Welcoming Speech

 by

**Mr. IVAN ISKROV,** **Governor of the Bulgarian National Bank**

at the official opening of the new academic year

at the University of National and World Economy,

 September, 17th, 2012

Dear Mr. Rector,

Ladies and gentlemen professors,

Dear students,

Dear colleagues,

It is a great honour and a pleasure for me to participate in the opening of the new academic year at the University of National and World Economy (UNWE).

I would like to thank the Rector, Prof. Statev, for the invitation and the opportunity to congratulate the academic staff and fresher students of one of the oldest higher economic schools not only in Bulgaria but in this part of Europe as well.

With its over 90 years of history UNWE has been for a long time the leading higher education institution in Bulgaria and a benchmark of high quality education in economics, management and administration, law and politics.

Those of us, who are, in one way or another, related to UNWE, have all the grounds to be proud both of the past and the present of our University. I, as an UNWE graduate of 20 years or so ago, find a striking change in the ambience and the full modernization of the university campus and facilities. I and the people of my generation can only nobly envy present day UNWE students for the fantastic conditions for study and vast access to information, which regretfully we did not have at our time. For all these things we should deservedly praise the whole team that has managed the university in the recent years.

Nevertheless, this is only the outer and most visible side of all the positive processes underway in UNWE. The most valuable asset of the university are the people in it, its students and professors. It is no chance phenomenon that the university preserved its high academic reputation even after the changes in Bulgaria in the late 1980-ies. As prescribed by the tradition of its more than 90-year-long history, UNWE has generated and continues to produce many of the management personnel in the economy, and many of the people on the most responsible government positions, including tens of ministers and politicians have graduated UNWE. There is no Bulgarian government, I know of, in the recent 20 years that could not boast of at least a few key ministers – UNWE graduates.

Therefore, my first message to today’s young people is to be proud of the UNWE’ history and to find inspiration and motivation in the achievements of the University’s past graduates. Having in mind the example of the people before you, remember that your fate is in your own hands and that anything can be attained if a person sets to himself clear goals and then invests consistent efforts to achieve them.

Each success begins with dreams, and development stops when a man gives up hoping and fighting. Dreams and plans, however, are always personal and each of you should find the best path for himself and travel it, and what is important travel it with his own efforts. Therefore, you should think out of the box, put everything to the test of doubt (even what you are taught by your professors!), but first and foremost – you should be critical to yourselves and always seek first your own fault in case of eventual failure.

Difficulties, criticism and hurdles both in the learning process and in your professional career should not discourage you, because they are just natural challenges on your way.

Great successes are attained by solving great problems, and not by bypassing difficulties.

The strategy of seeking easy solutions is very likely to eventually prove a losing one. I can confirm this from my own experience as the father of a young man of your generation, the Internet generation, which from a very early age gets used to working in a ‘copy-paste’ style, often without making much own effort or a deeper and more critical analysis. Google is a good thing indeed, but do not rely on it alone. Read in depth and try to analyse!

Relying on your own minds and your own work is a prerequisite not only for the individual but also for the collective success of all of us. This was the thinking of the initiator, the founder and first Rector of this University, Prof. Stefan Bobchev, whose monument stands in front of the university building. Analysing the status of the Bulgarian economy in the early 20th century and realising the need for its speedy development, Prof. Bobchev wrote: ‘We are our salvation, it comes from the united efforts of the people... and no one can help us if we ourselves do not get to work together and help one another’.

Aren’t these words valid for today’s Bulgaria as well? Many people in our country still believe that somebody else will do our job for us, that we should always pay heed to and take in good faith the advice of various experts or institutions from abroad. But is it really true that foreign authorities in all cases have more knowledge, more successful experience or better intentions when it comes to the fate of Bulgaria and the Bulgarian people, and the Bulgarian economy in particular? Do our national interests always coincide with the interests of other countries, even if these countries are, for instance, among the biggest countries in the European Union or the world? On the contrary, we should always look for the Bulgarian perspective and try to draw lessons from our own experience and stand up for the national interests. We must be constructive but not naïve in our relations with the rest of the world.

This is a good opportunity for me to specifically address again the young people here. Please remember and keep the Bulgarian traditions, build your confidence on the achievements of Bulgaria and keep your patriotism, on whichever area your efforts will be focused in future or in whichever part of the world you will be.

These are no abstract topics or declarations. I would say that actually this is the approach that the institution headed by me is trying to follow. The BNB is an active participant in many bodies, working groups, and various initiatives within the EU, the ESCB, the ESRB and the European supervisory authorities. Though this side of the activities of our central bank usually is not in the limelight, it involves much of our efforts and is essential for maintaining the financial stability and ensuring the right conditions for Bulgaria’s economic development.

I can give tens of examples, covering a long period of our history, of ideas and proposals which came from outside of Bulgaria and did not consider the economic and financial interests of Bulgaria. Such examples are also connected with many of today’s hot topics relating to the global financial crisis and the attempts to resolve this crisis in the euro area. For instance, some of the planned reforms at euro area or EU level are not constructive or appropriate for us.

A textbook example in this respect are the attempts of some big member-states to enforce coordination of the tax policies in the EU. This may directly damage the competitiveness of the Bulgarian economy and our freedom to pursue an adequate economic policy. We have always defended the position that Bulgaria must uphold its sovereign tax policy. The latter also includes the low tax rates which are an important economic advantage of Bulgaria and a factor for the attractiveness of our country as an investment destination and a place for doing business.

Another example is related to the recently launched idea of the so-called banking union in the EU. The BNB supports in principle the idea of increased integration and governance within the euro area, including a fiscal union, banking union, political union, as due to the significant imbalances accumulated in the euro area this may be the only way for its stabilization. However, we are against Bulgaria’s accession to the euro area’s banking union at this stage. Where limitations of the national competences and transferring of rights are contemplated, responsibilities should also be discussed. But it is clear from the proposals made by the European Commission a few days ago that any accession by Bulgaria to the thus contemplated banking union will mainly boil down to an unilateral transfer of considerable national sovereignty to Frankfurt and Brussels, against which the country will receive nothing back. Besides, unified supervision goes hand in hand with establishing a common deposit guarantee scheme and a common bank restructuring framework. An element that is presently missing in the proposal, and we still do not know what that will look like.

The only reason I give these two examples is not to provide some exhaustive analysis on the subject, but to bring your attention, the attention of young Bulgarian university students, to something of great importance: always look through the prism of the interests of our nation. I will share with you that unfortunately we often face the disappointment to work with our compatriots abroad who have forgotten their Bulgarian origins. Some of them wouldn’t even think twice to do harm to Bulgaria if that would benefit their own selfish interest or if in that way they would earn the approval of their superiors. No one, however, could succeed as a result of cutting their Bulgarian roots. Never forget that you are Bulgarians and always protect the interests of our motherland!

Because, no doubt, numerous possibilities are open to you. I did not know back then when I was a student at UNWE that I would one day become Governor of the Central Bank of Bulgaria. You too should not be surprised today that you are the future economists, financiers, industrialists – the leaders of tomorrow’s Bulgaria. And enjoying the full rights of citizens of the EU, many of you will achieve successful realization abroad as well, including at senior positions at European or other international institutions. Wherever you may find yourselves to be and at all times, do not forget that your motherland is Bulgaria. Here is where your roots are! This in no way runs counter to the common European values.

And finally, I wish all UNWE students today, and especially the freshmen, to learn a lot and useful things during the new academic year, and don’t forget to pass your exams too. May this year be both successful and enjoyable, and a year to remember all your life!

**Good luck!**