

Public-Private Partnership for Critical Industrial Infrastructure Protection: Basic Issues and the Case of Bulgaria

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Summary:

The research subject of this article is the possible role of the public-private partnership (PPP) in the protection of critical industrial infrastructure. The following basic issues are discussed here - the essence of the industrial critical infrastructure, justification of the necessity to apply PP partnerships in the search for variants of its protection, and finally, some basic problematic areas when realizing such an approach are outlined. The thesis has been raised that the protection of the critical industrial infrastructure in Bulgaria cannot currently be realized if the proper modern practices and mechanisms are not implemented. Along with that, it continues not to be taking into account the limitations of the state in a market environment to have a direct impact on the economic entities, even when dealing with security issues. The Critical industrial infrastructure protection is one particular aspect of guaranteeing the security of the Bulgarian citizens and territory. As such, its importance will be increasing in the future, on the one hand because of the dynamic changes in the security environment, and on the other, because of the radically changed ownership structure in Bulgaria. It seems to us, that the different aspects and dimensions of the

problem affected in the article, over time will objectively become a factor that cannot be bypassed, and which will strongly affect the shaping of a modern Bulgarian industrial policy - if, of course, there is a vision and a will for ensuring the long-term industrial capacity of Bulgaria.

Key words: public-private partnership, critical industrial infrastructure, security, industrial policy, Bulgaria

JEL Classification: H56, L52, L32

1. Introduction

In the last past years, contemporary society has been operating and developing under constantly changing conditions. Moreover, the operation and development of the modern world are realized above all in the conditions of various crisis regimes. Thus, the tendency of super complex modern socio-economic systems to operate and to develop in the context of increasing imbalances, nonlinearities, conflicts, crises, chaos, and catastrophes were established.

Namely this tendency imposes an objective need for research on the big problem of the crisis management of socio-economic systems. One element of it is the question, related to the functioning of the industry of a country under conditions of crises and conflicts.

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The modern threats and challenges, such as the devastating natural disasters, local conflicts, international terrorism, and the related security risks for the state and their citizens, raised a number of questions, concerning the study of the vulnerability of modern society and the risks related to ensuring and maintaining its vital functions.

When finding out the ways industry and its enterprises interact with the environment in times of crises and conflicts (emergencies), the focus of our attention does not cover the whole range of industrial enterprises. We are interested in only those of them which are part of the relevant critical industrial infrastructure and thus have a crucial importance for ensuring the security of industry supplies in emergencies.

The purpose of this paper is first to draw the attention to the opportunities that public-private partnership provides as a mechanism for ensuring critical industrial infrastructure protection, then, an attempt is made to assess the importance of this issue for the Bulgarian practice to be done, and finally, to outline the problems facing its implementation.

The responsibility of each industrial enterprise is to independently implement measures and procedures to deal with emergencies. This responsibility becomes an obligation with the highest priority for enterprises that are part of the critical industrial infrastructure. They are the ones, together with the governmental bodies responsible for state policy on emergency response, that should seek adequate solutions to the specific national problem concerned. For this reason, the **thesis** defended here is that the protection of the critical industrial infrastructure in Bulgaria

currently cannot be realized if we do not implement suitable modern practices and mechanisms. In the specific Bulgarian conditions, we consider the implementation of the public-private partnerships as a key element of the mechanism for the realization of the protection of the critical industrial infrastructure to be the most appropriate. This **paper** has all critical and debatable character regarding the implementation of the concept of critical infrastructure protection and the practice of public-private partnership in Bulgaria. It is not based on a **sophisticated theory considerations** and is a **symbiosis of theoretical principles** and, albeit partially, on reference to the best **practices existing**.

1. 'Emergency situation' and 'critical industrial infrastructure' as terms

Management issues of the industry in normal situations are developed to a very high degree, as a theory and practical solutions, too. With regard to the preparation and the reaction of the industry in emergency situations, as part of the larger research problem regarding crisis management of the industry, this essential aspect of its managing and functioning¹, has so far not been subject of systematic review in Bulgarian science, much less, is there any good practice in this area.

In the context of the changes in the economic, political, and social spheres that have taken place in the modern world in general, and Bulgarian society in particular, examining this in its essence a management problem that should no longer be ignored.

