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BUSINESS EXPECTATIONS REGARDING THE INTRODUCTION OF THE EURO IN BULGARIA – DIFFERENCES BY FIRM SIZE

ABSTRACT

This article uses data from the 2025 Business Barometer survey, covering 800 enterprises of various scales, and examines Bulgarian businesses' attitudes toward adopting the euro, focusing on differences by company size. The study situates business perceptions within Bulgaria's historical, political, and economic context of euro area integration and it compares international experiences in Eastern Europe, noting both successes and challenges, with the ongoing domestic debate. Results show apparent divisions among the researched enterprises: larger and export-oriented firms generally view the euro as an opportunity, whereas micro and small enterprises perceive risks, especially regarding adaptation costs and inflation. Key challenges for Bulgarian businesses, such as administrative burdens, labor shortages, and unfair competition, are mostly unrelated to the currency change. The conclusions are that successful euro adoption will rely not only on macroeconomic readiness but also on clear communication, consistent institutions, and targeted support for vulnerable firms to ensure a smooth transition and maximize benefits for the domestic economy.

KEYWORDS: Euro adoption; business expectations; monetary integration; Eastern Europe; adaptation costs

JEL: E52, E58, F36, F45, L25

INTRODUCTION

Among the leading economic and political topics of the past decade has been the introduction of the euro as the official currency in Bulgaria. The process is part of the country's commitment to step by step integration into the euro area, a goal outlined as early as its EU accession in 2007. Much less research has been conducted into how the different economic actors in the country perceive this change, while the strategic, fiscal, and legal prerequisites for adopting the single currency have been the subject of in-depth analyses and political debates. In this context, the attitudes of businesses acquire particular significance – a key driver of economic development and a direct participant in the adaptation processes accompanying the currency transformation.

The main objective of the present article is to examine the attitudes towards the introduction of the euro in Bulgaria according to business size, undertaking a comparative analysis between micro, small, medium, and large enterprises. The likely reasons for differences in attitudes among enterprises of different scales are presented: access to resources, administrative capacity, international activity, ability to adopt regulatory changes, and others. Micro, small, and medium-sized firms are often regarded as more vulnerable both to regulatory and market changes; on the other hand, large firms possess broader opportunities for adaptation, strategic planning, and influence over the economic environment. It is therefore essential to trace both the differences and potential similarities in their perceptions of the benefits and risks of euro area integration.

The empirical part of the article is based on information from the research project *Business Barometer 2025*. It relies on a sample of 800 enterprises, with micro, small, medium-sized, and large enterprises each represented by 200 units. Enterprises from all sectors and industries are included. The respondents are executives from these enterprises – chief executive officers and their deputies, managers, deputy managers, chief accountants, etc. Fieldwork was conducted in January – February 2025. The methods of data collection were structured online and offline surveys with a questionnaire, which included the following blocks of substantive questions: assessments of the current state of the firms; evaluations of the business environment in 2024; comparison of the state of the firms in 2024 relative to 2023; expectations for 2025; key problems faced by firms; topical issues (the impact of the country's accession to the Schengen area, the introduction of the euro, the war in Ukraine, etc.).

1. THE HISTORY OF THE EMERGENCE OF THE EURO

The emergence of the euro is the result of a long-standing process of economic and political integration within the European Union (EU), whose primary objective has been to create a stable, competitive, and united European economy. As a result, the project of introducing a common currency dates back to the 1960s, in the context of efforts to strengthen economic cooperation among the member states of the then European Economic Community (EEC). The idea of an economic and monetary union was launched at the Hague Summit in 1969. In 1970, Pierre Werner's report proposed a concrete plan for the gradual introduction of a single currency. The realization of this project was delayed by the political and economic upheavals of the 1970s and 1980s – including oil crises, inflation, and divergences in economic policies.

