

Bulgarian Economic Thought since 1989: A Personal Perspective*

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Abstract:

The profundity and timing of the collapse of the socialist economies took the economists on both sides of the Iron Curtain by surprise. There were no theories that could explain or analyze the nature of such systemic social events and processes. The soviet-style Marxist political economy, neoclassical theory, and Keynesian interpretations were unable to anticipate, explain, or offer solutions to the real problems.

This paper, explores the intellectual reactions of the Bulgarian economic community to the collapse of the planned economy and to the practical and theoretical challenges of the post-communist period. The following are the three primary objectives of this study: First is a methodological objective, i.e., for explaining the dissemination of economic knowledge, determining its channels, as well as explaining the basic transmission mechanisms of economic theory in Bulgaria after the disintegration of the socialist bloc. Second is a purely informational objective, i.e., to present the major topics and issues studied during the period 1989–2009 and the findings of the economists working on them. Finally, the third objective and parallel task is to theoretically interpret the development, characteristics, and specificities of the Bulgarian economic thought during that period.

The main conclusion of this study is that although a few interesting studies regarding the Bulgarian economic science have been published, they fail to offer independent and original ideas. The Bulgarian economic perspectives closely follow the trends of western economic science, which itself is currently at crossroads and is encountering numerous challenges.

JEL classifications numbers: B 20, B 41, P 50.

* I would like to express my heartfelt gratitude to Kiichiro Yagi, Zoya Mladenova, Stephan Kolev, Roumen Andreev, Nikola Kobarsky, and Giovanni Pavanelli for their discussions and helpful suggestions. This paper was prepared during my stay in ICER, the summer–autumn of 2009. I would especially like to mention Michalis Psalidopoulos' thoughtful and instructive letter wherein he emphasized the harmful and self-defeating effects of my claim regarding a lack of originality of the studies conducted by Bulgarian scholars and the relativity regarding which studies genuinely constitute economic theory and those that do not. Although this made me reconsider a number of my judgments, I decided to retain my primary conclusions because they were arrived at on the basis of my impressions of the Bulgarian economy and its scholars when I had written the article (summer 2009).

The History of Economic Thought, Vol. 52, No. 2, 2011. © The Japanese Society for the History of Economic Thought.

I Introduction

A number of benefits may be derived from the studies on economic thought in Bulgaria post 1989. First, the disintegration of the Soviet bloc not only shocked the ordinary people and the politicians, i.e., a shock to the economic practice, but was also marked by profound intellectual drama, which presented a challenge for a majority of the social researchers including economists in these countries. In this sense, it was a shock to economic theory¹⁾ as well. Therefore, it is interesting to understand how economists reacted to this crisis, and the manner in which they readjusted their research efforts and theoretical postures. We understand that every crisis stimulates new ideas and new economic knowledge. Second, such studies enhance our overall understanding of the manner in which economic knowledge originates and disseminates in general and in peripheral countries in particular, the extent of its peculiarities, its original topics and approaches, the extent to which it imitates the basic economic theories, the manner in which the topics of study are determined, etc. Finally, such studies are useful for ensuring the systematization of themes, authors, and publications, which facilitates further investigations. As for Bulgaria, a research of this kind has rarely been undertaken before, and is, unfortunately, of almost no interest to the general public or specialists.²⁾

The persisting economic problems of transition and the specific characteristics of economic and social thought in Bulgaria reflect the specifics and characteristics of the country's historical development. Although for a relatively short period, Bulgaria's so-

cialist past within the Council for Mutual Economic Assistance (COMECON) structure was characterized as one of the most integrated and dependent USSR and COMECON economies and possessed the typical planned-economy features; these features do not need to be discussed in detail in this study (see Dobrinsky 2000). Moreover, the Bulgarian economy lacked political and intellectual opposition during the communist period and was characterized by sporadic dissident activities that hardly compared with those of the other former socialist countries. Even Gorbachev's *Perestroika* was met in an extremely original manner by the then Bulgarian state leader comrade, Todor Zhivkov, who stated with a smile that our best strategy would be to "stay low until it's over [*da se snishim*]," although on another occasion he claimed that Bulgaria had introduced *Perestroika* before Gorbachev and had even carried it through. The absence of *Perestroika* and of open debate in Bulgaria until 1989 negatively impacted the subsequent development of economic thought, which had to make up for the lost time; therefore, its detrimental impact on economic science was even more significant.³⁾ Moreover, as indicated by Sutela and Mau (1998, 35, 36), the *Perestroika* period is, by itself, extremely important as it undermined the system as well as the erstwhile political economies of planned economies. In 1990, since it was perceived that economic science did not to reflect reality, USSR experienced the emergence of purely empirical and applied schools of thought (such as Tatyana Zaslavskaya, Abel Aganbegyan, etc.). Subsequently, these schools of thought established the appropriate conditions and foundations

for the emergence of applied economics.

During the period of socialism, Bulgaria did not offer any innovative economic practices (their claim to paternity over the “new economic mechanism” or over the concept of “dividing ownership from control” was an overstatement—these practices were in fact common to all socialist countries). Moreover, the country did not produce any original economists and none of their economists made any research contributions of international merit, except perhaps for Lyuben Berov (1925–2006) and Evgeni Mateev (1920–97); the word “*perhaps*” has been used since the nature of such judgment is highly subjective.⁴ If we were to also consider the lack of prominent Bulgarian immigrant economists, the situation becomes completely different from that in Central Europe, and even Romania and Serbia.⁵

Certainly, as compared to the *pre-World War II* (WWII) period, the situation in Bulgaria now appears to be worse. Then Bulgarian researchers were integrated in the world scientific exchanges and a number of Bulgarian economists gained, to one degree or another, international recognition (Oscar Anderson (1887–1960), Slavcho Zagorov (1898–1965)). Oscar Anderson (it is important to note that he was an immigrant from Russia), for example, was cited in Schumpeter’s *History of Economic Thought* twice as a one of the few researchers with creative proposals regarding the quantitative theory of money (Anderson and Schumpeter were acquaintances and co-founders of the International Econometric Society, see Fisher 1941, 187, 188).⁶ I consider a few other economists exceptionally erudite and original within certain limits; their work has not

been translated into foreign languages even if it was published abroad. The following is a list of a few such economists: the follower of the Austrian School and disciple of Carl Menger, Simeon Demostenov (1886–1968), the economic historians Ivan Kinkel (1883–1945) and Ivan Sakazov (1895–1939), Naum Dolinski (1890–1968) from Varna, the statistician Cyril Popov (1870–1927), the erudite Assen Christophorov (1910–70), the practician-intellectual Stoyan Bochev (1881–1968), the theoretical economists as Georgi Danailov (1872–1939), Dimitar Mishaikov (1883–1945), Alexander Tsankov (1879–1959), Georgi Svrakov (1901–85), and Ivan Stephanov (1899–1980). Especially noteworthy was the statistical school in Bulgaria, which was established by Oskar Anderson (see Radilov 2002). Among the immigrants from Russia, Simeon Demostenov, Naum Dolinski, Ivan Kinkel, and Oskar Anderson stand out as perhaps the most erudite economists of the period.⁷

II Transmission Mechanisms of Economic Theory in Bulgaria

How do Bulgarian economists select their research topics and corresponding research methods, and on what basis could their achievements be assessed? How can we group the channels of influence to Bulgarian economic thought? In other words, on one hand this study determines the factors underlying the *preferences* of Bulgarian economists, and on the other hand it determines the factors defining the *constraints* in terms of selecting topics, methodology, etc.?

