgarian society⁵ and the declared aims of "Vuzrajdane's" founding members whose ambitions certainly were aimed towards macroeconomic level of operation in corresponding direction.

The significant political, social and media attention was rather sharpened by the composition of the membership base of the Club –names connected to the ownership and leading positions in industries ranging from insurance, industrial equipment production, media and trade to gambling and entertainment. This particular attention was also magnified by the fact that the Club founders' list were well known names from the past fifteen years whose attempt to organize the most visible part of the Bulgarian strategic business elite was not its first. These people include:

- Mr. Emil Kyulev: owner of the largest Bulgarian financial group that includes Rosexim bank –DZI Group–, connected directly and indirectly to numerous leading local companies with interests ranging from banking and insurance, tourism and hospitality services to real estate management⁶. Awarded the prize of "Businessman of the year in 2002", First Chairman of the Club;
- Mr. Iliya Pavlov: President of the notorious for the Bulgarian economic transition "Multigroup" industrial group which claims the largest sized entirely private ex-privatization fund holding portfolio of shares in major industrial producers of heavy equipment, chemicals, energy and textiles⁷. The group is currently renamed as MG Corporation. It also is a key player in the tourism industry in Bulgaria. Pavlov was awarded the prize "Businessman of the year in 2001". Murdered by sniper at the entrance of MG Corp.'s HQ on the 7th of March 2003. This crime was considered by the national media to be the most audacious one after the murder of the ex- prime minister Lukanov in October 1996.
- Mr. Vassil Bojkov: President of "Nove Holding"⁸ –diversified group with monopolistic positions in sectors such as gambling, duty-free shops trading, energy, tourism, industrial supplies and commercial catering. Owner of the most renowned football club from the capital city Sofia. Considered to be one of the largest single economic factors in the Bulgarian economy⁹. Survived several attempts on his life during the nineties;
- Mr. Dobromir Gushterov: Chairman of the Board of Directors of "Orel-G" Holding AD leading insurance company in country (in partnership with Munich Re), Ex-speaker and deputy-chairman of the Business Club "Vazrajdane", later in November 2002 to leave to head only the Bulgarian Union of Private Entrepreneurs "Renaissance" and to liaison between the two organizations¹⁰, interesting is the fact that since 1989 he is the Chairman of the Union of Private Entrepreneurs "Renaissance"¹¹;
- Mr. Borislav Dionissiev: Managing director and deputy-managing director of "Bulvaria" Holding (automotive dealership), "Electromachinery" Holding, "Sopharma" (pharmaceuticals)¹²;
- Mr. Petyo Bluskov: founder of the "Presgroup 168 hours" that included before the sale to WAZ Group (Germany) the *24 hours* Daily and *168 hours* weekly newspapers that are considered to be hallmarks of the modern Bulgarian press. At the height of company's activities, the daily newspaper is virtually the monopolist on the printed media market. Bluskov was involved with the bankrupted First Private Bank of Mr. Valentin Mollov, later sold to Slovakian enterprise¹³;
- Mr. Radosvet Radev: Owner and Executive director of Darik Radio - one of the largest radio stations in the country that became very popular during the street protests in 1997 against the Bulgarian Socialist Party's (BSP) government led by Mr. Jean Videnov. Radev has interests in companies ranging from mass communication to trade¹⁴;
- Mr. Toshko Toshev: Editor-in-Chief of "Trud" Daily –the largest current daily newspaper in Bulgaria, one of the most influential journalists in the country.

The importance of thorough listing of these individuals from the roster of the BBC "Vuzrajdane's" resides in the fact that as mentioned before it was not their first attempt to organize formally and act on collective interests behalf. With the exception of the last two names (Mr. Radev and Mr. Toshev) who were newcomers to the elite club, all of the others are members of the founded (although never formally registered) so-called Confederation of large industrialists dubbed by the media, as G-13 (The Big 13).

