

# ПОЛИТИЧЕСКАТА КУЛТУРА И ПРЕДПРИЕМАЧЕСКАТА АКТИВНОСТ КАТО ПРЕДПОСТАВКИ ЗА ПОЗИТИВНО РАЗВИТИЕ В БЪЛГАРИЯ

Гл. ас. д-р **First name,/ last name** ПУ „Паисий Хилендарски“  
Доц. д-р... **First name,/ last name**, ПУ „Паисий Хилендарски“\*

## POLITICAL CULTURE AND ENTREPRENEURIAL ACTIVITY AS PREREQUISITES FOR POSITIVE DEVELOPMENT IN BULGARIA

Assistant Prof. **First name,/ last name** Ph.D., University of Plovdiv Paisii Hilendarski  
*E-mail:* .....@gmail.com

Assoc. Prof. **First name,/ last name**, PhD, University of Plovdiv Paisii Hilendarski  
*E-mail:* .....@abv.bg

**Резюме:** *Преди тридесет години България поставя начало на своето демократично развитие, но от социалната среда зависи дали то ще се утвърди или няма да развие потенциала си. Целта на това изследване е да се идентифицира състоянието на българската политическа култура и предприемаческата активност и да се направи прогноза за тяхното бъдещо развитие. Обект на изследването е България от 1989 г. насам. Предмет е селекция от показатели, свързани с политическата култура и предприемаческата дейност. За да реализираме поставената цел, ние разглеждаме вече съществуващи изследванията по темата, като наред с това използваме количествени данни за оценка на политическата култура и предприемаческата дейност. Сред източниците са European values study, World values survey, Eurostat и Global Entrepreneurship Index.*

**Ключови думи:** *България, демократично развитие, гражданско участие, предприемачество*

**Abstract:** *Thirty years ago, Bulgaria made a shift towards democratic development, but the social environment has the potential to strengthen or undermine the selected direction. The aim of the current work is to identify the state of Bulgarian political culture and entrepreneurial activity and make a forecast about their future development. The object of the study is Bulgaria since 1989. The focus are a selection of indicators, regarding the political culture and entrepreneurial activity. In order to achieve our goal we make review of the studies, regarding the topic and use quantitative data in order to evaluate the political culture and entrepreneurial activity. Among the sources are European values study, World values survey, Eurostat and Global Entrepreneurship Index.*

**Keywords:** *Bulgaria, democratic development, civic participation, entrepreneurship*

### Introduction

Bulgaria have been transformed in various aspects since the fall of the Berlin wall. The change in the political system from totalitarian into a democratic one happened through the adoption of the new constitution. The economic transformation took longer but in 2002 Bulgaria was officially recognized by the European commission as a functioning market economy [1, p. 46]. We are convinced that the adoption of the new constitution and the establishment of a market

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\* Разработката (по стандарт за английска версия – концепция, методология на изследването, резултати и възможности за позитивно развитие) утвърждава тезата на конференцията, че една позитивна концепция е необходимо да се основава на научни знания, изследователски проучвания на процеси и тенденции, които да отразяват конкретни препоръки. Сравнителното изследване с други страни показва, че съществува определена зависимост между политическата култура и предприемаческата активност. Заедно с ценностите и нагласите на хората, които все повече считат себе си отговорни за собственото си благополучие. Но и за необходимостта у нас от оптимизиране на готовността и формите за политическо участие, институционално и социално доверие. И след като демократичната политическата система предполага активно участие на гражданите, а пазарната икономика – на тяхната предприемаческа активност, то това означава активното ангажиране на държавата по отношение на: 1) Изработване на *национална стратегия* за оптимизиране на гражданската и предприемаческа грамотност на обществото; 2) Осигуряване на *подкрепа за местните власти* и тясно сътрудничество с университети, бизнес и неправителствени организации за организиране и подобряване на гражданската и предприемаческа култура; 3) Активно участие на *медиите* като предпоставка за изграждането на устойчива гражданска култура, но и за насърчаване на предприемаческите инициативи - *Бел.ред.*

economy are the basic requirement for a positive development of Bulgaria. They provided the framework in which all the following actions had to be taken. These actions were supposed to improve the life in the country in material and non-material dimensions.