According to me, it is rational to distinguish between the following two basic, figuratively speaking, inward *information chan-*

nels: The first one could be termed the channel of the socio-economic reality and problems, which is external to scientific thought. The second could be termed a cognitive channel, which relates to the evolution and transmission of economic thought itself. In the first case, economic theory either pre-empt or responds to the requirements of a historical period, economic problems, or tasks. In the latter case, economic theory is a self-regulating system with its own internal diffusion and evolutionary mechanisms, or is related to the formation and dissemination of knowledge.⁸⁾ Using the cognitive channel, we can differentiate between the following two sub-channels that shape the Bulgarian economic thought; first is the information obtained from the past, i.e., from the inertia of economic knowledge and theories of the past (the socialist period), and the second is the information obtained from external sources, i.e., from the existing theories and models of economic thought in the West (neo-classical, Keynesian, monetarist, Austrian, etc.).

The above-mentioned differentiation bears similarities with the methodological interpretation of Riccardo Fucci's *History of Economic Thought*; he distinguished be-

tween the external (*exogenous*) interpretation, i.e., economic thought from the perspective of environment, and internal (*endogenous*) history, i.e., economic thought from the perspective of theory itself. Both these perspectives on economic thought possess a few weaknesses. With the first perspective, one could fall into relativism and chronology of authors and topics, while with the second, one could be misled into judging authors outside the concrete historical setting (Fauci 2000).

Initially, the *environment* in which the Bulgarian economic scholars worked was considered. With respect to the economic and social dynamics of the Bulgarian economy after 1989, it possesses, regardless of its specifics and the "the variety of transition," all the characteristic features that are possessed by a majority of the post-communist countries.⁹⁾

Overall, we must note that neither the disintegration of the socialist bloc nor the subsequent transition period could be analyzed either within the neoclassical approach, or within the existing variants of Marxist political economy. Under the neoclassical model, a transition from one market equilibrium to another occurs as a single act, rapidly and relatively smoothly; besides, the methodological grounds were not suitable for analyzing the changes in a system, especially in case of transitions from non-market to market economies. On the other hand, the political economy of the Soviet type of socialism was completely unfit for analyzing the events for ideological (the possibility of socialist failure did not exist) as well as technical reasons (lack of availability of instruments). Essentially, it must be noted that un-

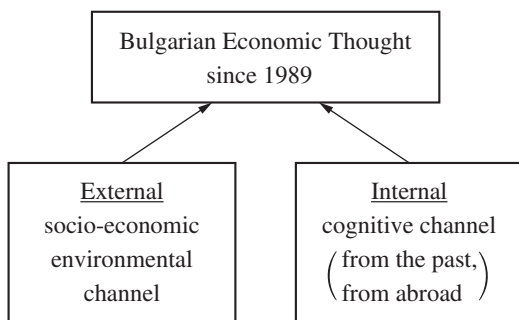


Figure 1 The information channels that constitute Bulgarian economic thought.

like the Marxist interpretation of capitalism, which may be regarded as a consistent and generally recognized theoretical system, no other system was considered to be as consistent and generally accepted with regard to socialism; instead, there only exist countless scholastic and dogmatic verbal interpretations of socialism.

It is interesting to note that Marxist variants of transition period analyses did exist; however, these considered the transitions to communism. Moreover, it must be noted that Nikolay Bukharin's famous book, *Economics of the Transition Period*, which released in 1920,¹⁰ possessed obvious drawbacks; however, it is the only book, when examined thoroughly, that offers a few interesting ideas that may be relevant even today. For example, it may be observed that a transition to a new state of economy or toward a new objective both in the past as well as the present ("present" refers to the market economy whereas "past" refers to the communist society) was viewed as a simple jump, i.e., a transition that was relatively short although painful. In both the cases, the Lenin–Bukharin's version of the Marxist theory and the present neoclassical theory are identical. These theories indicate that a change from one system to another is not a slow, evolutionary open-ended process, but a jump. Bukharin's book and a few other interesting studies from the early communist era were eventually forgotten by socialist scholars.¹¹

Consequently, a theoretical vacuum followed, which obviously resulted in the emergence of new theories and ideas.

The transition in Bulgaria was characterized by a definite delay in the formation of a market economy, which permitted processes

like forceful redistribution of wealth and ownership based on corruption, theft, and banditries (Vucheva 2001). This led the country into a serious financial crisis from 1995–97, which ended with the introduction of a particularly conservative monetary regime—a currency board, thereby abolishing the monetary policy altogether (Berlemann and Nenovsky 2004). After 1997, the economy of Bulgaria continued to follow a positive trajectory with high rates of growth, balanced public finances, growing foreign reserves, etc. The political decision for the enlargement of the European Union (EU) followed the introduction of a Currency board, and started to play the role of a second anchor for encouraging reforms (Ialnazov 2003). After the country's accession to the EU on January 1, 2007, it was observed that the external constraints over reforms were loosened; this slackening of external constraints coupled with the outburst of the global crisis in 2008 adversely affected Bulgaria's economic performances (Ialnazov and Nenovsky, 2009).

Understandably, Bulgarian economists have increasingly been focusing on crucial events in Bulgaria. These events served as focal points of analysis, or in more complex terms as cognitive anchors, which attracted the attention and efforts of researchers. In this context, the notable events included price liberalization, restructuring of state ownership, foreign debt restructuring in 1994, problems of bad loans, financial crisis, systemic risk and currency board, efficiency of the banking sector, the issue of the conversion of external debt in 2002, integration of the euro area and EU convergence, public finance and flat tax, the global financial cri-

sis, etc. Subsequently, the following research subjects emerged: the role of institutions, corruption and shadow economy, the role of the judicial system, and economic history, and the long-run trends of the country's economic development.

The issue of economic environment is closely related to the *sociology of economic scholars*, i.e., the sociology of economic science in Bulgaria. Undoubtedly, irrespective of the personal fates and life histories of individual scholars, their interests and values are rather crucial or often the only factors that determine their choice of research topics, positions, ideological biases, and behaviour not only in science, but in life as well. At an individual level, a scholar's choice and behaviour depends on the formation of their preferences and values, and their resources—material, mental, social, etc.¹²⁾

Essentially, a productive classification of the economists may be to determine the extent to which they belonged to one or to the other familiar subdivisions of the communist economic theory, i.e., to “the political economy of socialism” or to “the political economy of capitalism.”