THE ORIGINAL

At the end of 1993 was announced the establishment of the so-called Confederation of large industrialists in Bulgaria which was dubbed by the local press, as G-13 (The Big 13) which signified the first public attempt of the Bulgarian postsocialist economic elite to consolidate and act as unitary entity that is able to influence the political process in the country. This attempt lasted only roughly a year and dissolved because of the demonstrative leave of some of its key members. The significance of this first attempt for unification of the largest Bulgarian industrial owners and leaders is hidden in the composition of the membership of this elitist club and its ambition to pressure the political leadership of the country at the time, namely the interim caretaker cabinet of Prof. Ljuben Berov (December 1992 - October 1994) that governed by the mandate of the Movement for Rights and Freedoms (MRF), a political party representing mainly the interests of the ethnic Turkish minority in Bulgaria with the explicit support of the Bulgarian socialist party (BSP). This political period was dubbed by the rightist opposition and the mass media, as the "Berov's timelessness"¹⁵ and latter this phrase became popular synonym for the bazaar capitalism and restoration of the nomenclature cadres into leading economic positions, in order to strip the state of its assets¹⁶. This cabinet was also publicly accused by Prof. Berov's successor to power- the first female prime minister of Bulgaria Mrs. Reneta Injova (1994-1995), as the cabinet of "Multigroup" (led by Mr. Ilya Pavlov).

The primary idea behind the creation of G-13 group seems to be the peaceful reaching of resolution of conflicting business interests over the privatization, allocation of state assets and industrial supply concessions. This organizational consolidation of the interests of

the large business *de facto* coincides with the practical realization of the first privatization legislature enacted in 1992 but practically yielding results in 1994¹⁷.

The similarities between the two attempts to create an organization that encompasses the strategic interests of the large industrial business are based on the primary idea to consolidate its members in periods when the political process undergoes major transition in the field of national economy, such as the ones in 1994, 1997, 2001, coinciding with the initial period when the ruling political party or coalition cannot initially organize, strengthen and develop its clientele party-loyal networks¹⁸ (locally recognized, as "friendly circles", such as Videnov's "Orion", Kostov's "Olympus") and the temptation of its members to "cheat" the cartel by attempting closer direct relations with the current political power in government.

The latter proves to be one of the key factors for the short liveliness and organizational strength capabilities at its original state of the both elite business organizations and the frequent leaves, accompanied by widely publicized scandals of its key members. Such factors for G-13 club were the disputes over the gas trade, Russian gas transportation concessions and commercial operations with "transfer rubles" from Russia. Others such, as the creation of the Council for Economic Growth (permanent consultative structure aimed to advise the government on strategic economic policies and national economic growth) and exact allocation of the number of representative seats attached to the government of Mr. Saxecoburggotha for "Renaissance".

The creation of the latter by proposition of the members of the "Renaissance" became a debacle point for the National Movement Simeon the Second's (NMSS) government and rightist opposition (Union of Democratic Forces) alike in 2002 by splitting the opinion of the government's ministers over the appetite for disproportional quota representation of the Club's members over other similar organizations representing employer's interests –The Bulgarian Chamber of Commerce and Industry (BCCI), Bulgarian Industrial Association (BIA) and the Union of the Economic Activity of the Citizens, since 2001 Civic Union for Economic Activity (CUEA)¹⁹–. Another public scandal paralleling the issue over representation at the CEG was the one of apparent lack of clarity and

public transparency over the criteria of selection of representatives of the business elite to sit at the Council (size, member's revenue, market share, influence, etc.) and the ambiguity of the functions, mandate and statute of the Council²⁰ itself.

The apparent similarities between the two strategic alliances of the business elite acknowledging itself, as "nationally responsible" and "patriotic capital" in membership base, personal biographies²¹ linked to the state security apparatus and party nomenclature of the previous political regime, structure, temporal activation and desire to interact directly with the actual government in power leads to the possibility of formulation of several theoretical arguments:

1. Based on the Olsonian paradigm of wealth redistribution coalitions presented in one of his seminal works²² it is possible to argue that the represented sample of the Bulgarian economic elite whose wealth (with some minimal exemptions) is intricately linked to the former communist nomenclature, represents such coalition interested in redistribution of the acquired national wealth. Thus such coalition will be interested in maintaining its social power position by reducing the threat of any competition and external rivalry. On the eve of the European integration with country's quest for full-fledged membership into the Union and achieved NATO membership, as of 2004, that would lead to the assumption that it will have more positive outlook on country's NATO membership, as one bearing less "strings attached" than the eventual EU one because of the increasing pressure for further market liberalization and public transparency towards the Bulgarian economic sector stemming from the EU's policies geared towards accession countries.
2. In regards with the initial argument it is possible to hypothesize that this portion of the elite would employ political language and rhetoric in active defense of the "nationally responsible capital" as one of "competent", "socially responsible", "equal and accepted by the West" and "patriotic". This method will be used frequently as a tool for increase

of internal legitimacy and is geared towards local social consumption. The tool would be employed due to the fact that the large industrialists' biographies would be linked in the mass psyche to the ranks of the old socialist nomenclature and security apparatus of the *ancienne régime*.