In 1986, a real breakthrough came with the signing of the Single European Act, followed by the Maastricht Treaty in 1992, which created the European Union and laid the legal foundations for the Economic and Monetary Union (EMU). The Maastricht Treaty established a clear timetable and criteria for the introduction of the euro – known as the *Maastricht criteria*:

1. Price stability – annual inflation must not exceed by more than 1.5 percentage points the average inflation rate of the three EU member states with the lowest inflation;
2. Sound public finances – a budget deficit of less than 3% of GDP and government debt below 60% of GDP (or convincingly declining towards this level);
3. Exchange rate stability – participation in the Exchange Rate Mechanism II (ERM II) for at least two years without significant deviations from the fixed rate against the euro and without devaluation of the national currency;
4. Convergence of interest rates – long-term interest rates must not be more than 2 percentage points above the average of the three countries with the lowest inflation.
   These criteria were set to avoid introducing the euro in economies with unstable finances, high inflation, or weak currencies, which could jeopardize the stability of the monetary union.

In addition to the economic indicators, the state must also align its legislation with the Treaty on the EU and the Statute of the European Central Bank (ECB) (the independence of the central bank, rules for monetary policy, etc.).

The euro was introduced as a non-cash currency for eleven EU member states on 1st of January 1999, including France, Germany, Spain, Italy, and the Netherlands. On 1 January 2002, euro banknotes and coins entered into physical circulation, replacing national currencies in daily transactions. With this act, Europe, for the first time since antiquity, introduced a supranational currency used by multiple independent states. The European Central Bank (ECB), established in 1998, assumed the central role in managing monetary policy within the euro area.

During the years, new countries in the euro area gradually adopted the currency – by 2024, it included 20 states. Each new candidate country goes through a special coordination mechanism known as the Exchange Rate Mechanism II (ERM II), which guarantees exchange rate stability before transitioning to the euro. Representing one of the last steps prior to the official adoption of the euro, Bulgaria joined ERM II in July 2020.

The history of the euro is a reflection of profound changes in European economic thought, but not only a chronology of institutional actions. The euro symbolizes the efforts of the member states to balance national sovereignty with the need for standard solutions to global challenges. Although facing multiple crises – such as the euro area debt crisis after 2009 – the euro remains a central achievement of European integration and a subject of constant interest to academia, business, and society.

2. ECONOMIC ARGUMENTS "FOR" AND "AGAINST" THE ADOPTION OF THE EURO FROM A BUSINESS PERSPECTIVE

The adoption of the euro in Bulgaria is a strategic challenge for businesses and represents a macroeconomic and political issue. Different economic sectors and enterprises perceive the introduction of the single currency through the prism of specific benefits and risks that affect both their operational activity and long-term planning.

Another significant positive effect concerns financing conditions – the adoption of the euro may lower interest rates and improve access to capital, especially for small and medium-sized enterprises (SMEs), which are traditionally more dependent on bank lending. Furthermore, being part of the euro area is perceived as a signal of macroeconomic stability, which may enhance the confidence of foreign investors and attract new ones.

Among the most frequently cited economic arguments "for" the euro is the elimination of currency risk and transaction costs when trading with euro area countries. This is particularly significant for export-oriented firms that frequently conclude contracts in euros. The stability of the single currency and the removal of currency exchange costs also help lower transaction costs, improve price transparency, and enhance the competitiveness of Bulgarian businesses in the EU internal market.

On the other hand, businesses also point out several arguments "against" the transition to the euro, or concerns associated with it. Among the leading ones are expectations of rising prices, which are for instability, pessimism, and fear. This is relevant not only for goods and services with inelastic demand but also for the risk of short-term inflation, observed in other newly acceding countries. All this may adversely affect labor costs and consumption, particularly for small firms with limited resources and profit margins.

Some enterprises also express concerns that in the event of external shocks Bulgaria would lose the ability to conduct an independent monetary policy, thus limiting its capacity to respond with instruments such as devaluation or interest rate control. This is seen as particularly critical for sectors sensitive to the global competitive environment (e.g. agriculture, light industry, energy).