The scholars who specialized in researching the issues of the Western economies during the socialist era, i.e., the political economy of capitalism and the historians of economic thought, and those who had to lived up to the dogmas (they had to battle the “vulgar” interpretations and apologetics of Western economists), had better language abilities as well as considerably greater theoretical and practical knowledge of the emerging market economy. Moreover, they possessed the potential aptitude for understanding the subsequent changes in the theory. A

few of these scholars (mainly concentrated in the Institute of Economics at the Bulgarian Academy of Sciences) promptly emerged as the leading economists of transition, and as such, a majority of them participated in the country's governance. A number of successful private entrepreneurs, bankers, etc., also emerged from this group.¹³⁾ Generally, these scholars embraced the neoclassical economy more readily just as the economists who had previously—during the communist period—specialized in the field of mathematical modelling and planning found it easier to understand.

In contrast, a majority of the scholars who had previously specialized in the *political economy of socialism* generally remained leftists and allied with the left political forces. As a rule, these scholars lacked the competence and knowledge required to adapt to the new environment owing to the fact that the political economy of socialism was a dogmatic and senseless play of words that served as a facade for the pretentiousness of constructing a theoretical system. A majority of the scholars lacked mathematical training and the only foreign language that they could use was Russian. Initially, these scholars adapted the old theory to transition and explored the “forgotten” and “valuable” aspects of the classical Marxist theories in order to subsequently establish themselves in niche areas such as Keynesianism, institutional economics, etc. A number of these scholars also became successful businessmen and politicians either of remarkable integrity or of no integrity at all.

Another aspect that necessitates attention is the lack of ability of a majority of the scholars for conducting empirical, statistical,

and econometric researches, which, as a matter of fact, prevents researchers even today from investigating real problems. Interestingly, *sociologists* were generally more successful in studying the complexities of the economy and in constructing theoretical models (for example, the original model of the second social network applied to transition; Tchalakov and Bundjulov 2008). Moreover, sociologists have also come closer to reality as compared to economists. In addition, the achievements of investigative economic journalism are noteworthy. *Investigative journalists* have easier access to the foregoing transition practices adopted by bandits and is in fact the only way to extricate truthful information regarding the actual processes for cases where statistical data is unavailable, unable to reflect actual processes, or is predominantly misleading.

In addition, it is important to note that throughout the transition period, almost all the Bulgarian economists were *connected* in one way or another, *to the government, political parties, and political power in general*. Power, politics, and government were the main fields of realization for the economic scholars and their interests since there were no independent intellectuals. At least three Prime Ministers were economic scholars—the economic historian Lyuben Berov (for the period 1992–94), Reneta Indzhova (for the period 1994–95), the economist-mathematician Ivan Kostov (for the period 1997–2001), and the first Managing Board of the Bulgarian National Bank (BNB) that was led by Todor Valchev (for the period 1991–96)¹⁴ was almost entirely composed of representatives of the academia; in 1991 the Agency for Economic Analyses and

Forecasting (AEAF) was established, where Bulgaria's economic policy was created entirely by economic scholars (Ventsislav Antonov, Roumen Avramov, and Lyubomir Christov). This connection between economic scholars and political authority is typical of communist countries owing to inertia from the past; traditionally, political activity were considered to be superior to economics. Evidently, this relationship also displays an opposite direction of causality since economic interests seemingly dominated political decisions. Generally, the close association between economic scholars and political power is not a characteristic of communist countries alone: for example, this has long been observed in Italy, although to a lesser degree (Faucci 2000), which in turn contrasts with the relative independence of scholars in the Anglo-Saxon countries and France (the economists were either primarily associated with private businesses or were independent intellectuals). An interesting explanation of the economic scholars' involvement with the government during the initial years of transition was given by the Polish politician, Leshek Balcerowicz, who believes that non-standard situations or periods bring to the fore non-standard politicians or *non-political politicians* who understand the so-called extraordinary politics (Balcerowicz 1995).

Now, let us examine the *cognitive channel* for the formation of economic thought in Bulgaria, or which, under certain conditionality, Faucci would have termed internal history of economic thought. The cognitive channel refers to the internal history of economic thought or the manner in which the models of economic thought are created. Ev-

idently, this cognitive channel is closely associated with the sociology of scholars and although we have briefly discussed this earlier, we will augment that information here. The cognitive channel may be subdivided into the following two sub-channels: the first one deals with the past knowledge and theories, and the second deals with modern knowledge that is obtained from outside the country, i.e., from the theories that exist around the world.

As mentioned earlier, the collapse of the planned economy created a *knowledge vacuum* that required to be filled up, which could logically be effected either by adapting old theories, or by borrowing those of other countries.

In Bulgaria, unlike Russia, for example, the propensity to develop new theories is and was always low.¹⁵⁾ Overall, there was a continuous debate between the following two alternatives: (i) adapting the communist ideas and their new interpretations (for example, a new reading of the Marxists classics, i.e., a few of their co-operative and non-bureaucratic models of socialism, etc.), or a return to the pre-communist economic thought, to a few concepts regarding the specifics of the Bulgarian economic development, and (ii) adapting and in a majority of the cases, retelling the existing economic paradigms of the West—the neoclassical economics, Keynesianism, or monetarism. Essentially, in Bulgaria, although the neoclassical economics was considered the only possible school of thought in microeconomics, Keynesianism and monetarism were considered to be the two main competing schools of thought in macroeconomics. Indeed, the two latter models that were actively used in economic and

political discussions were curiously epitomized with soft and acceptable liberalism (Keynesianism) and extreme liberalism (monetarism).

During the initial years of transition, liberal economic ideas were not popular among the Bulgarian scholars (see Evans 2010). Although they bear a rather limited influence over the public sphere and the debates on transition, a few references to Joseph Schumpeter, to Max Weber (who became a favourite of Bulgarian sociologists), and subsequently to the Austrian School in general and Friedrich Hayek¹⁶⁾ in particular, who gained popularity only in the mid-1990s primarily during the currency board's initial years of operation,¹⁷⁾ may be considered.

The transmission of knowledge from the past has been examined in this study. In this case, we can establish a certain form of dependence on the past (*path dependence*). Virtually all economists in 1989 were associated with the past paradigm and even today a few of them continue, to one degree or another, to be dependent on the dominant theory from the communist period.

Bulgaria not only lacked renowned economists within the Soviet bloc but unlike almost all other Soviet bloc countries, it also lacked local dissident economists¹⁸⁾ as well as prominent immigrant scholars. It is also an established fact that the political opposition in Bulgaria was essentially created and institutionalized by the communist party and in fact all of its founders were former Communist party members, which significantly deterred the country's development at least during the initial 7–8 years of transition. These processes naturally fuse with a lack of overall geostrategic identification of Bulgar-

ia and its oscillation between the Western model of development and that of Russia's—a process that was relatively resolved in favour of the Western model of development in the late 1990s with the decision to enlarge the EU. Abdelal (2001) effectively represented the processes and consequences of such oscillation for the Ukrainian case.