3. Following the previous argument is this one that states that "tool" outlined above will be employed also to convince the general public at home in the professional competence of this portion of the economic elite that is most capable and well-prepared to operate the lion's share of the structural EU integration funds. Thus seizing the opportunity to attempt to monopolize the topic of country's economic preparation on the eve of EU integration in the public sphere.
4. These arguments will be accompanied by continuous lobbying efforts on the part of the aforementioned portion of the business elite to obtain favorable treatment from the administration in order to retain the current status quo and maintain its economic strength and vitality for the incoming foreign competition pressure coming from the process of further economic liberalization.

These arguments will be reviewed in the light of the published results of the recent survey²³ commissioned by the Bulgarian Union of the Private Entrepreneurs "Vazrajdane" (other employer's organization than the Business Club "Vazrajdane" with separate structure and similar name, but whose Chairman is Mr. Dobromir Gushterov again), and qualitative expert analysis of the public activity in the mass media of the selected sample of the business elite. The method of reviewing of the presented arguments is selected due several practical reasons, namely the hard and impeded access to the members of the Club for face-to-face interviews and their reluctance for such, and the elusiveness of the representative results for the richest and poorest strata of the Bulgarian society in the regularly conducted sociological surveys concerning the present topic. These facts led towards a choice of analysis of secondary sources for their public activity and deductive conclusions from the survey aimed towards the general state and attitudes of the Bulgarian firms.

THE OUTCOME

In recently announced results²⁴ of an empirical study regarding the state of the business in Bulgaria conducted between 3rd and 12th of May 2004 by AFIS Sociological Agency and commissioned by The Bulgarian Union of the Private Entrepreneurs "Renaissance"²⁵ on a joint conference with the current deputy prime-minister Mrs. Lidia Shuleva were presented the following significant results. The survey that was concluded among 1050 companies in 80 Bulgarian cities and towns yielded the following macro picture of the state of the Bulgarian firms and their managerial body:

General Business Profile:

- Spatial: 39.7% of the firms located in the capital city of Sofia and 38.3 % in municipal center cities;
- Ownership type: 76.2 % privately owned, 4.6 % state owned firms;
- Number of employees: 1.5 % 200 and over employees; 13.4 % from 100 to 199 employees; 19.8% from 50 to 99 employees; 41.6% from 10 to 49 employees; 23.8% up to 10 employees;
- History of the company: 60.6% from 3 to 10 years in operation; 17.2% from 10 to 20, and 6.1% over 20 years;
- Age of the manager: 31.6 % from 40 to 49 years of age; 19.1% from 50 to 59; 18.7% from 30 to 39, and 15.7% 60 and over;
- Education: 49.1 % university level; 24.9 % secondary; 18.7% secondary specialized/semi-university;
- Managerial experience: 40.2% from 3 to 9 years, 28.8% from 10 to 19 years; 5.1 % 20 and over years of experience;

The most relevant part from the survey results to our discussion comes from the respondents' answer on the question whether there is an improvement of the business conditions with Bulgaria's acceptance in NATO where the results show:

- Positive response ("yes"): 36.3%
- Negative response ("no"): 24.4%
- Hesitation, no judgement: 39.3%

The next question presented to the respondents is concerning Bulgaria's EU accession (formulated whether the business conditions will

improve with Bulgaria's acceptance in EU) yields the following:

- Positive response ("yes"): 13.2%
- Negative response ("no"): 38.5%
- Hesitation, no judgement: 48.3%

The results of the survey results point the attention towards the several possible conclusions regarding the stated argument concerning the issue of EU integration, namely the business as a whole and the business and managerial elite in particular is rather skeptical about the benefits to the current business environment stemming from country's future accession to the EU. This could be attributed to several main factors that include fear from the external competition from stronger and more vital economic enterprises from abroad that applies particularly about the "nationally responsible capital", which is being most vocal about the need to preserve the "patriotic business", and also the state of poor information about the process of integration and its particular details that needs to be provided on the part of the governing administration. This information vacuum could be also one of the main factors contributing to the wide spread critiques in the mass media of the current NMSS/MRF governing coalition about the lack of transparency about the concrete Bulgarian engagements in regards with finishing the negotiations with the EU. The roots of this particular trend of general skepticism could also be traced to other heated public debate concerning the future Constitution amending regarding the sale of land to perspective foreign owners and investors which eventually combined with the above mentioned "competition" fear, embraced not only by the "patriotic capital" but from middle and small enterprise managers and employees, as well might present a future fertile ground for politically organized euroscepticism.