Nevertheless, there is another significant factor – the social environment. The set of attitudes that defines the character of a nation or the variety of existing characters determines the way in which the democratic political system and the market economy are functioning.

We can't renounce the progress that have been made during the last 30 years, but there is still a lot of work to be done. Such work has many dimension as the functioning of a country depends on many factors. In our work we decided to focus on two of them – political culture and entrepreneurial activity. Political culture is relevant for the stability of the political system and the entrepreneurial activity – for the functioning of the market economy.

Thus, the aim of the current work is to identify the state of Bulgarian political culture and entrepreneurial activity and make a forecast about their future development. The object of the study is Bulgaria since 1989. The focus are a selection of indicators, regarding the political culture and entrepreneurial activity, namely importance of politics, political participation, trust in the institutions, interpersonal trust, responsibility for providing and importance of competition.

The main hypothesis of the authors is that since 1989 the social environment in Bulgaria has changed towards more active citizens in the area of politics and entrepreneurship. This makes the society supportive for the democracy and market economy and more ready to participate.

We utilize a selection of methods and approaches in order to achieve our goal. We make review of the studies, regarding the topic. Furthermore, we use quantitative data in order to evaluate the political culture and entrepreneurial activity. Among the sources are European Values Study, World Values Survey, EIU Democracy Index and Global Entrepreneurship Index. Alongside, in order to be able to make prognosis for the development of the studied indicators we explored the attitudes in three age groups (15-29; 30-49; 50 and more). Through such approach we wanted to see what do the youngest respondents think. Furthermore, we make comparison with EU countries, participating in the fifth wave (2017) of European Values Study in order to identify the position of Bulgaria, compared with other members of the Union, which our country belongs to.

### **Political culture: concept and possibilities for enhancement**

The stability and the functioning of a given political systems depends on its consistency with the political culture of the society [2, p. 22; 3, p. 3]. The countries, which made transformation from totalitarian into a democratic form of government are characterized with dissonance between the institutional and cultural change [4, p. 3]. Bulgaria as such country has democratic political institutions and a deficit of the required corresponding political culture [5, p. 11]. The latter is those aspect of the transition, which may take decades in order to be supportive for the institutional change [6, p. 100]. In 2018 the EIU Democracy Index puts Bulgaria on 46<sup>th</sup> out of 167 countries. Its overall result is 7.03 (as 10 is the highest possible). The index consists of five sub-indicators and one of them is the political culture. On this sub-indicator Bulgaria has its lowest score – 4.38. We should note that Syria, which is on 166<sup>th</sup> place has the same result [7, p. 37].

In the present study we stick to the understanding of Gabriel Almond and Sydney Verba about the political culture set of attitudes towards the political system, its input and output, and towards the role of the individual in it [8, p. 12]. They distinguish three types of orientations – cognitive, affective and evaluational [8, p. 14]. Thus, the structure of political culture consists of models of political behavior, political values and, last but not least, political knowledge [9, p. 131]. It should be noted that the available sources, containing data on political culture, do not provide information about the cognitive aspect. In our opinion that is an essential challenge, because the cognitive element is the one, which can be enhanced by practical efforts. As a result of the optimized knowledge values may also change, but we believe that the direct attempt to change the values of the individuals does not correspond with the democratic political system.

As concern Bulgaria there isn't empirical data about the level of political knowledge or civic competence. The latter is generally defined as insufficient, which is among the reasons for the inconsistency of the civic participation and for the weak civil society [10, p. 319]. That leads to chaotic civic demands and unreasonable insistence on resignations, which can be defined as civil

irresponsibility, because impedes the solution of socio-political and economic problems [11, p. 25]. The integration of citizens into the political life has the potential to lead to democratic stability and social cohesion, but only if the individuals have a certain level of civic competence [12, p. 3]. The latter is believed to be vital for democracy in Europe [13], but it can be achieved through civic and citizenship education [14].