Thus, besides the threats and challenges identified in the introduction, which have a stronger direct impact on the economic

¹ The surveyed public information - mainly the available studies in the field of security and defense, conducted in the country, the scientific conferences held in Economics and Management in the Security and Defence sector (by the National and Regional Security Department at UNWE - Sofia, by The Rakovski Defence and Staff College and other institutions), the existing legislation and public practices, gives the reason to conclude that the problem is not considered in its current dimensions and aspects.

actors than the industrial enterprises, there are other factors that have an extraordinary impact on the functioning and development of the modern Bulgarian industrial companies and the industry as a whole. They are related to and determined by globalization and the openness of the economy, the rapid and revolutionary development of technology, scientific and technological progress and science, the development of information technologies, intellectualization, competition, market dynamics, and consumer behavior.

At the national level, the environment of functioning and development of Bulgarian industry is largely predetermined by the lack of a consistent policy, and of the government's will to carry out a positive change, on the one hand, and on the other - the fact that the market model is being idealized and mechanically transmitted, without trying to tailor it to the specific Bulgarian conditions, to the national psychology and our cultural tradition. These characteristics of the domestic environment of the industrial enterprises in Bulgaria lead to disorganization, demotivation, and numerous conflicts, especially of economic and social nature. As a result, after more than twenty years of transition, the Bulgarian economy continues to be one of the weakest and least competitive in Europe and on the international market.

Against this backdrop, emergency situations are ever more frequently emerging in all social and economic systems and have a direct negative impact on their functioning and development. The state of the traditional institutions - government, public, private, is defined as a crisis from the perspective of their preparedness and ability to respond to the new challenges, characterized by a

high degree of unpredictability (Dimitrov, D. Y., 2008). In the present case, we assume that the **Emergency Situations** (which in theory and practice is used to denote civil emergencies or non-military crises) are caused by a variety of natural, anthropogenic (manmade) and technogenic (caused by the joint action of man and nature) disasters and accidents.

According to Mindova-Docheva (2012), the examination of the identified problems was launched in the presence of significant gaps and confusions in the scope of the existing practice and procedures in Bulgaria, which called into question the effectiveness of the current rules and institutional set of social relations in the field of crisis management at the national level. Not to mention the complete lack of regulation concerning the creation of a package of economic measures to ensure society's economic viability in the process of crisis management.

We have already made the assumption that when the management of the industry and the industrial enterprises in an emergency situation is examined, the focus of our attention cannot encompass the entire range of industrial enterprises. We are interested only in those that are crucial for ensuring the security of the industrial supply in the event of emergencies and thus constitute the **critical industrial infrastructure** (Ivanov, I., 2013²). We narrow our attention because the real challenge in ensuring **the critical infrastructure protection** (not only the industrial one) is in its defining³. To identify this infrastructure, special attention should be devoted to a separate research. This is necessary in order to ensure the implementation of a differentiated approach to the work with

² In that paper the author's view and understandings for the essence of the concept critical industrial infrastructure and its relation to the security of the industrial supplies are widely revealed.

³ For a more detailed presentation of the concept of Critical infrastructure and its protection we recommend Reference No3. The author of the present article shares that view of CIP as a co-author of the cited paper.

individual entities within and beyond, as it is not possible to choose an approach based on total protection from all threats. More productive would be to proceed to risk management.

What do we mean? The new threats and challenges which have been already outlined raised a number of questions related to researching the vulnerability of modern society and to the analysis of the risks associated with maintaining and ensuring its vital functions. As a consequence of the changes that occurred, it appears that in the life of modern man, the different infrastructures are fundamental because they are the underlying structures (large complex systems) through which the functioning of modern society is possible at all. Some infrastructures deliver vital services, products, resources of modern society - ones without which life would not be normal or would have been impossible. In this sense, these vital services, products, resources are assessed as **"critical"**, and infrastructures through which they are supplied assume a critical role in societies, so they are called **"critical infrastructures"**. The continuous process of **"supply"** of goods and services for the maintenance of the current standard and living conditions of the population especially in developed countries, implemented through this complex system of infrastructures, providing the different functions of the state, has become a key condition for the survival of contemporary societies (Drakalieva, P., Ivanov, I., 2010). After decades of fantastic technological upsurge, modern society has only just begun to painfully realize the depth of its own dependence on them.