Finally, for part of the business sector – especially smaller and family-owned firms – the main challenges are linked not so much to the economic essence of the currency change as to the exceeding operational costs of adaptation: new software implementation, accounting systems, contractual terms, and staff training.

In summary, business attitudes towards adopting the euro are shaped at the intersection of expected economic benefits and real or perceived risks. These attitudes vary significantly depending on the size, sector, and degree of international engagement of enterprises – a topic that will be empirically analyzed in the subsequent sections of the study.

3. SUCCESSFUL AND UNSUCCESSFUL PRACTICES IN THE INTRODUCTION OF THE EURO BY EASTERN EUROPEAN COUNTRIES

The process of joining the euro area in Central and Eastern Europe has been marked by diverse approaches, outcomes, and lessons, which can be grouped into successful and unsuccessful practices. Economic indicators are of substantial importance, but not only. It is often political strategy, public communication, and business orientation towards change that determine the real success of the currency transformation.

3.1. SUCCESSFUL PRACTICES

Slovenia is one of the most frequently cited success stories. It was the first Eastern European state to adopt the euro in 2007. The two key elements of its transition were timely fiscal consolidation and maintaining low inflation. Also, very important was the active dialogue between the government, business, and civil society. Slovenian institutions conducted a large-scale information campaign that prepared the population and enterprises for the technical and economic aspects of the transition. This was essential for the success of euro adoption.

Slovakia (2009) is often cited as an example of an effective transition. It maintained fiscal discipline and macroeconomic stability while creating a broad public consensus regarding the benefits of the euro. Clear regulatory guidelines for business were adopted in the country, the currency conversion was carried out transparently, and dual price labelling (in the national currency and in euros) helped to limit price speculation. The same practice was implemented in Bulgaria starting in early August 2025.

Another successful example is the three Baltic states – Estonia (2011), Latvia (2014), and Lithuania (2015) – which demonstrated other important practices. Despite initial public reservations, particularly in Latvia, their governments emphasized consistency, institutional stability, and control over inflation. The focus was placed on the technical preparation of businesses, with guidelines for accounting software, product labelling, and contract conversion. The Baltic model shows that even in countries with limited resource capacity, it is possible to introduce the euro successfully, provided there is political will, effective coordination, and good communication.

3.2. UNSUCCESSFUL OR PROBLEMATIC PRACTICES

Despite the overall success of the euro's introduction in Central and Eastern Europe, there have also been problematic aspects. The most frequently cited challenge has been insufficient communication with the people, leading to doubts, distrust, speculation, and discontent. For example, before Lithuania adopted the euro in 2015, public support was below 30%, primarily due to fears of rising prices. Although the actual effect on inflation proved to be limited, the weak explanatory campaign led to lasting distrust in the first months after the transition.

A similar situation was observed in Latvia, where the lack of transparent governance and strong anti-elite sentiment contributed to low levels of public support. Many small enterprises expressed dissatisfaction with the costs of the transition, including changes to cash registers, accounting software, and contractual documentation. All had been underestimated by the authorities. This highlighted the need for targeted state support for small businesses during the currency transformation.

In Croatia, which adopted the euro in 2023, the process also encountered challenges. Although technical preparation was relatively good, some retail chains and firms were accused of unjustified price rounding, which led to a sharp deterioration in consumer attitudes. This demonstrated that market and price control must be strict and effective in the period before and after the introduction of the euro.

Comparative analysis shows that successful practices in euro adoption are characterized by three main factors: institutional consistency, active and timely communication, and support for businesses and citizens during the adaptation period. Conversely, unsuccessful practices most often arise from underestimating the social and communication aspects of the process.

The lessons from the experience of Eastern European countries are of crucial importance for Bulgaria. If the country wishes to achieve a smooth and publicly supported transition to the euro, it must apply proven practical approaches – with a focus on transparency, awareness, and real support for businesses, especially for micro and small enterprises.