### **Entrepreneurship and entrepreneurial activity**

According to Prats and Kislenko [15, p. 68] the entrepreneurial activity “comes up against elements of ambiguity, uncertainty and complexity that appear in varying degrees when working on something new and without a proven process”. The authors suggest that it requires commitment and knowledge. The latter can be regarded as a part of the entrepreneurial culture of the state. A study, conducted by Industry Watch Bulgaria in 2014 leads them to the conclusion that in Bulgaria there is a lack of entrepreneurial culture [16]. Such situation is a significant challenges as it can hinder the entrepreneurial activity. The 2016/2017 Global report Global Entrepreneurship Monitor identifies a similar problem. The evaluation of cultural and social norms, which can support the entrepreneurship put Bulgaria on 60<sup>th</sup> place of 66. The latter shows that the social environment is not supportive enough for new initiatives [17].

However, according to data of National Statistical Institute of Bulgaria entrepreneurial activity and start-ups by 2016 are 3.3% more than in 2015, and investment growth for the same year is also reported [18]. On the basis of a survey [19, p. 43], related to entrepreneurship prospects, with students in Economics, Bachelor degree, the results point to a realistic picture of the problems faced by Bulgarian entrepreneurs. The negative impact of the crisis can be summarized in several main directions:

- 1) a conservative policy of the banking sector;
- 2) shrinking markets as a result of the crisis;
- 3) the presence of uncertainty of the environment and uncertain prospects for a positive development of the economy;
- 4) lack of qualified workforce, as many competent personnel are looking for realization in other countries.

The discussions on the establishment and development of an active entrepreneurial culture focus on 7 key elements for achieving sustainable growth and development: finance, markets, human capital, culture, policies, supporting industries, and synergy in communicating between them. On November 11, 2015, the Council of Ministers adopted the Action Plan “Entrepreneurship 2020 – Bulgaria” [20] with a list of 31 specific measures in line with the Commission's Action Plan “Entrepreneurship 2020 - Entrepreneurship Revival in Europe” (COM / 2012 / 0795 final).

Alongside with the commercial entrepreneurship, Bulgaria has the potential to develop social and digital entrepreneurship. An example of digital entrepreneurs are all those pro-active people who create, maintain and take on the financial risks of an internet business. They are the new breed of Internet entrepreneurs who have started businesses such as Google, Yahoo, MySpace, Facebook, YouTube, Second Life, LinkedIn, eBay and others. The measurement challenge of digital entrepreneurship lays in the pervasive nature of the phenomenon itself that cannot be captured by count-based measures of individual-level entrepreneurial action. [21]

Social enterprises have the potential to affect both the socio-political and economic environment as they are not charitable organizations or social agencies. They are private enterprises managed and developed under the business rules with a business focus on solving humane tasks, not simply profit. They are oriented towards encouraging active civic participation and unification of efforts and expertise with wide public participation to achieve social change in a given area. [22]

However, regardless of what kind of entrepreneurship will be developed, education is key to entrepreneurial activity [23, p. 104].

### **The dynamics of social attitudes in Bulgaria since 1989**

#### ***Methodology***

In addition to the conclusions of the scholars, who examined the studied area, we also used secondary processing of already collected quantitative data. The sources of the latter are four waves

of European Values Study [24; 25] and two waves World Values Survey [26]. Their dataset give us the opportunity to identify the dynamics of some attitudes in Bulgaria, relevant for our research, since 1990. Thus, we can identify if there are any trends and make a prognosis for the future development of the studied indicator or/and for the country. Furthermore, we don't examine the average believes in Bulgaria, but the attitudes of three age groups as they are defined in the databases – from 15 to 29 years; from 30 to 49 years and 50 years and more. We decided to use such approach in order to see if the youth have participatory attitudes in the area of politics and/or economy.

In addition to the dynamics of the attitudes in Bulgaria, we wanted to identify the position of the country compared to some other EU members, which are included in the Fifth wave of EVS from 2017, namely their most recent views. Besides Bulgaria, the other EU member states, which are part of the survey are Austria, Croatia, Czech Republic, Germany, the Netherlands, Poland, Slovak Republic, Slovenia and Spain. We also calculated the average for all of the countries, members of the EU. This gives us the opportunity to use the comparative method in two dimensions: time (as we study Bulgaria since 1990) and space (as we compare Bulgaria in 2017 to other countries from EU).