The supply of resources is becoming a problem which is of strategic importance for the normal functioning of the modern critical infrastructures which transport them. They become more vulnerable, as a result of globalization and technological advances.

Understanding the relationship - protection of the various critical infrastructures and the security of supply for their functioning in the greatest possible degree of autonomy (compared to the dynamically changing conditions of the environment), becomes a vital issue for the quality implementation of the activities related to the provision of the security of modern societies. This is why issues related to the ability of the country, the various industries and even individual enterprises to ensure in any circumstances the relevant supply of industrial materials and products and their associated services also become relevant. The preparation itself, the development and implementation of measures and procedures to ensure continuity of the most important industrial supplies and services and their fair and effective distribution within the country, for both civil and military needs is also a problem of great complexity. It is relevant to the management of the enterprises and the industry as a whole in emergencies.

In light of these problems, the desire to determine the Bulgarian critical industrial infrastructure and working mechanisms for the interaction between the government and the industrial enterprises to be built is quite natural. On the other side, apart from ensuring the protection of this infrastructure and guaranteeing the security of the supply of the industry, it is important to create mechanisms for emergency management of the enterprises themselves as key elements of this system.

The need for modern mechanisms of using all the resources of the state to deal with crises is particularly strong in terms of the economic restructuring from a command to a market economy. This transformation requires new tools for planning and implementing the activities related mostly to the perception of **civil emergency planning** concept. The application of the practical achievements of

this concept provides a broader opportunity to move from "reactivity" to "proactivity" in the field of critical infrastructure protection – an essential factor for achieving a flexible social structure that has an inherent capacity for reconstruction to the original condition or to a new condition imposed by the changing requirements.

Hence when we talk of **critical industrial infrastructure** we mean that part of the industrial (production) infrastructure which accounts for the preservation and maintenance of critical society functions and also for its optimal, resilient functioning in the event of emergencies.

2. The public-private partnership as an element of the mechanism for ensuring the critical industrial infrastructure protection in Bulgaria

It appears that in Bulgaria there is no adequate practice in today's legal and regulatory framework, governing the public relations that we touched on in our presentation so far. The legal framework in Bulgaria, as there is such in our examined area, has been amended several times and has almost completely lost its internal logic and systematic functioning of the mechanisms laid down in it. There is a vacuum in the legislation, and where it nevertheless exists, the synchronization between its elements is missing. The establishment of adequate mechanisms for critical industrial infrastructure protection is necessary, because with the transfer to market-based economy and the withdrawal of the state from the operational management of business such mechanisms had been eliminated. For several years legal facilities were used for dictating in a binding manner the content of a number of contracts, related to the implementation of the business activity.

The picture is further complicated by the

radically changed conditions in the security environment as well as in the ownership structure – the private ownership of key production assets in the country is already predominant.

The existing mechanism in the country for critical industrial infrastructure protection has long been ineffective. It is an eclectic mix of rules and views, some typical of the centrally planned economy and some of the market economy. There is yet no vision and conception for changing the ideology and the operating principles in order to change the status quo.

Resolving the conflict between the current economic conditions and the existing relations framework between the state and the economic agents related to ensuring security is crucial to overcoming the examined problem.

In order to start the search for its decision in the first place, it is necessary to pay special attention to the state's ability to perform its functions in ensuring of security in terms of the liberal market economic system. Bulgaria formally is defined as a country with a functioning market economy system, so that its own economic policy in all sectors should be governed by the economic laws of the market economy. This is a particularly important clarification for our country in view of the demonstrated so far omissions and lack of adequate actions by the state in the security field as a whole.

We should try to answer the question of whether there is any practice developed from the theory and proven in the modern mechanisms, which in symbiosis with those ones used hitherto to support the efforts to solve the issues we have risen in the security field in general and in field of the critical industrial infrastructure in particular.

One of the possible modern social mechanisms for that is precisely the **public-private partnership**. Why?

