

# Table of Contents and Summaries

## Articles

### **The Evolutionary Theory of Economic Change, by Richard Nelson and Sidney Winter**

**Marcho Markov**

The article examines the evolutionary theory of economic change, created by the two American scientists. The history of writing their joint book is investigated in detail. There are analyzed the theses of their predecessors and the closest allies of evolutionism, as well as the Schumpeterian approach, applied by them. The main methods of economic evolutionism, the nature of the mathematical apparatus and the computer modeling of the processes are considered. The fundamental concept of evolutionary economics is characterized in detail –the routine, from which the evolutionary theory of the firm is derived. Special attention is paid to the relationship of the evolutionary theory to the methods and tools of macro-economic policy.

**Key words:** Schumpeterian approach, method of economic evolutionism, institutionalism, evolutionary theory of economic change.

**JEL:** B25, B52.

### **Economic Growth and Natural Resources**

**Yuli Radev**

The goal of the present paper is to ground macroeconomic model of economic growth, in which the natural resources participate as independent factor of production. The model is the basic instrument of comparative economic researches of the scarcity of mineral resources and growth, sustainable development, pricing, as well as estimation of the environmental effect of extraction and consumption of renewable and non-renewable natural resources. The attention in the report is focused on the mathematical and mathematic-economic aspects in the neoclassical models of growth, and particularly in the model Ramsey-Cass-Koopmans.

**Key words:** economic growth, natural resources, Hamiltonian, constant elasticity of substitution, steady state equilibrium, Hotelling rule, sustainable development of Solow.

**JEL:** C61, E21, Q32.

### **Estimation of the impact of the USD/EUR exchange rate on the gross foreign exchange reserves' dynamics in Bulgaria**

**Silvia Trifonova, Mihail Konchev**

The key objective of the paper is to examine the impact of the USD/EUR exchange rate on the gross foreign exchange reserves in Bulgaria. The reviewed period is January 1999 - October 2012. With this aim in our study the correlation between the USD/EUR exchange rate and the volume of the BNB's external assets is estimated and analyzed, the most relevant model describing this relationship is determined and chosen and the model adequacy and explanation is defined. On this basis a forecast is made for the USD/EUR exchange rate monthly levels for the year 2013 and the expected volume of the country's foreign exchange reserves for the same year is estimated according to the chosen model.

**Key words:** USD/EUR exchange rate; foreign exchange reserves; forecasting; currency board arrangement; Bulgarian National Bank.

**JEL:** G15, F31.

### **Establishing the individual and group motivation impact on employees in business organizations**

**Stanka Koleva, Petar Semyonov**

The article describes the basic points of a new methodology to identify the individual and group motivation impact on employees in business organizations. The conclusions are based on studies of industrial enterprises in Bulgaria and identification of problematic areas in the current development of the science of human resources' motivation.

A method is proposed to measure the motivation impact on employees, seeking to establish which factors-motivators have an impact on the needs of the employees and the extent to which their influence is fully exploited.

**Key words:** motivation, motivational impact, factors – motivators, triangular matrix of preferences.

**JEL:** M50, M59, J53.

### **Internship Programs – Opportunity for Start Career**

**Tatyana Kicheva**

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Work experience is essential and appreciated by the organizations that hire new employees. One way the young people, completing their education, to acquire work experience is participation in the internship program. Organizations to develop and implement training programs, through which to raise suitable young people for work in organization, is practice in developed countries. Increasingly this practice is used in Bulgaria – especially in larger organizations.

Training programs give young people to gain valuable work experience that will help them in finding a permanent job after completion of their education. The paper research the benefits for trainees and the necessary conditions for a successful training program. In paper are used data from researches of Bulgarian consulting and non-government organizations.

**Key words:** training program, career management, trainee.

**JEL:**L84, M12.

### **Approach for Evaluation of Possibilities for Enhancing Competitiveness and Determination of Management Priorities (as Exemplified by Large Companies from the Non-ferrous Metals Sector)**

**Vyara Milusheva**

The implementation of the strategy for sustainable economic development and the exit from the complicated economic situation are influenced by a number of factors. A prominent and defining place among them occupies the enhancement of the level and dynamics of competitiveness of the Bulgarian economy and in particular its main structural units – the companies. In an environment of an increasingly competitive battle among the companies, it is necessary that they not only achieve a swift technological and product restructuring, gain knowledge of the trends and issues of the domestic and external market, but also clearly define the factors and possibilities for enhancing their own competitiveness. In order to maintain and expand their market positions, industrial companies must achieve competitiveness which is sustainable over time.

The purpose of this article is to provide an approach for evaluation of possibilities for enhancing competitiveness and determination of management priorities. The author holds that the presented approach can be used by the practical experts. The presented approach is based on determination and evaluation of possibilities which can serve as a basis for developing

company strategies to enhance competitiveness. The applicability of the proposed approach has been confirmed by testing the approach in three industrial companies and the results obtained are presented and analysed in the article.