Under Wagener's editorship (1998), the book regarding the history of economic thought in Central and Eastern Europe does not feature or even mention Bulgaria.¹⁹⁾ Personally, I cannot definitively explain why Bulgaria lacked prominent economists outside its national boundaries during that period, given the similarity between its repressive regime and those in the other countries, and the fact that the economic paradigm, economic education, etc. in the socialist bloc were largely equally sterile and hermetized (cf. Romania; Aligica 2002). My opinions do not completely correspond with that of Wagener (2002); he believed that the economic science conditions in Hungary, Poland, and Slovakia, on one hand, differed from those in Czechoslovakia, GDR, USSR, Bulgaria, and Romania, on the other, to such an extent that they could be divided into two large groups of countries, i.e., the former group comprised those countries that were open to receiving knowledge from abroad and the latter comprised countries that were considered to be closed.

Irrespective of the extent to which the reasons for a lack of original economic science during the socialist period may be deliberated, the fact of the matter remains that when the planned economy disintegrated, Bulgarian economic science was unprepared and was lagging behind and therefore, had to

*start from scratch.*²⁰⁾

In my own way I define the level of the Bulgarian economic sciences as approximate zero knowledge about the functioning of market economy and about the western theories. Other researchers, primarily from the older generations, defined a zero point in a different manner and believed that Bulgaria is not at a zero point.²¹⁾ One variant of this non-zero position was to consider *a new interpretation of the Marxist classics* during the initial 2–3 years after 1989 (a kind of a late Bulgarian “Perestroika”); although such attempts were made by a few Marxist scholars, the dynamics of the changes were so rapid that they rendered any such efforts futile.

The next logical cognitive step was to extend this research further back in time, i.e., to before 1944, which was the period prior to the communist era, when, as mentioned earlier, there existed a normal European economic theory and teaching in Bulgaria that could play the role of an anchor for the wavering Bulgarian economic scholars; at the time, a few lecturers even made attempts to emphasize this. In fact, during that period, the textbook on political economy and theory of money by Simeon Demostenov had become rather popular (although for a short period of time); a phototypic edition of the three volumes of this book was reissued by *St. Clement Ohridski*, Sofia University in 1991. Roumen Avramov made efforts in this direction for restoring the popularity of the forgotten and original Bulgarian economist Stoyan Bochev (Avramov 1998). Unfortunately, these efforts were promptly swept over by the wave of economic knowledge and publications from abroad, primarily

American textbooks, International Monetary Fund (IMF) and World Bank publications, and to a limited extent by European textbooks.²²⁾

A few interesting similarities may emerge by comparing the dilemmas of Bulgarian economic science after 1989 with those of the period after Bulgaria gained its independence from the Ottoman Empire in 1878. Both the cases refer to a departure from two empires, i.e., “the Soviet empire” in first case and the Ottoman empire in the second case. In the first case, the “bondage” lasted for 45 years, and in the second, for five centuries (1393–1878).²³⁾ As is evident, these periods are incomparable. However, this study evaluates the impact of these events on Bulgarian economic science.

First, both these events adversely affected the development of Bulgarian science, in particular, and education, in general, either suppressing or simplifying them *ad infinitum*. Second, tracing past events has its peculiarities. The attempts to identify the achievements of the pre-Ottoman period, the illustrious past of the Balkan countries while emphasizing the great achievements of Bulgaria resulted in problems and confusion rather than any real progress owing to the distance in time of the events under consideration (Stavrianos 2000). A return to the pre-communist achievements owing to the closeness in time would have resulted in a few benefits (especially when dealing with practical issues); however, unfortunately, this was not realized. Third, both these periods significantly impacted the emergence of extreme anti-state, liberal, and even anarchistic outlooks.²⁴⁾ This is explained with the help of the fact that the defeat the Ottoman system

of state and state power became evident with the collapse of the power of the state in principle (Black 1943, 520); their views inevitably contradicted the need for administration and governance of state affairs. Therefore, for example, in 1982, Konstantin Stoilov (1853–1901) stated, “. . . Bulgarian people had evolved political habits under Ottoman rule which made the application of a democratic form of government very difficult. For several generations a spirit of disregard for government and revolt against the government had prevailed” (Black 1943, 519).

A similar explanation may also be provided for the emergence of extremely liberal outlooks, which however did not appear instantly, but in the mid-1990s as a response to the slow reforms and totalitarian past (a number of publications of the Institute for Market Economy, a few members of the Bulgarian Hayek Society, etc. deserve a mention here), which gradually disappeared and gave way to a period of pragmatism that eventually led to the emergence of populism and nationalism as seen today (see Krastev 2007).

Therefore, much like Bulgarian history, past knowledge was an unrealized, impossible, and under certain circumstances, a detrimental anchor for the formation of economic knowledge in Bulgaria after 1989. As a result, *the channel of knowledge obtained from overseas* was the only other channel of information and therefore became the basic channel.

In the past, i.e., after liberation, concepts essentially found their way into the country only after the collapse of the “empires.” Despite some penetration of European concepts into the Balkan states within the Ottoman empire in the 19th century, the economic and

social knowledge of the Balkan countries stood somewhat in isolation and lacked any significant achievements, and it is only after these countries were liberated that any developments were noticed (Psalidopoulos and Theocarakis 2009; Black 1943). With respect to the socialist period, hardly any Western concepts could make their way into these countries owing to censorship and party control. Unlike their Polish, Hungarian, or Czech counterparts, the possibilities of Bulgarian scholars receiving Western grants or travelling and communicating with their Western counterparts were rather limited (see Ford Foundation, Wagener 1998, 20). The few Bulgarian scholars who did get such opportunities were considered to be the most loyal and ideologized party members; subsequently when the secret archives were opened, most of these members appeared to have been collaborating with the Communist secret services.

The economic knowledge and models of thought obtained from overseas sources acquired almost monopolist significance in both teaching and research, as well as in the conduct of economic policy. The basic instruments of this influence were the international financial institutions (primarily IMF and World Bank),²⁵⁾ which as Wagener has appropriately articulated are the “monsters of conditionality.” In reality, foreign debt servicing and requirements in terms of new financing, technical assistance, etc. became important conditions for penetrating economic thought through a number of national and supranational banks, investment funds, governments, non-governmental organizations (NGOs) etc. During in the initial years, numerous grants were extended under vari-

ous forms and from different sources, which allowed numerous Bulgarians to specialize and study in Europe, USA, and Japan (see Dimitrov 2002). A number of Bulgarian scholars seized the opportunity to study overseas, which enabled a number of current Bulgarian scholars to realize their dreams of studying in Western universities (a few such scholars include Iliyan Mihov, Simeon Djankov, Neven Valev, Nikolay Gospodinov, Pavlina Cherneva, Yvailo Izvorsky, Kiril Tochkov, and Dimitar Ialnazov).²⁶⁾ A few foreign trained economists returned from Western countries in order to form the economic team in the cabinet of Simeon Saxe-Coburg-Gotha (2001–05). During their initial years in Bulgaria, various training and retraining programmes were conducted by Western professors, a majority of which were American, (for example, the programmes organized through the Open Society Institute)²⁷⁾ and a number of textbooks were translated.