4. THE EVOLUTION OF THE DEBATE ON THE EURO IN BULGARIA

The debate over Bulgaria's adoption of the euro dates back to the country's accession to the European Union in 2007, when it undertook the legal obligation to join the euro area upon fulfilling the Maastricht criteria. Despite this commitment, the topic of the euro remained peripheral in the public sphere during the first decade after EU entry. Until around 2018, it was present mainly within expert and governmental circles, as part of the broader discussion on European integration, fiscal discipline, and macroeconomic stability.

During this early period, institutions maintained a relatively consistent stance in support of joining the euro area. The Bulgarian National Bank (BNB) and the Ministry of Finance repeatedly emphasized the advantages of the fixed exchange rate to the euro and the stability arising from Bulgaria's currency board, introduced in 1997. This currency regime was regarded as a bridge to a smooth transition to the single currency. At the same time, public interest in the topic remained low, and the lack of a broad information campaign resulted in limited understanding among the population of the potential consequences of euro area integration.

Gradually, as Bulgaria's progress towards participation in ERM II increased, interest in the topic grew. In July 2020, Bulgaria officially joined ERM II and the banking union – key steps towards the introduction of the euro. This event placed the issue in the spotlight of the media, experts, and political parties. It was at this point that the debate began to transform from predominantly technocratic to broadly public and politicized.

In the years following 2020, a growing polarization in the assessments of euro adoption has been observed. On the one hand, representatives of government, the central bank, business associations, and international partners highlight the benefits of euro area membership – cheaper financing, elimination of currency risk, integration with European financial markets, and enhanced investor confidence. On the other hand, numerous politicians, economists, and public figures question the country's readiness, possible inflationary effects, the loss of monetary sovereignty, and the risk of declining purchasing power of citizens.

The skeptical line of debate intensified particularly after 2022, when, amid high inflation across Europe and domestic political instability in Bulgaria, voices emerged calling for the postponement of euro area integration. The use of the euro issues in populist political discourse became increasingly common, with claims of mass price increases, social injustice, and "external pressure" to join. In some cases, deliberate dissemination of disinformation and fears was observed, contributing to declining public support.

Surveys based on public opinion during this period recorded significant fluctuations: while in 2020 around 50% of Bulgarians supported the introduction of the euro, by 2023–2024 support had declined to around 30–35%, with a growing share of neutral and negatively inclined respondents. The reasons for this included the lack of an effective communication strategy, weak trust in institutions, and accumulated fatigue and uncertainty among the population due to the recent years' socio-economic crises.

The business community remains divided. A large proportion of export-oriented and medium-to-large firms support the adoption of the euro. In contrast, micro and small firms express concerns about transition costs, inflationary pressures, and administrative burdens. In this context, the debate over the euro in Bulgaria has taken on a multilayered character, in which economic arguments often intertwine with political and psychological factors.

In 2025, the debate remains increasingly intense, with entry into the final phase of preparations for the euro necessitating genuine public information, institutional consistency, and the engagement of all stakeholders. The cases of other Eastern European countries show that a successful transition requires not only economic readiness but also societal maturity and stable communication aimed at reducing fear and speculation. In this respect, the debate on the euro in Bulgaria reflects both the country's economic ambitions and the challenges to its democratic maturity.

5. CONCEPTIONS OF THE IMPACT OF THE EURO AS BULGARIA'S NEW NATIONAL CURRENCY

5.1. THE DESIGN AND METHODOLOGY OF THE BUSINESS BAROMETER PROJECT

Since the article is based on information from the *Business Barometer 2025* research project, it is helpful to briefly discuss the project's design and methodology.