Given that the Bulgarian public

has already ensured continuity in the understanding of PPP, as defined in the relevant law, namely "... long term contract cooperation between one or more public partners, on the one hand, and one or more private partners, on the other hand, for the performance of activities of public interest in achieving a better value for the invested public money in the distribution of the risks between the partners..." (Article 3.(1). Zakon za publichno-chastnoto partnyorstvo. 2013). It is another matter what understanding the society, the administration, and the business have of concepts such as "**public interest**" or "**socially meaningful service**", which directly correspond to the essence of PPP, as a set of business relations between the state and the private sector, directly affecting society as a whole. For this reason, we are inclined to use another definition for this type of partnership which does not clash with the statutory one and complements it, and which is closer to our thesis to a greater extent and is shared by proven experts (Filipov, L., 2009). Namely - the PPP is a long-term contractual relation between people involved in the private and the public sector for financing, construction, reconstruction, operation, and maintenance of infrastructure, in order to achieve a better level of the public services provided by that infrastructure. There was no uniform interpretation of that concept in our country for a long time, but it was necessary for the implementation of a targeted state policy in this sphere.

We do not consider that the effective law largely contributed to the realization of the second part of our previous statement. This is because the policy, as defined in terms of the direction and methods of the actions and activities of the state, is implemented

through concepts, strategies, programs, and projects in a given sphere (sector). Currently the case is not clear at all.

We, however, have the intention to notice some principal statements and problems that are directly relevant to the specific issues affecting security in general and to the critical industrial infrastructure protection in particular.

The problem of the public-private partnerships in the field of security and defense is not essentially new to Bulgaria⁴. In our view, however, a new and more particular reading of it is needed, in the light of the changes and challenges identified in the statement of this article.

Under the influence of the neo-liberal economic theory and due to insufficient efficiency (according to the same theory) under the guardianship of the state, the public monopolies have undergone substantial transformation. Based on the assumption that this will increase competitiveness, productivity, consumer choice and will decrease the price of the rendered goods and services in many countries, the ongoing processes of privatizing state-owned monopolies in energy, transportation, communications, health, and financial services were carried out.

These changes have given rise to a number of specific problems. The suggested reason why they occurred is again privatization, conducted over the past 25 years, and the liberalization in many of the above-mentioned important sectors. As a result role of the state and its public institutions diminished with regard to the operation of those essentially critical infrastructures. The majority of these infrastructures are now controlled or dominated by the private sector

⁴ See the results of International conference on Security & Defence Economy on "Public-private partnership in Security & Defence sector – National practices", Sofia, October 2006, and Scientific seminar with international participation on Security and Defence Economy on Private Financial Initiatives for Armaments Modernization, Sofia, June 2005.

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- operators, service providers, maintenance operators, owners of networks, and others.

In many cases, this liberalization (deregulation) accomplished the goals set before it.

The question arises of how the privatization and the maximum withdrawal of the state affect (traditionally associated with providing of these services) and what are the effects on national and international preparedness for responding to civil emergency situations and on the crisis management (Andersson & Malm, 2006, p.141). This issue is directly generated by the context of the changes in the security environment on its different levels.

A fundamental principle of modern market economy is the understanding of the market mechanism to be allowed to operate without interventions in it (to act freely), until the time the conditions allow, i.e. until there appear deformations under which an intervention is imperative. The changes impose new answers to the question to be sought and how to carry out this intervention, what are the paths and mechanisms for this. Of course, in the economic theory there are supporters of both extremes, each of which provide sufficient arguments for its plausibility.

In a highly regulated economy, at least in theory, the state assumes the responsibility and costs to ensure the secure operation of supply systems for the necessary goods and services in virtually all circumstances. In one deregulated liberal economy the issue of protection of those systems is accompanied by a great deal complex problems. "The foreground come out issues such as: Who will implement and pay the protection measures that should be taken to ensure security; Which of the measures are in the responsibility of central and local authorities and which are of the private business; How the national solutions to these problems correspond to the

processes of globalization of the markets of goods and services, and the emergence of the transnational information and communication networks" (Andersson & Malm, 2006, p.147).