Linked to this initial observation is the second line of argument that relies on the economic logic of preserving the current status quo on the side of the selected "patriotic" business elite sample that will be employing its organizational reserves and active political rhetoric to convince the general public in the necessity of preservation of the "nationally responsible" capital and its relative well-being with the well-being and strength of the state itself²⁶. This effort would be geared towards several effects, namely increase of the internal public legitimacy

of the figures deemed to be the representatives of the "patriotic" capital by portraying them, as socially concerned people with moderate nationalism and patriotic support on their agenda for rallying support from the society, which is rather pessimistic about the outcomes of the Bulgarian economic transition²⁷ and personal material wellbeing as an effect of it. This would represent an attempt to clean their public image stained by the postsocialist years of initial amassing of capital and popularly burdened by the suspicion of activities involving crime, capital flight of funds aggregated by the nomenclature to return later disguised, as foreign investment, and corruption, especially when comes to the postsocialist period of privatization (cash and mass both) of the state industrial assets.

This of course adds to the pressure on these public figures to participate in all kinds of publicized activities, social events and charities –something unusual for the previous years when a significant portion of them remained outside the public sphere's spotlight. Illustrative examples to this effect are the ownership acquisition of the one of the largest football clubs in Bulgaria –CSKA Sofia by Mr. Vassil Bojkov (one of whose previous presidents was Mr. Iliya Pavlov, during whose mandate the club became national champion) and its quest for entrance in the Champions League football competition and his chairmanship of various sport federations (e.g. Bulgarian Chess Federation, Bulgarian Sport Shooting Federation) and sponsorships of athletic awards for active and retired sportsman that would increase his legitimacy through winning the approval of massive social groups of various economic background, united by their interest in sports. It would be fair to mention that in the transition years portion of the Bulgarian business elite expressed explicit interest in the patronage of sports, especially the ones that have either national significance by claiming outstanding sportsman who have gained international recognition and local popularity, or mass fan base, such as football and volleyball in order to benefit from the already established public legitimacy of such recognized public figures.

In addition to this line of public activity comes the quest for legitimacy in spheres such as the cultural one. The most "visible" members of the Bulgarian Business Club "Vuzrajdane" are known to be patrons and avid collectors of art

and painting. Mr. Vassil Bojkov's art collection, containing pictures of famous Bulgarian painters, widely known by the Bulgarian public and artifacts from the Thracian and Roman eras gained notoriety recently when it was exhibited publicly thus raising discussion on the pages of the largest daily newspapers about its size, richness and questionable way of amassing. Patronage of art, public exhibits, sponsorship of concerts and mass cultural activities seem to be other favorite line of public activity of the selected portion of the business elite in Bulgaria thus following the previously outlined logic of gaining additional personal legitimacy.

Other typical behavioral strategy employed in this regard was the hallmark of the slain Iliya Pavlov-charity aimed towards the religious realm. He was widely acclaimed, as one of the most generous benefactors for restoration and maintenance of certain orthodox monasteries, being known for their miraculous icons those possess healing powers among the ordinary Bulgarians. Pavlov was later buried on the grounds of one of the churches in the Arbanassi historical complex outside the old capital city of Bulgaria –Veliko Turnovo.

Common denominator for all of the listed persons on the founder's rooster of BBC "Vuzrajdane" is their constant presence and participation eagerness on highly visible social events ranging from professional association annual award meetings and balls to beauty pageant contests.

Alongside the usage of these legitimization policies other frequently employed effect is the blame transfer strategy regarding the negative social effects and ills of the transitional economy to the political class²⁸. The usual line of rhetoric and transfer is focused on the lack of political skills, incompetence; shortsightedness; gluttony and greed on the side of postsocialist politicians of all political forces.