The long-term *Business Barometer* research project dates back to 1999, when the pilot wave of the survey was conducted at the then Institute for Economic Analyses, Expertise, and Forecasts at the University of National and World Economy (UNWE), headed by Prof. V. Manov. The program and instruments of the project were developed and applied by a group of researchers from the Institute for Economic Analyses, Expertise, and Forecasts, led by Prof. S. Jelev and Senior Research Associate D. Pushkarov. The overall concept of the Business Barometer can be described as follows:

Once annually, at the end of the evaluated year (e.g., 2024), usually in January and February of the following year (2025), a sample of business executives – representatives of Bulgarian firms – is surveyed on various key indicators for the firms and the business environment, such as:

- Their assessments of the state of their own firms regarding production and technological equipment, quality of the workforce, capacity to secure sources of financing, labor discipline, and numerous other indicators with reference to the evaluated year (e.g., 2024);
- Their assessments of the business environment – prices, markets, access to financing, availability of workforce, administrative and tax burden, etc., with reference to the evaluated year (e.g., 2024);
- Comparative evaluation of all the above indicators for the current year relative to the previous year (2024 compared with 2023);
- Expectations for the subsequent year regarding these parameters (2025).

In each wave, confidence in official statistical data is measured, concerning income levels, inflation, GDP growth, and other macroeconomic indicators. Likewise, in every wave of the project, the main obstacles faced by businesses, as expressed by their representatives, are recorded.

In different waves, depending on the public agenda, a series of topical questions are also asked. For the 2024 wave, they related to the impact of the adoption of the euro; attitudes towards Bulgaria's accession to the Schengen area; how firms were affected by the inability to form a stable, regular government in recent years; the impact of the Recovery and Resilience Plan; the impact of the war in Ukraine, etc.

The Business Barometer was conducted regularly from 2000 to 2012, with samples of about 800 to 1000 firms across all sectors and branches of the economy. Over the years, improvements were made to its instruments, though these did not substantially affect the comparability of data across waves. Initially, the methods of data collection were written and oral surveys. In recent years, online surveys have also been added.

The Business Barometer demonstrated exceptional sensitivity to different "atmospheric pressures" – economic conjunctures during the period, including stronger growth, moderate growth, and recession.

For various reasons, the project was discontinued. It was restored in 2023 as a long-term project of the Research Fund of the University of National and World Economy. After revising its instruments in 2024, fieldwork was conducted in January and February 2025 to evaluate the 2024 results. In this wave, the sample was disproportionately stratified and included 800 units: 200 micro, 200 small, 200 medium, and 200 large firms. The methods of data collection were online and offline surveys.

5.2. ASSESSMENTS OF THE ADOPTION OF THE EURO IN BULGARIA

Table 1 presents data on the impact of adopting the euro as the new national currency on the entire population of firms operating in the Bulgarian market. Business executives, representing the firms in the sample, were asked to respond to the question: *How will it affect your firm if the euro replaces the lev in Bulgaria?*

Table 1. How will it affect your firm if the euro replaces the lev in Bulgaria?

Effect on the firm	Share of firms (%)
Entirely positive	9.8
Mostly positive	15.9
Will not affect at all	27.0
Mostly negative	18.1
Entirely negative	12.4
Cannot assess	16.9
Total	**100.0**

Source: Empirical study "Business Barometer 2025", academic project funded by the Scientific Research Fund of the UNWE, Sofia

What conclusions can be drawn from these data?

- **Variety of attitudes.** The opinions of Bulgarian firms are divided, with no clearly expressed majority in any category. The largest share (27%) of firms believe that replacing the lev with the euro will not affect their activities, indicating considerable neutrality or a lack of clear expectation for change.
- **Slight predominance of negative expectations.** The share of firms expecting entirely or partially negative effects is 30.5%. This is slightly higher than the share of firms with entirely or partially positive expectations, which amounts to 25.7%.
- **Uncertainty among firms.** A significant proportion (16.9%) of firms cannot assess how the euro will affect their activities. This may be due to insufficient information, uncertainty about the economic consequences, or sectoral differences in their operations.
- **Limited enthusiasm for positive effects.** Only 9.8% of firms expect entirely positive effects, the lowest share among categories with a clearly expressed position. This suggests that few firms perceive substantial advantages from adopting the euro, such as easier trade or reduced currency costs.
- **Possible challenges.** Drawing on the experience of Eastern European countries discussed earlier, the high percentage of firms with negative expectations (30.5%) may reflect concerns about rising costs, price pressures, or adaptation difficulties during the transition to the euro, particularly for micro and small enterprises.