Although a majority of the economic views that were obtained from overseas were of applied and practical orientation and possessed the characteristics of the eclectic paradigm, they were partially dominated by Keynesian macroeconomics (primarily through the World Bank) and partially by monetarism (through the IMF). These economic views, from the standpoint of economic teaching, were standard neoclassical with respect to microeconomics, and from my perspective, primarily Keynesian with respect to macroeconomic theory. In Bulgaria's case, combining the various theories into one eclectic had and continues to have detrimental consequences; this is because it created the impression of a monolithic and complete economic theory in the West—al-

most “a supreme and ultimate phase of economic science”—while fundamental discussions were practically regarded as non-existent. Although in the recent years, efforts have been made to rectify this falsehood (transaction costs economics, institutional economics), it will take some time before alternatives for economic teaching and thinking, in general, are created. A few alternatives, at least partially, may be found along the following trends: the concepts of flat tax (IME and Georgi Angelov), a few concepts regarding free banking (Nikolay Nenovsky), the series of papers on economic history and culture (Roumen Avramov, Martin Ivanov, Daniel Vachkov, and Ninel Kioseva), and especially, the reporting of institutions (Garabed Minassyan and Georgi Ganey).

III Research Topics, Achievements, and Authors

This section considers the achievements in the history of economic thought by reviewing the major topics, styles, ideology, etc., and the work of a few authors. As emphasized earlier, the topics that were investigated by Bulgarian economists were determined on the basis of the major issues and events in the latest economic history of Bulgaria.

First, the *general and conceptual issues of transition* (transformation), were rarely researched in original way. In case these were studied, the research was limited to the framework of standard discussions regarding the speed of reforms (whether a gradual or a shock approach),²⁸⁾ the steps of reforms; liberalization of prices, privatization of state-owned enterprises and banks, types of exchange rate regimes, fiscal versus monetary policy mix, foreign debt restructuring and

policy, etc. In my opinion, the Bulgarian debate on the philosophy and strategy of reforms did not possess any specific traits; rather the Bulgarian economists either emulated other countries, or followed the IMF recommendations, and, from my point of view, with a definite delay too.²⁹⁾ Despite a few more radical reform programmes (the Rahn–Utt Plan of 1990),³⁰⁾ Bulgaria adopted a slow and tentative changes approach that logically resulted in deceleration of reforms and led to the 1996/1997 crisis. However, it is possible to distinguish between the following two significant approaches to reforms: slow reforms, the theoretical grounds of which to me personally remains unclear, and fast reforms. With respect to slow reforms, we can refer to the annual report that was prepared by a team that was headed by Ivan Angelov (born in 1934) and comprised scholars from the Institute of Economics at the Bulgarian Academy of Sciences, a few scholars from the University of National and World Economy (UNWE) (Stoyadin Savov (born in 1931), Kamen Mirkovich (born in 1939), Roumen Getchev (born in 1956)), and the economist-philosopher Vassil Prodanov (born in 1946); this report was first published in 1992 and henceforth, was published annually (see, for example, Angelov 1992, also Angelov 1990). On the other hand, with respect to faster and more decisive reforms, the research work of economists at the newly established the Agency for Economic Analysis and Forecasting (AEAF), which subsequently became the hub of modern economic research studies (see Avramov and Antonov 1994), may be referred to.

Of particular interest is the research re-

garding the issues of *monetary policy*, *monetary regime* and particularly the operation of the *currency board*, as well as *financial crises*.³¹⁾ These issues gained significance with the introduction of the currency board in mid-1997 following the intensification of the financial crisis and the period of hyperinflation (Berlemann and Nenovsky 2004). The reasons and conditions for the introduction and operation of a Currency Board, etc., were studied and the financial crises were analyzed. In a majority of the cases, the specific features of the financial crisis and the currency board in Bulgaria were emphasized and the studies were of purely applied character; however, in a few cases the research was of comparative and general theoretical character. A majority of these studies were initially conducted in the Agency for Economic Analysis and Forecasting (AEAF); however, subsequently, the studies were conducted in the BNB Research and Analyses Division, where a number of interesting analyses were conducted and published in the Discussion Papers series³²⁾ predominantly after 1997.

According to me, the following researches are of special significance: (i) theoretical and empirical approaches for evaluating the automatic mechanisms of the currency board such as the existence of a co-integration between the monetary base and foreign reserves (Nenovsky et al. 2001; Nenovsky and Hristov 2002); (ii) a composite analysis of the behavior of the currency in circulation and its relationship with the shadow economy (Nenovsky and Hristov 2000) and banks reserves (Petrov 2000); (iii) the analysis of credit (Hristov and Mihailov 2002; Nenovsky et al. 2003); (iv) the money market

(Nenovsky and Chobanov 2004); (v) a theoretical comparison of the currency board and the gold standard (Desquilbet and Nenovsky 2005); (vi) foreign debt management (Minassian 2007); (vii) the 1996/1997 crisis (Ignatiev 2005), etc.³³⁾

The monetary regimes are closely associated with the discussion regarding the *adoption of the euro* in Bulgaria and the compatibility of the currency board with the ERM2 mechanisms and the euro area. The book, *From Lev to Euro: Which is the Best Way?* by Nenovsky et al. (2001),³⁴⁾ was one of the first books in Eastern Europe (cited in Italian newspaper, *Il Sole* 24 ore, avril 19, 2000), which after an in-depth comparative analysis introduces the benefits of unilateral euroization both as a theory and with calculations for Bulgaria. The remainder of the *European problematics* including various convergence issues, potential to absorb eurofunds, institutional adaptation, etc., were also included within the scope of this analysis; however, overall, the research lacked original contributions and was largely of applied character (see, for example, the Economic Reports for the President of the Republic, 2005, 2006, 2007, and a few AEAF research papers).

At the second stage, research papers began considering the institutional features of the economic development and used the economic history of Bulgaria for capturing the long-run trends and specific peculiarities of the Bulgarian economic development.³⁵⁾ In this context, the studies conducted by the following authors were clearly original: Roumen Avramov's study on the economic history of Bulgaria during the 20th century. (Avramov 2007), Marin Ivanov (born in 1970) and Daniel Vachkov's (born in 1963)

study on the issues of Bulgaria's external debt (Ivanov 2002; Vachkov and Ivanov 2008), Martin Ivanov's study regarding the efforts to expand the calculations of the country's gross domestic product (GDP) and balance of payments from a historical perspective (Ivanov and Tooze 2007; Ivanov 2006), and Ninel Kioseva's study on monetary crises in the newly liberated Bulgaria (Kioseva 2000). Recently, there has been growing interest in the analysis of the country's socialist period within the scope of the working paper series that has been issued by the Institute for Studies of the Recent Past.³⁶⁾

The institutional aspects of economic development were also analyzed at a subsequent stage of the development of the Bulgarian economic thought. Here, in addition to the previously mentioned study of economic culture (Avramov 2007), we could also emphasize the publications by Garabed Minasian (2002) and the concept of the currency board as a radical institutional change (Nenovsky and Rizopoulos 2003; 2004).³⁷⁾ The Centre for the Study of Democracy³⁸⁾ and the Institute for Market Economy³⁹⁾ identified topics such as *corruption*, *shadow economy*, and the administrative obstacles to business as objects of analysis; these were primarily applied character analyses.