In consistence with the predicted effort on the side of the selected sample of the business elite for status quo preservation, comes the observation that the "nationally responsible" capital also exhibits a cyclical mobilization of the public opinion in its quest for public support, which coincides with the heated political debates concerning the privatization of the remaining state monopolies, such as the Bulgarian tobacco industry and the energy sector. Illustrative examples of such

mobilization were detected in the concrete debates over "Bulgartabac" state tobacco monopoly's sale and the privatization of the country's power distribution plants²⁹ during the mandate of the current NMSS/MRF government (whose declared political priorities include the successful finish of the privatization in Bulgaria).

The observation and analysis of these outlined notions of public sphere activity of "Vuzrajdane's" members allow concluding that in general there is an exhibition of a moderate pessimistic expectation about the future accession of Bulgaria to the European Union in terms of quick economic success and faster social prosperity. Similar pattern of attitude could be detected in the rhetoric of other industrial leaders that do not belong to the Club itself. Such rhetoric usually voiced by the owners and managers of key industrial sectors seem to contradict the officially declared administrative optimism stemming from the process of eurointegration³⁰ and the widely proclaimed political consensus over the accession (i.e. the apparent lack of significant political opponents to the country's accession to the EU and their adequate parliamentary representation).

The declaration of such pessimism combined with the construction of favourable image³¹ of the "patriotic capital" by constant reminder of its success, professionalism (which happens to be a key concept when comes to mass media mobilization) and capability to build and prosper in period filled with economic hardships for the general population and associated in the mass psyche with "destruction" and "demolition" of whole industrial sectors of the inherited socialist economy is geared towards another public effect. Such would be based on the accent and focus of the local "self-made" businesspeople that are already recognized, as reliable and trustworthy by their international counterparts and business partners (and thus legitimized in the eyes of the general public) for their skills and preparedness to deal with the ruthless world of international competition. The acclamation of these acquired skills therefore is used as a mean of public conviction that they would be the most appropriate business leaders to operate the lion's share of the EU structural funds and other benefits associated with the accession process. This instrumental creation and marketing of successful image could be used well in the elite's pursuit of putting efforts into maintaining

monopolistic positions at period of shifting political and social realities. This could serve as initial attempt to prepare the ground for monopolization of the entire economic aspect of the eurointegration public debate.

All of these tools combined for maximal effectiveness geared to serve the interests of the members of the selected Bulgarian economic elite sample are usually accompanied by constant lobbying efforts openly declared by the representatives of business elite³² and bold declarations the type the deceased leader of Multigroup used to make that "whatever is good for us is good for the state itself"³³. Such efforts include the maintenance of informal networks linking the leaders of the described economic entities to the members of the legislature and judiciary representatives in power, as well as influential political figures on personal level all of which frequently scrutinized by the mass media thus allowing the public to attempt to create some notion about the nature of this relationship³⁴. On institutional level these include the creation of structures such as the Council for Economic Growth that are designed to serve advisory functions with a prospect for long term influence exercise and are attached to the executive branch, which bears the main power management decision making responsibility within the Bulgarian institutional and political environment.

In addition, as side effects to the main line of activity to these efforts could be attributed the continuous undermining of the specially proposed legislative projects for legislating the Law for lobbyists, aimed towards the increase of transparency of interaction between the members of the parliament and interest groups and decrease of corruption, blocked currently at the National Assembly. Eventually this fact contributes to the already generated negative public image of the Bulgarian parliamentary institution exhibiting steady low public confidence in almost all of the conducted regular surveys and members of parliament's personal images. Public attention through the mass media is focused on such actions and seizes the opportunity to shed light and speculate over the lobbying activities of the members of parliament³⁵. Such attempt to exercise influence and create interference when necessary to support the "patriotic" capital are usually enforced in certain cases when the remnant lucrative enterprises are scheduled for privatization through tender procedures (open to

local and foreign enterprises) and arises the forecasted opportunity for outbidding the "desired" winner by an external competitor. These do not pass unnoticed by the foreign managers and representatives of external enterprises in the country and international businesspeople with interests linked to the local economy when comes to categorizing the Bulgarian business environment. It is often praised for its significant progress in terms of general growth and stability but more often is blamed for its inefficiency to solve disputes due to the "jammed" judicial process, vertical and horizontal corruption spread and the existence of unequal market conditions for local and international companies³⁶.