In all contemporary liberal economies, decisions for solving the issues concerned are sought by applying one of the following three mechanisms:

- 1) Direct regulation – on the basis of its prerogatives (normative acts and other compulsory mechanisms) the state imposes its will on the private actors by forcing them to adhere to certain standards;
- 2) Economic policy instruments - such as direct subsidies, various tax breaks, etc.

Each of the two possible mechanisms has its own advantages and disadvantages.

In recent years, the third possible mechanism which comes to the fore and is gaining momentum and which we pay particular attention to in this article is:

- 3) **Public-private partnership** – hopefully it will answer the liability issues and financing of the security measures. A lot of people considered it almost as a panacea for all the problems of the governance in one liberalized economy (not just with regards to security issues). In this respect, it is important to examine the extent to which this type of partnership could really be a solution to the problems of the governance, and "the threshold beyond which can be opened "Pandora's Box" (Andersson & Malm, 2006, p.142).

The examination not only of its positive effects, but its possible negative implications and dangers too, are a good starting point for a further analysis of its application on Bulgarian ground. Lots of potential contradictions and conflicts in its use could be discovered.

The solution for the protection of critical industrial infrastructure directly corresponds to the decisions of the more general question in its entirety - Critical Infrastructure Protection.

It is very difficult for the critical infrastructure protection issues to be solved, because lots of serious difficulties arise to combine the tasks of the national security with the interests of the business, and to determine the ratio of the roles and responsibilities of the state and the private sector.

Proceeding from the fundamental responsibilities of the state, what logically follows is the **generally** accepted in the civil emergency planning **principle, valid therefore for the critical infrastructure protection** as a whole, namely that this activity **is primarily a national responsibility**. Within the public administration, the responsibilities for the construction of a national system for the critical infrastructure protection should be considered, planned, and coordinated into three basic aspects:

- sharing of the responsibilities and coordination between government agencies responsible for critical infrastructure sectors (in the horizontal direction);
- clear delineation of responsibilities (the mandate) of every level of governance in the administrative hierarchy (in the vertical direction of governance);
- determination of the leading structure on the issues of Critical Infrastructure Protection.

The real challenge in ensuring the protection of critical infrastructure is the **coordination and sharing of responsibilities between the public sector and the operators of critical infrastructure**. The operators may be both public and private.

Bearing in mind the already mentioned restructuring of the ownership in infrastructure carried out in the past 25 years (in Europe that process started a little later than in the USA), the results of which in numbers now look like this: in the USA - 85% of critical infrastructure is into private hands, and in Germany - 90%, it hardly leaves any doubt about the scale and the complexity

of the task to build working public-private partnerships for ensuring national critical infrastructure protection. And in this sense about the critical industrial infrastructure, too.

Namely the survey of and finding a fair balance of the responsibilities and taking on the burden of the preparation and implementation of national measures in the field of critical infrastructure protection is a task which should be a subject of special attention by the national authorities of the countries already working systematically on the protection of their own critical infrastructure. If we find this balance, it will also create the necessary preconditions for effective public-private partnerships.

As we have already surveyed in Drakalieva & Ivanov (2010), the allocation of tasks between the state and the operators in general proceeds according to the following simplified scheme: responsible for implementing the measures in the protection of critical infrastructure are the operators, but the framework and rules to a large extent are determined by the state, which is primarily responsible for the security. There is another unwritten criterion - with respect to "safety" the entire responsibility is assumed by the operators, while with respect to "security" - the state is leading with the active involvement of operators. Of course, the private sector participation in all stages of the national framework for the critical infrastructure protection preparation is a precondition for the effective defining and identification of the critical attitude for a subsequent more committed participation in the implementation of the measures in this framework.

The main problems boil down to:

- the lack of an adequate system of incentives for private operators to invest in the social necessary level of security;
- the question of "who will pay the bill, for the enhanced security has no well-grounded response" - different countries apply different approaches; the relations

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regarding the sharing of the financial burden in the event of attack of the infrastructure are not regulated - the private operators expect the state to share some of the cost of the damage;

- a lack of confidence of the private sector regarding the protection of the information provided by them which is necessary for risk management;
- not a sufficiently effective information accumulation system for the timely provision of the operators of anticipatory (intelligence) information on the potential risks.