Thus, each of the figures, presented bellow consists of two parts. The left picture presents the dynamics of the attitudes in Bulgaria and the right – the comparison of Bulgaria to other EU member states in 2017.

For the purposes of our work we selected six indicators:

1) *The opinions on the importance of politics in one's life*. This indicator is relevant for the development of political culture. It represent the overall orientation of the citizens towards the political system and the identification of politics as an important factor for the life of the individual. Such believe has the potential to motivate the citizens to play an active role in the politics;

2) *Readiness to participate in political action*. It directly shows the share of citizens, which are ready to perform some kind of political activity;

3) *Confidence in institutions*. This indicator, together with the next one are rather significant both for the political participation and for the entrepreneurial activity [27]. Through this and the next indicator we present the two most important aspects of the trust – institutional and personal. The institutional aspect of trust is presented by the level of confidence in the national parliament, the government and in the justice system;

4) *Interpersonal trust*. In addition to what we already mentioned above about the confidence, the level of interpersonal trust has an effect on the functioning of civil society and the overall entrepreneurial activity. The civil society can be more effective if the citizens come together themselves in formal or non-formal organizations. One of the important factors for their effectiveness and for the success of their causes is the interpersonal trust. The same is also valid for in the area of entrepreneurship [28].

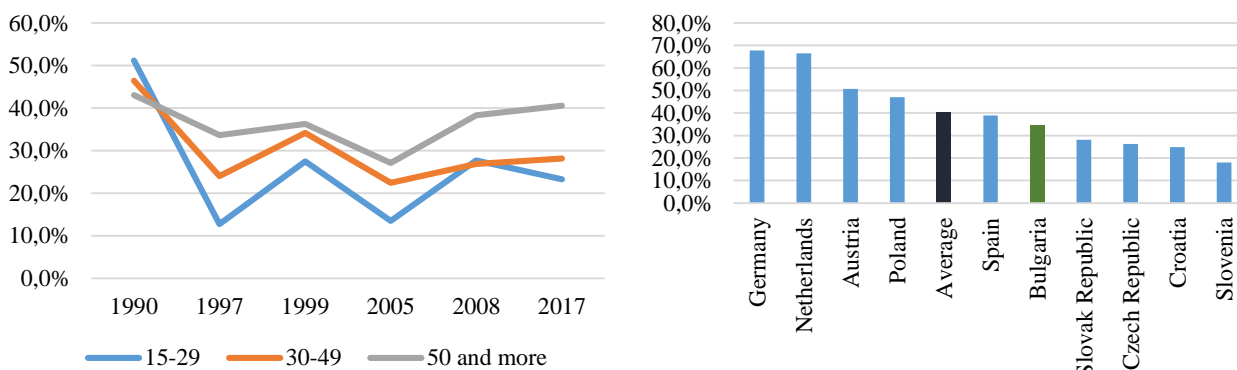
5) *Responsibility for providing*. The totalitarian social-political environment is based on paternalistic view of the state. The democratic political system gives the individuals the right to choose their way of living and follow it. However, such right require to take responsibility for your choices and to carry the consequences of it. The opinion that the individual is responsible for his/her providing rather than the state is a prerequisite to more active behavior in the area of politics and economy.

6) *Evaluation of competition*. Market economy and entrepreneurship in particular are based on competition. Thus, a basic requirement for the enhancement of entrepreneurial activity is the believe that to compete with others is something good and right.