5.3. ATTITUDES TOWARDS THE EURO

In Table 2, expectations regarding the impact of adopting the euro are presented by firm size, measured by the number of employees. Of course, other indicators of firm size, such as revenue or turnover, could be used. However, experience from previous editions of the *Business Barometer* shows that a substantial share of firms refuse to provide such data for various reasons. Another problem is the reporting of unreliable data, though it is difficult to assess the exact share of such firms. These two problems have led the authors of the *Business Barometer* to use a more limited approach.

Table 2. Expectations of the Impact of the Adoption of the Euro by Firm Size

Firm Size	**Entirely Positive**	**Mostly Positive**	**Will Not Affect at All**	**Mostly Negative**	**Entirely Negative**	**Total %**
Micro	8.8	15.8	26.9	28.7	19.9	100.0
Small	11.3	15.5	36.3	25.6	11.3	100.0
Medium	12.7	21.2	35.8	18.8	11.5	100.0
Large	14.3	24.2	31.1	18.0	12.4	100.0
Total %	**11.7**	**19.1**	**32.5**	**22.9**	**13.8**	**100.0**

Source: Empirical study "Business Barometer 2025", academic project funded by the Scientific Research Fund of the UNWE, Sofia

Table 2 shows a two-dimensional distribution by the variables: expectation of the impact of adopting the euro as the new national currency (survey question: *How will it affect your firm if the euro replaces the lev in our country?*) and firm size (survey question: *Approximately how many people are employed on permanent contracts in your firm?*). Firms that answered *cannot decide* have been excluded.

What does the table show?

- Opinions on the impact of euro adoption are divided: 30.8% expect entirely or mostly positive effects; 36.7% expect entirely or mostly adverse effects (last row of the table).
- The prevailing view is that the adoption of the euro *"will not affect at all"* their business. This is held by one-third of firm managers (32.5%).
- More than one third (22.9 + 13.8 = 36.7%) of all managers believe that the adoption of the euro will have a negative effect – entirely or partially – on their firms' business.
- The strongest negative expectations are expressed by managers of micro firms – almost half of them share such expectations (28.7 + 19.9 = 48.6%); they are weaker among managers of small firms (25.6 + 11.3 = 36.9%); still weaker among medium firms (18.8 + 11.5 = 30.3%) and large firms (18.0 + 12.4 = 30.4%). In other words, as firm size increases, negative expectations decrease.
- Conversely, as firm size increases, positive expectations of the impact of euro adoption also increase: positive expectations are shared by 24.6% of micro firms, 26.8% of small firms, 33.9% of medium firms, and 38.5% of large firms.

The Kruskal–Wallis test showed a statistically significant difference in the assessment of the impact of euro adoption across different firm-size groups (whether firm size is a statistically significant variable in expectations about the euro's impact). The Mann–Whitney U test, which compares pairs of firm sizes with statistically significant differences in expectations of the euro's impact, established that:

1. Micro firms differ significantly from small, medium, and large firms;
2. However, small, medium, and large firms do not differ significantly among themselves with respect to expectations of the impact of euro adoption in Bulgaria.

With some "rounding", several conclusions can be drawn:

1. The larger the firm, the more positive its attitude towards the euro.
2. Micro firms are the most concerned about the adoption of the euro.
3. Large firms see the euro more as an opportunity than as a threat.
4. The most widespread reaction is *"It will not affect at all."*

Table 3. Which Three or Four Problems Hinder Your Firm's Business the Most? (Up to 4 answers)