As submitted by Dunn (2007a), for solving part of this range of problems the state has one correct way and it is the creation of conditions in which **both sides win**.

"It could not give orders to the private sector - this is not the productive way. Contrary to this – the state must clearly be seen as a service provider for business, so that the business can see the benefits of the measures of protection." (Dunn M., 2007b). The state has a number of options to assist the private sector: by providing financial support for the safety technologies studies to the presentation of information and consultations on technical matters related to the general risks in the security environment, based on intelligence information.

The present, and it turns out not only Bulgarian, case for the critical industrial infrastructure protection and for optimizing the relationships **public - private** sectors the adequate implementation precisely of the public-private partnership is particularly important. Additional forms of placing the PPP in the legal framework have to be found, so that it may meet its objectives and justify the hopes assigned to it. The works available in Bulgaria on this matter so far do not answer the specific questions of interest to us. For example, there are works that, although they have practical value, are built on the basis of a bottom-up approach in searching for solutions.

This approach is unacceptable when it comes to implementing a new concept if the content which will be put into it is not fully clarified at the highest level (in this case national). There are studies, even entire projects which have high practical and theoretical value, but they do not answer the practical questions, at least when it comes to the leading aspects of the problem in this article.

The sharing of responsibilities between the public and private sector, the preparation and implementation of measures and mechanisms in the field of security in its new dimensions, becomes a real challenge for everyone involved (directly and indirectly) in that relationship.

3. The relationship 'protection of industrial critical infrastructure - industrial policy'

Industry needs an industrial policy as well as a long term vision and strategy with a focus on generating the growth. The inevitability and the nature of this policy find their ever more tangible substantiation (Iliev, Y., 2013).

We are sure that the creation of conditions for the development of a modern system for critical industrial infrastructure protection, based on PPP is also one of the possible tools for increasing the security of the state - part of the security policy of the state, and hence indirectly the leverage for impact on industrial growth.

Therefore, we believe that the common vision for viewing our problems should be given adequate attention to its importance when the inevitable development of the new Bulgarian industrial policy starts. The contemporary, modern industrial strategy and industrial policy requires its taking into account.

We assume that the industrial policy is a way of actions aimed at developing and improving the efficiency of industrial production, the competitiveness of enterprises and their products in the

domestic and the international markets, which ensure employment of the population.

In a most general form the nature of industrial policy in a market economy is formulated as realized by the state's purposeful activity, comprising a system of measures for the direct and indirect regulation of industry, and for removing the obstacles to the realization of this goal. This involves the obstacles that cannot be overcome in the natural course of events, i.e. with the mechanisms of market self-regulation.

The industrial policy in its essence - it is a sector policy integrated into the overall national economic policy. It is debatable to what extent there is something of this sort in Bulgaria. In this respect, the realization of its objectives fully depends on its interactions with the other target or instrumental policies, among which the unemployment policy, energy and financial policy, foreign trade policy, competition policy, technology and innovation policy, the security policy and others may be outlined.

Thus in order to achieve its objectives any industrial policy should become part of the corresponding structure of other policies constituting one single national economic policy.

We highlight security policy, considering its growing importance nowadays. We believe that in the course of the statement we gave a clear understanding why. We outlined the main challenges it faces, and highlighted the relationship between their consequences and its effects on the economy in general. It is not less stronger on modern industry.

Which model of industrial policy will be chosen in Bulgaria is a different matter. In the economic theory and practice **two different approaches to industrial policy and its role** are distinguished: **a neoliberal and those of the structuralists** (Zhelev, P., 2013).

We accept the thesis of Pascal Zhelev (2013) that "for Bulgaria **an active industrial**

policy is essential for enhancing the competitiveness and the achievement of long-term economic growth". This presupposes the elaboration of an appropriate comprehensive industrial strategy in accordance with the contemporary challenges of the international environment – globalization, increasing competition, rapid technological change, and the ambition of the advanced countries in developing an economy based on knowledge. We allowed ourselves only to add another significant challenge in our opinion – the security one.