## **Results**

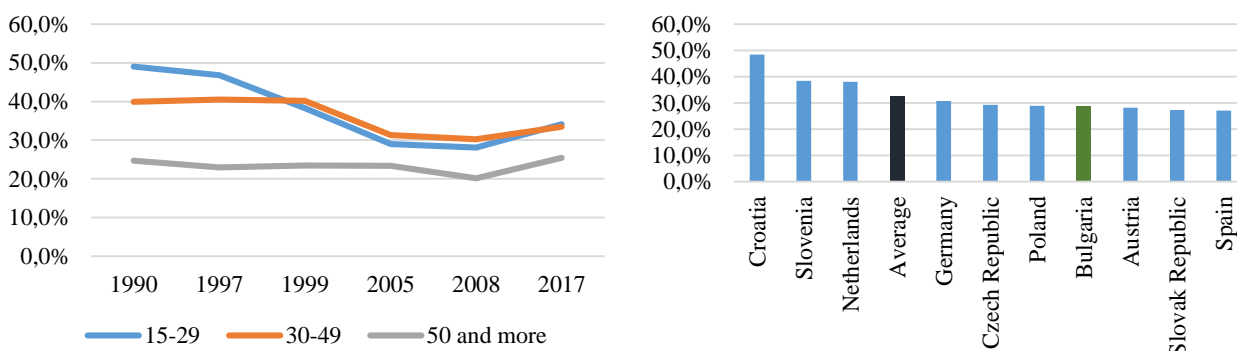
The quantitative data shows some kind of dependency between the importance of politics and the term of the governments in Bulgaria. It looks like that in the beginning of the governmental terms (1997, 2005) citizens are less interested in politics, which is valid for the three age groups. However, 2017 a new parliament was elected and a new government came into office and the trust is higher than in 2008, when the term of the government was almost at its end. The only exception here are the youth. It seems that the politics is mostly important for the oldest people and the least

important for the youngest. Compared to other EU member states in 2017 the result of Bulgaria is close to the average, although a little bit lower. (Fig. 1)



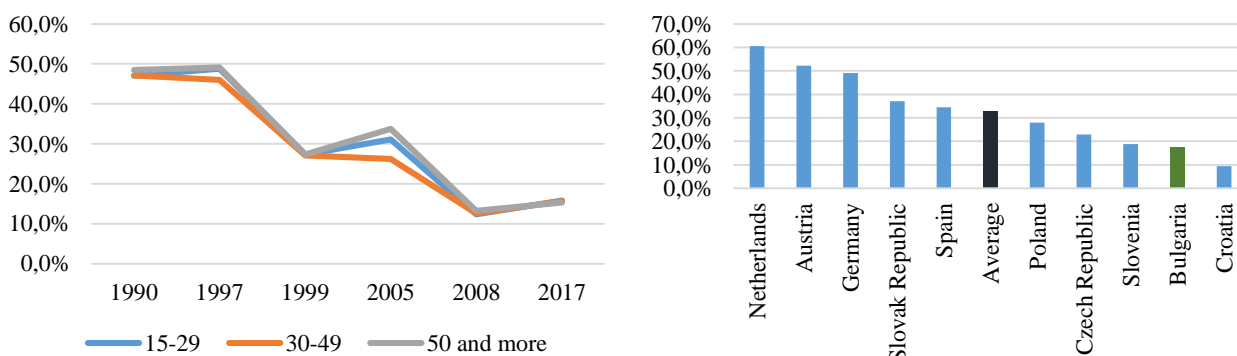
**Fig. 1.** Importance of politics in life, Bulgaria (1990-2017), countries of EU (2017)<sup>1</sup>

Since 1990 the readiness of Bulgarians in all age groups for political participation decreases. Nevertheless, in 2017 an increase is observed. People up to 50 years are more ready to participate in comparison to those over 50. In almost all of the studied EU member states the readiness for participation is close to 30% and the same is valid for Bulgaria. (Fig. 2)



**Fig. 2.** Readiness for political participation, Bulgaria (1990-2017), countries of EU (2017)<sup>2</sup>

Since 1990 there has been a breakdown in trust in the institutions for about 50% in 1990 to about 15% in 2017. There is almost no difference in the age groups. Among the EU member states Bulgarians are the ones, who are almost the least confident in their national institution. (Fig. 3)