Evidently, there existed numerous traditional economic topics regarding economic growth, labour market, and social issues; the object of analysis was established by the Institute of Economics at BAS and the universities in a majority of the cases and these will not be discussed in this study. However, I would only like to mention the concept of *flat tax* that was introduced by the Institute for Market Economics (IME) (by Georgi

Angelov, in particular); although initially flat tax was met with extreme hostility, eventually it was successfully realized during the term of office of the leftist cabinet that was led by Sergey Stanishev (10% income tax as of January 1, 2008). Although evidently this was a result of analogous ideas and interests, the introduction of the flat tax was a symbolic moment in Bulgaria's recent economic history. Owing to the global character of economic science, the remarkable achievements of the Bulgarian economists working abroad, who have played an important role in the overall development of economic science, deserve a mention. In this context, Ilian Mihov (INSEAD, Singapore) is the most significant example; he is a former Ph.D. student of Ben Bernanke. In this sense, if these scholars are viewed as Bulgarian economists, then Bulgaria may be considered to be at least partially integrated into the global stream of economic science (in numerous respects, this is similar to the position of Bulgarians during the period between the two World Wars).

Although on the basis of Ricardo Fauci's division of economists into *visionaries* and system-builders, i.e., *pragmatists*, Bulgarian economists can definitely be categorized under the latter group, a majority of them present inadequate methodological and theoretical debates⁴⁰⁾; an example of an exception in regard may be that of Roumen Avramov's research on the fundamental characteristics and historical determinants of Bulgaria's economic history. Roumen Avramov believes that communal, statist, and anti-capitalist conceptions of economy have always prevailed in Bulgaria and there appears to be no way out of this situation, i.e.,

we will continue to perceive the future pessimistically.⁴¹⁾ The studies of Ludjev (2005), Daskalov (2005), and Prodanov (2003)⁴²⁾ may be mentioned with regard to this methodological line of research, as well as the historically and socially embedded economy.

If we attempt to systematize the recent studies on the basis of their outlook with respect to the world and its ideologies, it is possible to distinguish between those economists who primarily hold a *liberal outlook* and those who are in favour of a greater degree of state interference in the economy (over time, the Marxist ideology, at least linguistically, has almost disappeared). The first group comprises the economists from IME, the Centre of Liberal Strategies (Roumen Avramov and Georgi Ganev), from the Hayek Society, a few of the economists from the Centre for the Study of Democracy, and a majority of the researchers at the BNB (at least for the period immediately following the introduction of the currency board arrangement). The second group comprised the scholars at the Institute of Economics at the Bulgarian Academy of Sciences and a majority of the university lecturers.⁴³⁾ It is interesting to note that the standpoint in terms of being “in favour of or against” the currency board or the flat tax has become the basis of distinction between the rightist and the leftist economic views.

Moreover, owing to the eclectic character of the perspectives and the obvious difficulties in defining the various paradigmatic frameworks of economic thought, it is extremely challenging to identify and group individual scholars. A consolation, to me at least, is the position of the great scholar of economic thought, Luigi Einaudi, expressed

of course on a different occasion, but relating nevertheless to the assessment that we give to every economist. Einaudi believes that it is not important to ascertain which group the scholars belong to, but to ascertain their contribution to economic theory. In this context, he stated “I stand behind my assertion that an author should be judged on their own account for their contribution to science: Adam Smith not as the head of the Liberal School, but for his contribution to this theory; Ricardo not as a classic, but as the propounder of the theory of incomes, production costs, and paper money; Cantillon not as a forerunner of Physiocrats or of Liberals, but as the father of the entrepreneur doctrine or of the doctrine of the gradual and increasing influence, over time and space, of gold production” (Einaudi 1956, 34).

Here, a few notes regarding the *economic periodicals* in Bulgaria have been presented. The collapse of the old system had an extremely adverse impact on the economic periodicals; the intellectual standards of the old journals in Bulgaria deteriorated, and subsequently, these journals disappeared altogether, which was in contrast to the situation of journals in other countries. Moreover, no new journals were published. *Economic Thought* was the only major economic journal in Bulgaria that continued to be published as a single annual edition in English. The other economic journal, *Economic Studies*, which was conceptually more theoretical, encountered a few problems; however, since 2001, its structure and procedures are comparable to that of a modern referenced journal.⁴⁴⁾ According to me, although these journals gradually attained a relatively satisfactory level, they hardly offered any inventive

theoretical studies of true merit (This implies studying economic issues outside Bulgaria). In contrast, *Sociological Issues*, which is a sociologist journal published in Bulgaria, features significantly more interesting and original economic research papers. University journals (*Economic Alternatives*, UNWE; *National Economic Archive* (Academy of Economics, Svishtov)) continue to be published. All eminent Universities issued their year-books and collections of studies, which also featured theoretical articles.⁴⁵⁾ I would like to emphasize the merits of the electronic interdisciplinary journal, *Dialogue* (Svishtov), which was launched in 2001; it publishes a number of original articles and translations of classical authors from the Austrian School primarily on the initiative of Ivan Vurbanov.⁴⁶⁾

With respect to *translated books*, a number of classic books have been translated by authors such as John Maynard Keynes, Milton Friedman, Joseph Schumpeter, Friedrich Hayek, Douglass North, Kenneth Galbraith, and Frederic Bastiat. Moreover, the traditional textbooks of micro and macroeconomics, and the more specialized economic disciplines such as the textbook on the theory of money and monetary policy by Frederic Mishkin, investment by Zvi Bodie, etc., were also translated overall, however, the translations do not follow any systematic pattern and the basis on which the titles and authors were chosen remains unclear; clearly, the number of translated books in Bulgaria are lesser than those of other former socialist countries.

Moreover, it would be educational to note that the quality of doctoral theses have slowly yet steadily been improving; although

this does not offer any major novelties, it virtually demonstrates a reasonable standard for both theoretical and empirical as well as for statistical and econometric research. In recent years, a number of theses of theoretical and applied character such as those by Silvia Trifonova, Svetoslav Petkov, Peter Chobanov, Guergana Mihailova, Darina Koleva, Irina Kazandzhieva, Ralitsa Ganeva, Kaloyan Ganev, Peter Ignatiev, Roumen Andreev, Stella Raleva, etc.,⁴⁷⁾ have been defended.

IV Concluding Remarks

What conclusions may be derived on the basis of this study? The following three *concluding remarks* are presented, which are of course, debatable. The first, second, and third concluding remarks are associated with negative, positive, and neutral inferences, respectively.

First, the negative inference is that Bulgaria, just as the other Eastern European countries, *produced nothing new or original*. No new theories were developed in order to reflect the collapse of the system in the former planned economies or in the world economic thought. Despite the obvious prerequisites and demand for new theories that could consider the collapse of the planned economy, no pertinent theories emerged and there was almost no theoretical contribution of economic science to transition. Original research in purely theoretical and conceptual terms was completely absent. Nevertheless, we understand that in the past, every crisis in the economic system led to fundamental changes in economic theory; the marginal utility revolution in the 1870s or the appearance of Keynesianism or monetarism are some such events. This, of course, applies to

economic science both globally and regionally with Bulgaria being a very relevant example. Unlike large countries (such as Russia⁴⁸⁾ or even Romania), Bulgaria does not discuss traditional, or rather fundamental, topics such as whether to follow the universal development path, or to study something more specific instead, such as investigating the proportion between theory and history or apriority and empirical verification, etc. Alternatively, if this is happening, it can be said that then these traditional topics are so insignificant that they can simply be disregarded.