**Key words:** approach for evaluation of possibilities, competitiveness, industrial company, hierarchy method, evaluation, analysis.

**JEL:** L00.

### **Master Training in Russia: Intersections between the Sector of Education and the Labor Market**

**Evgenia Nikulina**

The article discusses the magistracy in Russia as a level of higher education relating the training of university students for their future professional activity. The mechanism of intersection and interaction between the sphere of education and the sphere of work is presented. It functions through the structure of the qualification requirements for students. In the example of the master's training program on "Management" are revealed the contents of the requirements of the National qualifications framework of Russia at a national "subject" level (federal state educational standards and professional standards), as well as at a regional-institutional level (educational programs).

**Key words:** master training, qualification requirements, educational and professional standards, intersections of education to the labor market.

**JEL:** A23, J24.

### **Subsidies – Food Security or Market Destruction**

**Anton Kostadinov**

Supporting farmers in a long term, aims at sustainability and stability in food system. Subsidies are controversial instrument stimulating production, beside its benefits the subsidies are controversial instrument provoking trade conflicts. In the article the most broadly used stimulating instruments supporting food production are analyzed, also the effects of their implementation. Impossibility poor countries to support its food production sharpened trade conflicts and enhanced market fragmentation worldwide. The producers from Africa are pressed simultaneously from rising energy, fertilizers and dumping prices. Despite of active position of WTO insisting for revision and reforming subsidizing policies step ahead has not been achieved yet. Other aspect concerning subsidies is that the food is a matter

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of national security.

**Key words:** subsidies, subsidizing policy, food security

**JEL:** Q18,Q13, Q11.

### Quality of Risk Disclosures

**Kalin Kalev**

The paper proposes a framework for measurement of quantity and quality of risk disclosures in financial report as well as presents empirical evidences of the correlation between quantity and quality of disclosures. Theoretically we based our hypothesis on the information assymetry, agent problem and theory of disclosure regulation. Quality is promulgated as capable of lowering the cost of capital. However there are no firm evidences on the issue in the accounting research literature, quantity is contradictory explaining variable for quality of financial reporting information. In the case of risk disclosures, we found that there are significant positive relation between the variables.

**Key words:** disclosure, quality, IFRS, risk, measurement.

**JEL:** M41, M48.

#### Discussion

### Alternative Model of Social Security Pensions in Bulgaria

**Sasho Angelov**

The article examines the historical development of modern pension system in Bulgaria from its creation to the present day. Through analysis, consistent with modern techniques offered by the information society, a new model is proposed for determining the individual pension amount based on the simultaneous operation of deposited remittance income, PAYG and solidarity approach.

**Key words:** pension, social security, model „Bismarck“, deposited income, pay-model, solidarity approach.

**JEL:** K31.

### Combating the Corruption-part of the National and Home Security

**Milka Yosifova**

The World famous economist Prof. Steve Hanke, after receiving the Doctor Honoris Causa of the Bulgarian Academy of Sciences said that the corruption gives a bad image to Bulgaria and stops its development` (1). The prosperity of the country is an element of the national security

of each EU member state. The corruption, the organized crime and the monopolizing parts of the economy are one of the components which threaten the stability of the country. They weaken the government and the economy, create unemployment and gray/hidden economy and support the unreformed judicial system and non transparent administrative bureaucracy. When discussed separately or together they address a new specific problem for the home security.

The European Security Strategy (ESS) draws a frame for the security of the EU, which in practice is closely connected to the security of each of the member states. The discussed problems are inter related and require new strategic vision and strong political will for their solution, especially in the current economic and financial crisis in EU.

In the article are followed some basic highlights from the national security strategies and the levels of corruption in the different EU countries, as well as an analysis for the way the European Commission complement the basic characteristics of the national strategies for security, mainly the home security, human security, the maintain and the increase the welfare and the stable development of the EU member-states.

**Key words:** security, corruption, values.

**JEL:** H56.

#### Revue

### The Processes of Administrative Reform: International Comparative Analysis in the Context of Recommendations for Bulgaria

**Kalin Boyanov**

This article is devoted to the process of administrative reform as a management tool for experiential learning at its best in order to control and successfully implement the system of public administration in Bulgaria.

In terms of the increasing demands of citizens and business for more and better public services adopting the methods of the private sector in public management is placed particularly important.

Purpose of this paper is to present a comparative study, which may provide an opportunity to reflect on the status and progress of the modernization of the Bulgarian administrative system and the steps that still need to be taken.

**Key words:** administrative reform, public sector, public management systems of civil and common law.

**JEL:** H83.