These efforts and success strategies comply with Mancur Olson's theses derived from his earlier work³⁷ and offered as conclusions in his study on the distributive coalitions in his 1982 book³⁸ where he reinstates that the members of the "small" groups will have disproportionate organizational power for collective action and this proportion decreases but does not disappear over time and thus the smaller groups contribute to the increase of the volatility of the political life. Acknowledging also the serious critique³⁹ towards his works the exhibited trends in our Bulgarian case seem to prove some of his major insights to the nature of the interest groups and distributive coalitions, their success strategies and longevity.

CONCLUSION

This short review of the attitudes and public activity trends exhibited by the so-called "nationally responsible" capital on the eve of EU integration, as a selected portion of the Bulgarian strategic business elite yields evidence that it remains reserved towards the process of European integration, as it increases the opportunity for more intensive economic competition that will be applying pressure on the current status quo and requires increased administrative transparency in the process of economic decision making. Although the general pattern of differentiation and separation of economic and political elites continues as predicted earlier⁴⁰ after the stunning win in 2001

of the current governing coalition led by the ex-monarch of the country we are witnessing an increased appetite for direct involvement in politics on the side of the members of Bulgarian Business Club "Renaissance" and upsurge and intensification of their direct or coveted political activities, where significant supportive examples could be exhibited, such as the grand political scandal surrounding the withdrawal of the UDF's mayoral candidate for Sofia on the local elections in 2003 being accused of "non-reglamented" contact with BBC "Vuzrajdane's" Chairman Mr. Vassil Bojkov.

Despite the demonstrative leave of some of its key members over irreconcilable differences of interest and impossibility for reconsolidating them at present the Club yields some illustrative examples to the present work's main arguments provided by the bid of Mr. Bluskov for the mayoral seat in the capital city in 2003 (thus repeating the pattern of Mr. Gushterov's bid for MP in 1995 in Stara Zagora and his present political activity with BUPE "Vazrajdane" in endorsing and nominating political candidatures for the local elections in 2003 and continuing political consultations over support to certain political forces, such as the BSP for the next parliamentary elections) and through the general BBC "Renaissance's" appetite to influence directly the economic policy of the government by the creation of the Council for Economic Growth (CEG). In order to preserve its influence on the eve of the integration of the country in the structure of the European Union the "patriotic" capital employs active political rhetoric conveyed through the mass media to convince the general public in its "socially responsible" nature, mission and function. This strategy serves several means, namely "biography cleaning" and attempt for monopolization of the public sphere⁴¹ regarding the topics concerning EU integration economic matters for strategic positioning of these economic elites for operation into the new environment. These combined strategies would be accompanied by efforts to pressure the administration for favorable treatment of the "patriotic" capital over the external competitors, especially concerning privatization deals, thus decreasing the overall economic performance of the national economy.

NOTAS

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⁴ Ibid.

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¹⁹ Peeva, Theodora, "The Council for economic growth - indulgence or revival of the Bulgarian business", *Sega Daily*, 29 January 2002, [article on-line] Available from Internet at <<http://www.segabg.com/29012002/p0050004.asp>>

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²⁵ As a point of clarification it is necessary to reinforce that BUPE "Renaissance" ("Vuzrajidane" in

Bulgarian), whose present Chairman Mr. Dobromir Gushterov (ex-member of BBC "Renaissance" until November 2002) was founded on 12th December 1989 and is formally registered with the Sofia's City Court on 7th March 1990, as a non-profit organization created for representation and defense of the economic, employer and legal interests of its members, which is designated to interact with the state government for creation of environment for maximally favorable development of the Bulgarian entrepreneurship in all sectors of the national economy and in the intellectual and cultural sphere. The Union for more than ten years is a nationally representative organization of the employers in Bulgaria and with a decision No.194 from 1993 and reconfirmed by decision No.222 from 2004 of the Bulgarian Council of Ministers is recognized, as part of the trilateral cooperation and representative employer's organization on national level. Presently the Union has a over 100 local branch structures while on national level has collective membership of national branch organizations, such as the Association of the insurance brokers, the Bulgarian association of vessel owners, the Association of Bulgarian air carriers, Association of Sofia city's general practitioners, hotel and tour operator owners, National association of people and firms in the private security business, The private schools association, etc. (see About the Union, History, *Bulgarian Union of the Private Entrepreneurs 'Vuzrajidane'*, [article on-line] Available from Internet at <<http://www.union-vuzrazdane.com/bg/about/history.html>>)

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