Second, the positive inference is that Bulgaria and the others former socialist courtiers are not the only “unproductive” regions. *This may be ascribed to the modern Western economic science*, which has been in a serious crisis for decades; it has been attempting to recover by physically moving into the intellectual space of the former socialist countries, which has been facilitated by the IMF and numerous academic and grant programmes. The fact that Western economic thought in its existing form was absolutely unsuitable and even detrimental for evaluating and explaining the transformation encouraged the development of new theories. A futile scheme—the political economy of socialism—was substituted by an ineffective and “decaying” economic paradigm of the developed countries; the various schools in economics were attempting to identify a field of expression and space to conquer; therefore, in general the basic paradigm of the neo-Keynesian synthesis prevailed, which in my view was the most sterile of all combinations. As a result of this substitution and choice of mix, numerous studies emerged, which will be of little inter-

est to anybody a few years from now. In this sense, the crisis of the Bulgarian post-communist thought is a clear illustration of the general crisis of economic science or rather, a prominent example of futility and obscurity as well as pretentiousness and wastefulness. The current global crisis is new eloquent prove of economic sciences systemic failure.

And third, the neutral inference. *Something is going to change, new theories will emerge; however, when this will happen is unclear*. On the basis of this, we may believe that economic science has entered its most significant and ultimate phase (following Lenin’s metaphor of imperialism), i.e., a phase characterized by general crisis, which would inevitably generate something new or will at least create competition and pluralism, thereby generating new ideas. One example in support of this inference is that, recently, numerous petitions were filed by different groups of economists regarding pluralism in economic science and teaching. However, owing to the resistance from the mainstream as well as the entire academia, it is unclear when these changes will actually occur. Moreover, owing to the mainstream academia’s strong association with political authority and economic interests, as well as their ability to engulf and re-cast all novelities, I do not envisage a prompt change in the situation.

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Notes

- 1) Hans-Jürgen Wager uses this metaphor of demand and supply with respect to the demand and supply of economic knowledge in

Eastern Europe. Within the frame of his reasoning, it was interpreted that the events in Eastern Europe negatively impacted supply and positively impacted demand, which led to the emergence of different types of balancing mechanisms (Wagener 2002).

- 2) With a few exceptions such as Dimitrov (2002), who presented an overview of the major trends in economic education in Bulgaria after 1990; see also the discussion at the Varna University of Economics (Mavrov 2007). For a general overview of the post-communist period, see, for example, Wagener (1997, 1998, and 2002) as well as Evans and Aligica (2009) and Evans (2010) on the topic of liberal school of thought.
- 3) The ideas of Perestroika had seized the attention of a few progressive economists because the Soviet press was rather popular; this was evidenced from the boom in number of Russian newspaper and magazine subscriptions.
- 4) Lyuben Berov was an internationally recognized economic historian who studied different issues regarding the capitalist development in Bulgaria (industry, banks, foreign capital, income distribution, etc.) using extensive statistical applications and his own comprehensive empirical investigations (see for example, Berov, 1961, 1989). Evgeni Mateev was a founder of Bulgarian cybernetics; he proposed an original model of flexible automatized system of macro management, and subsequently a global systemic model of the economy as part of an ecological system (Mateev 1987). To these contributions, I could also add the mathematical model of the socialist economy (in the spirit of the theory of disequilibrium) that was proposed by Antonov (1989).
- 5) Compare with Ratajczak (2009), Poland.
- 6) To the extent of my knowledge, no Bulgarian economists have ever been cited by any of the world's great economists except

for Ivan Gueschow who was cited in a footnote (however, the context remains unclear) by Vilfredo Pareto in his *Corso di economia politica*, Pareto (2009 [1905], 355). In his study, Pareto cited a speech that was delivered by Ivan Gueschow in the late 1895, where the latter gave a quantitative example of *agio*, i.e., of a positive correlation between the increase of agio on gold and an increase in number of silver coins in circulation (it is unclear, to me at least, whether this refers to Argentina or to Bulgaria). However, the name of Ivan Gueschow is not included in the name index of this *Corso*.

- 7) For details, see Natan et al. (1973) as well as Sazdov (2005, particularly 176, 180).
- 8) The indicated scheme of the two major channels apparently reveal a few similarities with the familiar Marxian concept regarding the dialectics of the base (production or economic relationships) and the superstructure (economic theory is considered to be a part of the superstructure), where the base plays the leading role and the superstructure possesses a certain degree of autonomy, etc. A number of studies on economic thought especially emphasize "the role of economic environment on economists" in a different manner (Gide and Rist [1944] 2000, 9), or in the opposite direction of influence (for example, Keynes), or offer a complex perspective regarding this topic, for example, Schumpeter ([1954] 1983).
- 9) See for example Avramov and Antonov (1994), Dimitrov et al. (1999), and Nenovsky (2009).
- 10) Bukharin [1920] 1989.
- 11) In my opinion, Leonidov's (2000) rare theoretical contributions include the promotion of the ordoliberal interpretation and ordoliberal economic policy; he also introduced some evolutionary ideas occasionally.
- 12) See a similar discussion for Russia in Sutela (2009) and Zaoztrovstev (2009).