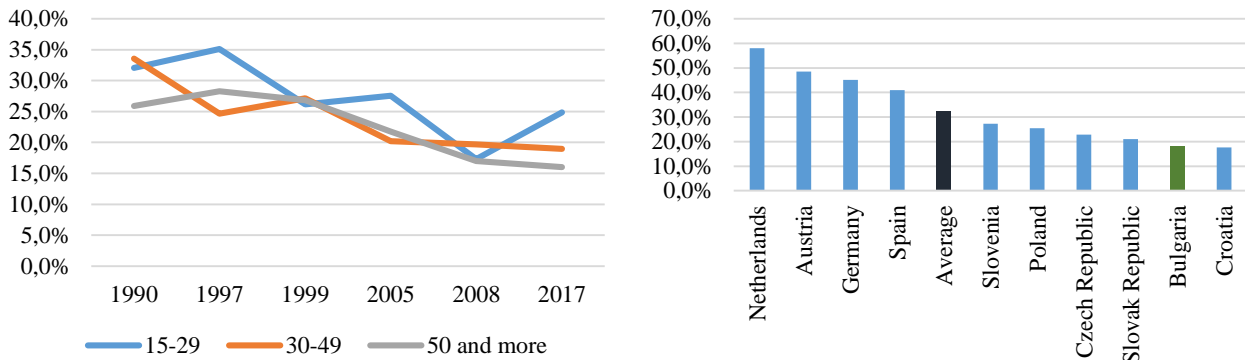


**Fig. 3.** Confidence in institutions, Bulgaria (1990-2017), countries of EU (2017)

<sup>1</sup> The respondents were asked how important in their life is politics. The figure represents the sum of those who answered "Very important" and "Quite important".

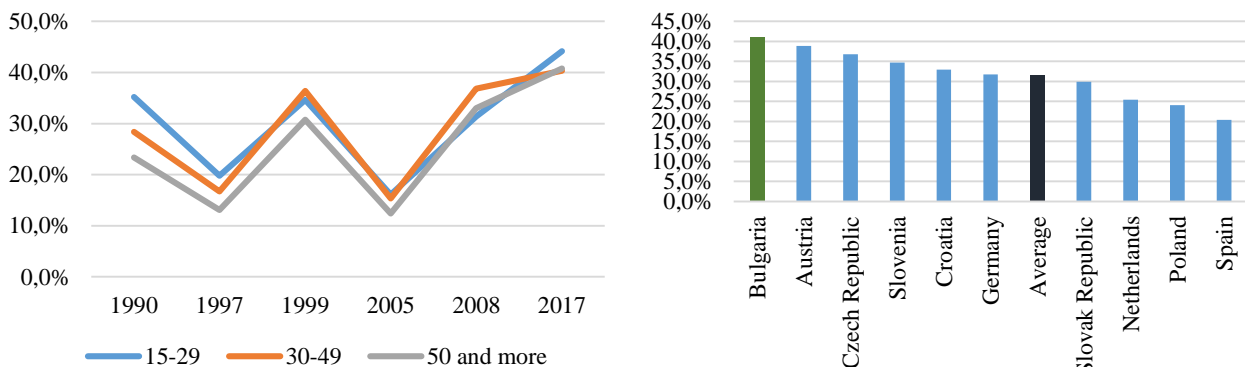
<sup>2</sup> The figure represents the average for those who might sign a petition, join a boycott, attend lawful demonstration and join unofficial strikes.

There is also a decrease in the interpersonal trust since 1990, but it is not as significant as regards the institutional confidence. In 2017 the youngest are the one, who are most convinced that most people can be trusted (25%). Nevertheless, Bulgaria together with Croatia are the EU member states, which citizen are least ready to trust in each other. (Fig. 4)