We are among the supporters of the active industrial policy also because "the state remains the leading subject - which organizes, integrates, and consolidates the economic, financial, social, and security-related processes on its own territory" (Slatinski, N., 2013a).

We adopt the opinion that one of the possible and we believe productive approaches is to search for opportunities to upgrade and optimize the national mechanisms and structures for action in the conditions of emergency situations, which will become more and more frequent. We are talking about mechanisms and structures, established in such a way that they are fully compliant and adequate to the modern trends and conditions. Under them the globalizing markets and the transnational information and communication networks impose significant challenges against the independence and the effectiveness of the national governments and business in finding solutions to the problems at a national level.

Within the prerogatives of the state, together with the industrial business, it should look for solutions to the problems addressed in this paper. The state and the industrial business should work together and must establish the necessary mechanisms and structures for that. Taking into account the current state and trends in the field of security; the reviving interest in the industrial

policy; the objective need for critical industrial infrastructure protection through new mechanisms such as PPP; could create the preconditions for bringing the Bulgarian industry to a qualitatively new level.

Conclusion

The problem related to the governance of society as a whole, its subsystems and components in the conditions of various emergency situations occupies an increasingly central place in the contemporary interdisciplinary studies. The new trends in the main sciences and at the same time the new interdisciplinary science, formed between conflictology and social synergetics will have an increasingly significant role in coping with the discussed problem. They could be relied upon in the process of constructing appropriate governance mechanisms for crisis and conflict management of the systems.

The National Crisis Management System has to be viewed as an important element of the National Security Concept and it is necessary for its formation, functioning, and development to step on the modern views on security, which focus on non-military crises. In the statement we briefly presented part of the applicable approaches and concepts.

The nature of modern risks requires joint efforts and the construction of complex systems for early warning, prevention, response, and control in all areas of economic life. The industry is not an exception. At present, there are no working systems for early warning and for crisis management at the country level either. A similar capacity does not exist at all at the sector and enterprise level.

This is partly due to the fact that the current Bulgarian state - with its institutions, laws, and available resources, is constructed so to serve the normality. The "Abnormality" now in Bulgaria is perceived as an exception, as an emergency - extreme and almost

impossible. But what could we do today in the risk society, when if the risk is realized, an emergency arises at which the state as a system suffers a crisis? In the risk society, which is more and more net centric, the extraordinary situations will start to become a norm - the crisis will be a trivial round. And that means that normality as we know it will be an exception, it will be less frequent, almost impossible, while the extraordinary situations become something usual, more frequent, predictable, and expectant.

However, in today's society of the risk and mass-produced uncertainties, every poorly managed and realized risk will likely lead to a crisis and to increased uncertainty, which means - to an emergency situation. What happens to the state in this transformation - with its institutions, its structures, laws, and resources, with its stakeholders especially in the economic sphere? Reversing the logic of the processes due to the prominent facts will lead to inevitable changes in the structure of the state, its main elements and as a whole - in its present functioning (Slatinski, N., 2013b). How these processes affect and will affect economic actors in the implementation of their activities and what further changes will they inevitably bring?

In this article we tried to give a partial answer to some questions in our study areas. We clarified the nature and the meaning of the critical industrial infrastructure protection, the emergency management of the industrial enterprises, and the industry. We gave proof of the need to create a working mechanism for interaction between the state and the business in the studied area and also identified the potential in our view option - PPP. Along with this, we pointed out the range of problems that accompany its adequate application. We tried briefly to justify the relationship between the critical industrial infrastructure protection and Bulgaria's possible future industrial policy of Bulgaria. It becomes quite indisputable, if we brood over the meaning of the latter above

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adduced quote. Some other issues were simply marked, but the third ones we did not even take the liberty of touching upon. We will continue trying to give their answer in the course of our current and future investigations.

But all of them would be meaningless if we remain without our main object of research – the Bulgarian industry.

Therefore, once again we address the same question asked at the beginning of this article. To what extent is there a vision and a will to guarantee Bulgaria's long-term industrial capacity? Its response will be held in that – first, to be found out what are the comparative and the competitive advantages of Bulgaria based on sound analysis, and not just on wishful thinking, and second, to have the technological and production capabilities in these directions developed. Then, we are again on the move.

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