- 13) Essentially, Mitko Dimitrov (born in 1950) highlighted that the most capable and enterprising economists have established their own businesses, and those who continued to pursue economic research may be classified as the most incapable economists (Dimitrov 2002). A few “idealistically” inclined scholars may also be added to the latter group.
- 14) The following economists from the academia were a part of the BNB (Central bank) managing board during different periods of time: Emil Hursev (born in 1961), Milleti Mladenov (born in 1944), Gancho Ganchev (born in 1953), Lena Roussenova, Georgi Petrov (born in 1929), Garabed Minassyan (born in 1944), Roumen Avramov (born in 1953), Stati Statev (born in 1955), Nikolay Nenovsky (born in 1963), etc. The following Ministers of Finance (with a few exceptions, such as Muravey Radev, Dimiter Kostov, Svetoslav Gavriisky, and Milen Velchev) were/are a part of the academia: Ivan Kostov (born in 1949), Stoyan Alexandrov (born in 1949), Hristina Vucheva, Plamen Oresharsky (born in 1960), and Simeon Djankov (born 1970).
- 15) The following examples of Russian creativity may be mentioned: “the theory of institutional matrices” developed by Svetlana Kirdina (2003) and “the theory of institutional trap” developed by Victor Polterovich (2008). My explanation of a lack of creativity demonstrated by Bulgarian economists is primarily linked to the historically established conformist and imitative behaviour of Bulgarian people and of Bulgarian elites owing to long periods of foreign domination and dependencies (Ottoman empire, Soviets domination, etc.).
- 16) Hayek’s principal philosophical and political sciences books were translated in mid-1990s.
- 17) See the material regarding Hayek that was published by the Bulgarian National Bank (Nenovsky 1999).
- 18) Of course, within the paradigm of socialism, scholars like Georgi Petrov (born in 1929) and Jack Aroyo (born in 1921) may be regarded as violators of the *status quo*, although to different degrees and in different ways, and attempted to defend “necessity,” “commodity–money relationships,” and the “law of value [*cennost*]” (which could alternatively be termed “the law of cost [*stoy-most*]”) under socialism from the recognized as well as traditional economists; for further information, see Petrov (1969; 1990) and Aroyo (1986).
- 19) The fact that Romania is not featured in Wagener’s book offers some “solace.” However, it is a fact that unlike Bulgaria, Romania has economists—immigrants from the West—who continue to be popular in Romania even today, such as Nicholas Georgescu Roegen and Nicolas Spulber, or the protectionist Mihail Manoilescu who is, even today, respected in Latin America for his development economics and agriculture concepts (see Aligica 2002).
- 20) There exists regularity, on the basis of which Peter Meusburger said, “The earlier the knowledge, experience, and networks needed in the 1990s for a successful adjustment and adaptation to the market economy had been acquired, the more successful was the transformation process” (Wagener 2002, 5). I personally do not agree with this statement for the simple reason that the transition was not a transition *per se*, rather it was a transformation, i.e., a process with an open end, and these processes were not underpinned by knowledge. However, I do agree with the fact that the better one understands the mechanisms of the market economy, the easier it is to make a decision in new and unfamiliar circumstances.
- 21) This group comprised practically all

- economists who worked on the political economy of socialism and were involved in the policy making and in the communist party decision-making.
- 22) Recently, on BNB's initiative, a decision was taken under the *Bulgarian Economic Heritage* Series for reissuing the major studies of the distinguished traditional Bulgarian economists.
 - 23) Bulgaria emerged as a state in 681 and from 1018 to 1186 it was under the Byzantine rule. This was followed by a period of autonomy until it came under the Ottoman rule (1393–1878). Subsequently, there was a period of independence once again; however, in 1944/1945 Bulgaria joined the socialist countries bloc, which was actually dominated by USSR. The Soviet bloc collapsed in late 1989 and Bulgaria became a member of the European Union in 2007.
 - 24) The liberal views were shared by Bulgarian revolutionaries and early politicians such as Georgi Sava Rakovski (1821–67), Christo Botev (1848–76) (with anarchistic elements), Petko Slaveykov (1827–95), the early Stephan Stambolov (1854–95) etc. (see Black 1943).
 - 25) See Yotzov (2000).
 - 26) A few Bulgarian academic economists attained high positions in International Financial Institutions (IFIs), for example, Kristalina Gueorgieva at the World Bank (Vice President). A few Bulgarian economists are employed at the Federal Reserve research units (Dobrislav Dobrev and Ekaterina Peneva), the European Central Bank (ECB), and other central and commercial banks.
 - 27) For example, Sofia University realized a joint programme with the University of Delaware, USA, and a few American academics and published interesting studies regarding Bulgaria; Koford (2000), Koford and Miller (2006), Miller and Petranov (2001).
 - 28) With the exception of the previously mentioned Leonidov (2000).
 - 29) For a general understanding of transition, see the books by Savov (1999), Prodanov (1999), and Manov (2000).
 - 30) The Rhan–Utt Plan (after the names of Richard Rhan and Ronald Utt, the National Chamber Foundation, the U.S.) was realized at the invitation of Prime Minister Andrey Lukanov during the period March–August 1990. This project envisaged radical and shock reforms in all spheres of the country, including the introduction of a currency board.
 - 31) I would also like to mention the book on monetary theory by Mladenov (2009), which has been reprinted numerous times.
 - 32) <http://www.bnb.bg/bnb/home.nsf/fs>
 - 33) One of the most original books on the pure theory of money is Harsev (1991), which analyzes the evolution of money from both logical and historical perspectives.
 - 34) An article by the same authors was featured in the economic weekly journal, *Capital*, on February 11, 2000, which initiated a discussion regarding the advantages of unilateral euroization in the (same) daily periodical (see for example, Roumen Avramov), and the critique of the euroization idea in Kostov and Kostova (2002). See also Minassian (2005).
 - 35) This was also facilitated by the publication of the five volumes of archived documents of the BNB, the establishment of the BNB Committee on History as well as the Balkan Monetary and Financial History Network in 2000 on the initiative of the BNB and the Bank of Greece and its regular meetings (see for example, Oesterreichische Nationalbank, 2007). Among the historical studies, that of Rositsa Rangelova (2006) deserves a mention. Here, we must also note that the presentation of the psychological theory of exchange rates by Albert Aftalion (1874–1956; he is a French economist of

- Bulgarian origin) and its empirical illustration of the currency stabilisation between the two wars in France and in Bulgaria (Nenovsky 2005). Moreover, a few studies on the Austrian School by Stefka Koeva (2002; 2003), and Kolev (2009) were conducted on the basis of the inter-war economic discussions in Bulgaria. The publications of Metodi Kanev (Academy of Economics, Svishtov) are considered to be rather insightful and emphasize the methodological and conceptual issues of some of the forgotten Bulgarian authors.
- 36) <http://minaloto.org/>
 - 37) In Nenovsky (2007), a systemic attempt has been made for expanding the theory of the monetary order by integrating the dimensions of power, force, interests, conflicts, etc.
 - 38) <http://www.csd.bg/>
 - 39) <http://www.ime-bg.org/>
 - 40) This is largely explained with the help of the fact that the debates of general theoretical nature are considered to be sterile, and perhaps mechanically follow the sterility of the theoretical discussions during socialism.
 - 41) The work of Kamen Mirkovich, which is an attempt at a new synthesis of value and utility (Mirkovich 2005), claims fundamental originality. I am not able to judge the extent to which these claims are justified.
 - 42) Dimiter Ludjev (political scientist) presented an interdisciplinary study of the social groups and their evolution in Bulgarian cities in the mid-20th century (when the socialist era began). In his monumental two-volume book, Roumen Daskalov (political scientist) presented the evolution of the Bulgarian society after independence in terms of its economic, political, legal, and cultural aspects. Vasil Prodanov (philosopher) presented his perception regarding the Bulgaria's position in the global world. Although these three authors considered the economy as an integral part of the society, only interdisciplinary research could offer useful knowledge.
 - 43) Recently, for example, Ilia Balabanov (2008) from the Bulgarian Academy of Sciences published noteworthy papers regarding Marxist methodology.
 - 44) For more, see Yakimova et al. (2001).
 - 45) <http://unwe.acad.bg/yearbook/>
 - 46) <http://www.uni-svishtov.bg/dialog/I-MagBg.htm>
 - 47) A number of other Bulgarians who defended doctoral theses abroad have not been mentioned here.
 - 48) See Andryushin (2003), Kirdina (2003).

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