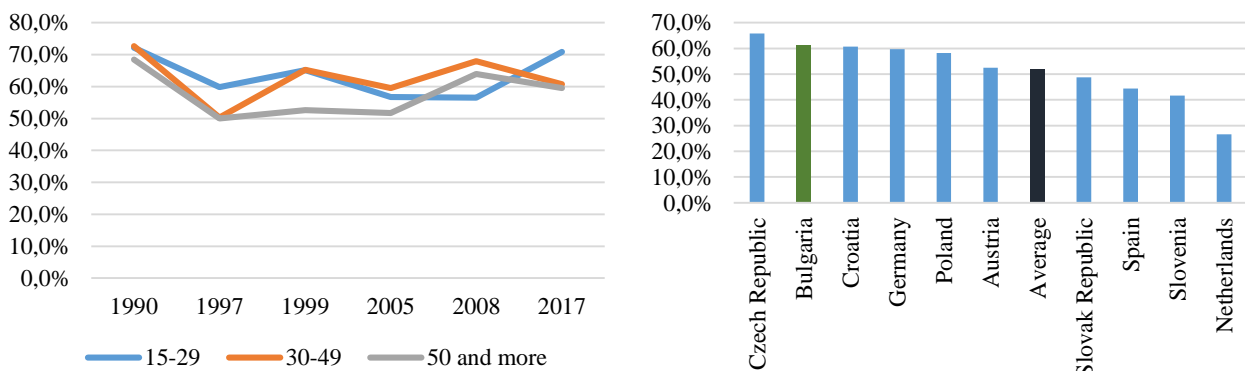
**Fig. 4.** Interpersonal trust, Bulgaria (1990-2017), countries of EU (2017)<sup>3</sup>

We find very interesting the result, concerning the opinions on individual responsibility for providing. The numbers show that in 2017 Bulgarian are most convinced (over 40%) that the people are responsible for themselves and not the state. This show that the paternalistic views are not prevailing anymore. Furthermore, in the beginning of transition there is a visible difference across the age groups, but in 2017 the share in each of the groups is over 40%. Compared to the other studied EU member states Bulgaria has the biggest share of people having such beliefs. (Fig. 5)



**Fig. 5.** Responsibility for providing, Bulgaria (1990-2017), countries of EU (2017)<sup>4</sup>

As concerns the competitions in every studied year and age group the believe the share of those, who believe that competition is something haven't fallen under 50%. Compared to the members of the for 2017 Bulgaria is on second place with 60% share of those who approve competition. (Fig. 6)



<sup>3</sup> The figure represents the share of those, who believe that most people can be trusted.

<sup>4</sup> The figure represents the share of those, who believe that Individuals should take more responsibility for providing for themselves, rather than the state.

**Fig. 6.** Approval of competition, Bulgaria (1990-2017), countries of EU (2017)<sup>5</sup>

### **Conclusion and prospects for positive development**

Once Ivan Hadzhiyski stated that an optimistic theory for Bulgaria has to be based on scientific knowledge rather than on naive idealizations [29, p. 23]. It seems that Bulgarians don't have enough self-esteem and there is some kind of lurch between the mania for the past glory and extreme self-pity [11, p. 24]. The statement of Hadzhiyski coincides with our attempt to identify through scientific exploration processes or/and trends, which can give us ground to propose a positive concept for Bulgaria. The current study and our previous research in the examined area gives us ground to make the following conclusions:

1) The political culture and entrepreneurial activity are rather significant for the development and stability of the democratic political system and the market economy.

2) The improvement of the political culture and entrepreneurial activity can happen through education. Furthermore, the school education plays a significant role in a long run. However, if we want to achieve more rapid results, another strategy is needed. The latter is related to the improvement of literacy of the people through lifelong learning. We believe that the success is rooted in four main factors:

- national strategy for the improvement of citizenship and entrepreneur literacy of the citizens;

- national support for the local authorities to organize educational courses in order to improve citizenship and entrepreneur literacy;

- close cooperation with the universities, business and non-governmental organizations;

- close cooperation with the media in order to set the citizenship and entrepreneur literacy in the agenda of the media

3) The areas, related to the political culture and entrepreneurial activity, which have been improved in Bulgaria since 1989 is the belief that each person is responsible for his/her providing. To some extent we can put in this category also the approval of competition, which have kept almost the same high rate during the transition.

4) The areas, which need further effort are the readiness for political participation and the confidence – both in the institutions and the interpersonal trust.

In summary, Bulgarians do not need to refer to the past in order to feel valuable and gain success, but only to get acquainted with the opportunities, provided by the democratic political system and the market economy, which can happen through the improvement of citizenship and entrepreneur literacy.

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<sup>5</sup> The figure represents the share of those, who believe that competition is good.

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