Problems	**Micro**	**Small**	**Medium**	**Large**	**Total %**
Unfair competition	42.5	40.5	28.0	13.5	31.1
Administrative and bureaucratic barriers	38.5	47.0	35.0	35.5	39.0
Social security burden	36.5	23.0	16.5	17.0	23.3
Tax burden	31.0	23.5	18.5	17.5	22.6
Difficulty in finding skilled labor	31.0	44.0	58.5	61.0	48.6
Increased energy prices	27.5	21.5	26.5	34.0	27.4
Corruption	21.5	17.0	19.5	17.5	18.9
Legislative shortcomings	21.0	30.0	24.5	21.5	24.3
Growing power of retail chains	17.5	13.5	11.5	10.0	13.1
Unfavorable macroeconomic environment	15.5	24.0	28.0	21.0	22.1
Competition from foreign producers	13.5	15.0	11.0	21.5	15.3
Rigged public procurement	11.5	12.5	12.0	11.0	11.8
Difficult access to credit and other financial sources	7.5	9.0	5.0	5.0	6.6
Other	2.0	1.0	2.0	2.0	1.8

Source: Empirical study "Business Barometer 2025", academic project funded by the Scientific Research Fund of the UNWE, Sofia

Let us first outline which of these problems are not at all related, only weakly related, or substantially related to the adoption of the euro.

Table 4. To What Extent Are the Problems Related to the Adoption of the Euro

Problems	**Not related**	**Related**
Unfair competition	*	
Administrative and bureaucratic barriers	*	
Social security burden	*	
Tax burden	*	
Difficulty in finding skilled labor	*	
Increased energy prices	*	
Corruption	*	
Legislative shortcomings	*	
Growing power of retail chains	*	
Unfavorable macroeconomic environment		*
Competition from foreign producers	*	
Rigged public procurement	*	
Difficult access to credit and other financial sources		*
Other		

Source: Empirical study "Business Barometer 2025", academic project funded by the Scientific Research Fund of the UNWE, Sofia

From the data in the table, two things are clear:

- Of the 13 major problems, the solution to 11 is not related to the adoption of the euro, and only 2 are related: (a) improving the macroeconomic environment (the assumption being that the euro area provides greater stability and predictability); (b) better opportunities for access to credit and other financial sources.

- These two problems, which are related to euro adoption, are not among the significant problems indicated by Bulgarian businesses. Improving the macroeconomic environment is ranked 8th, while improving access to credit is ranked 13th.

The main conclusion is that the issue of euro adoption has almost no direct connection with the main problems faced by businesses. Most of the problems are related to the shortage of skilled labor, administrative and bureaucratic barriers, energy prices, unfair competition, legislative shortcomings, and the social security burden. These are systemic and structural barriers that a currency change will not solve. Hence, the fact that over 32.5% of businesses do not expect any effect from the euro, while micro firms are even more negatively inclined, because their real problems remain.

One reasonable question to raise is how negative expectations regarding euro adoption among the micro firms will affect their businesses. Will it double or triple the negative effect, or will there be no difference?

CONCLUSION

The study confirms that business expectations regarding the adoption of the euro in Bulgaria are heterogeneous and strongly conditioned by firm size. Micro enterprises emerge as the most skeptical group, with nearly half anticipating negative consequences, while large firms display comparatively more optimism, perceiving the euro primarily as a tool for stability, competitiveness, and financial integration. The empirical analysis reveals that the majority of structural barriers confronting Bulgarian businesses – labor market constraints, bureaucratic burdens, and market imperfections – are not directly connected to the currency transition, which explains the widespread neutrality and limited enthusiasm recorded among respondents.

Lessons from the experience of other Eastern European states underline the decisive role of political leadership, transparent communication, and targeted support for small businesses in ensuring a smooth transition. For Bulgaria, the challenge is therefore dual: to consolidate macroeconomic and institutional readiness, while simultaneously addressing the informational gaps and apprehensions of firms most exposed to adaptation costs. Achieving a broad-based consensus will require a coordinated strategy that balances economic rationality with public trust. Ultimately, the euro's successful introduction in Bulgaria will depend not merely on meeting formal convergence criteria, but on the ability of institutions to engage business and society in a credible and inclusive process of integration.

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