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Finansovi tsentre v Evropa – kakva e perspektivata?

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Financial Centers in Europe – What is the Perspective?

Iordanka Stateva 5

Following Britain's decision to leave the European Union, a new situation has emerged, where smaller European financial centers are seeking to attract, in practice to deprive London of at least a part of its financial business. The main competitors in this respect are Frankfurt, Paris, Luxembourg, Dublin and Amsterdam. The result most probably will be a network of smaller financial centers, which as a whole is meant to substitute London, leaving the Union. This means fragmentation of the financial services industry, leaving the EU without a financial center of global dimensions and scope like London in the foreseeable future. The most important question concerns the competitive power of the EU's financial industry without London and it, to the greatest extent, depends on financial technology and innovations.

Key words: financial center, euro clearing.

JEL: F30, F36, F45, G15.

Institutsionalnata konvergensia – teoretichni osnovi i sashtestvuvashti empirichni izsledvania

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Institutional Convergence – Theoretical Foundations and Existing Empirical Research

Maria Marikina 21

Institutional convergence is a new challenge in economic and social practice. In general, the understanding of this type of convergence is unclear, and the most appropriate understanding is related to the convergence processes of economic and political institutions, the “rules of the game”, the regulations that exist in the integration society and determine the behavior of economic subjects. In this sense, the purpose of the article is to bring greater clarity to the understanding of institutional convergence, because knowledge about it in Bulgarian and global scientific literature is scarce and quite limited. The object of the study is the institutional convergence and the subject is an analysis of the concept and a theoretical overview of the empirical studies presented on it. Finally, it is noted that studies on institutional convergence, which are more or less successful, are evidence of the economic significance of the phenomenon.

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Thanks to the theoretical understandings in the study of institutional convergence, it is also possible to develop the appropriate policy. The efforts to reduce disproportions and eliminate the forces that cause them are aimed at the convergence of the economic and political institutions which lead to economic development in the integration society.

Key words: institution, institutional environment, institutional convergence.

JEL: D02, O43, O47.

Predpostavki i posleditsi ot neravenstvoto i bednostta

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Prerequisites and Consequences of Inequality and Poverty

Victor Yotzov 32

Inequality and poverty are inherent in every society and they are simultaneously an undesirable and inevitable companion of economic development. The existence of inequality is somewhat natural in view of the different knowledge and skills of people that determine their individual productivity. It can even be argued that income and material disparities among the population create an incentive for more effort, pursuit of better education and, consequently, the improvement of the well-being of the whole community. In reality, however, the problem is not in inequality itself (it is hard to avoid), but in its size, in the causes that deepen it to the point where it becomes unacceptable to the majority of people.

Inequality and poverty could be triggered by a multitude of reasons – either natural, or ones caused by the imperfections of market mechanisms. For this reason existing economic systems are not able to automatically regulate them. This function should be performed by the state through the implementation of different policies in order to limit their

development and reduce the social tension born out of them.

The main purpose of this study is to explain why excessive inequality is undesirable from both a social and a purely economic perspective. The article is developed in two parts. The first part deals with the problem, examines the different measures of poverty and inequality and justifies the need for state intervention. The second part discusses possible solutions. The existing legal framework is analyzed and the various mechanisms available to the country to counteract the unfavorable trends are examined.

Key words: inequality, poverty social justice.

JEL: D63, I32.

Model na obuchenie v oblastta na kibersigurnostta (Yadrena sigurnost)

Nedko Tagarev 46

Cyber Security Training Model (Nuclear Security)

Nedko Tagarev 46

The problem addressed in this publication is the growing need for adequate and relevant cyber security training. Emphasis is placed on current trends in nuclear security and the upward trend in the use of nuclear technology. Specific examples of cyber-attacks over nuclear objects are mentioned. The Master's degree program "Economics of Defense and Security" with specialization "Nuclear Security" is briefly presented. It is important to note that currently the program quoted is the only one in the world. Specific examples of the areas where masters who have successfully completed the training program can also be found in the publication.

Key words: Nuclear Security, Cyber Security, Information Technology.

JEL: M150, D610, O21.

Upravljenie na resursi i razhodi Management of Resources and Costs

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Export Efficiency and Competitive Power of Bulgarian Economy

Vera D. Pirimova 56

The present study focuses on the analysis of competitive power in the context of the efficiency of Bulgarian exports. It is structured in several parts, each of which deals with more specific tasks. The first part summarizes Bulgaria's position in the Global Competitiveness Index and reveals the most important criteria related to foreign trade. In the following sections, core indicators are introduced to determine and analyze the role of criteria for efficiency and competitiveness of exports. In particular, the foreign trade, export and import quota, the marginal propensity to import and export multipliers for Bulgaria, the export commodity structure during the 2008-2017 period, are examined. Based on the obtained results and the conclusions drawn from them, the possibilities for expanding the export and improving the competitive power of Bulgarian economy are systematized. This research implements mathematical and statistical methods, mostly the index method, along with methods of analysis and synthesis.

Key words: competitiveness, foreign trade, export efficiency, Export Multiplier.

JEL: F14, F41, F43, O24.

Inovativni finansovi instrumenti za finansirane na obshtinski investitsionni proekti za ustoychivo gradsko razvitie

Vesela Ilieva 71

Innovative Financial Instruments for Financing Municipal Investment Projects for Sustainable Urban Development

Vesela Ilieva 71

Moving towards a low-carbon, climate-resilient economy and society is a complex issue and its solution could be found in sustainable funding, which includes a strong ecological finance component with a combined impact on achieving economic growth and limiting pressure on the environment; and sustainable investment that provides economic, social and environmental benefits for society.

In recent years, conceptual understandings and trends for sustainable urban development evoke discussions on a global, European and national level among different actors from private and public sectors, raising questions which largely concern the financing of municipal investment projects, the construction of modern infrastructure to contribute to the improvement of the quality of the living environment and to the solution of a complex set of economic, social, environmental, demographic and other problems of urban development.

The strategic planning for the sustainable development of municipalities and the building of a sustainable urban environment imply not only the conventional increase of the share of capital investments of municipalities and the diversification of sources of financing, but also the allocation of the financial resources to projects that meet the criteria for sustainability.

Bulgaria's entry into the European Union has significantly increased municipalities' capacity to finance municipal projects that can generate a set of benefits for society. Currently, they depend to a large extent on meeting the pan-European requirements to reach a certain percentage of absorption, higher quality of absorption (timeliness, legality, effectiveness) and achieving pan-European added value of inputs.

Given the declining volume of the European budget, an important trend in project financing in the new programming period is the focus on

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innovative financial instruments to attract private equity to the public sector and the mobilization of funds from international financial institutions in the banking sector and those of capital markets for their input in all investment funds and their mechanisms.

Key words: sustainable development, innovative financial instruments, green bonds, public-private partnership, grants, project financing.

JEL: Q01, G20, G23, H54, H74.

Evropeyski sayuz European Union

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Fiscal sustainability is not only an attractive discussion topic in academic circles, but also a widely discussed problem among institutions responsible for economic policies, especially in the context of the global financial crisis and the following Eurozone debt crisis. There is no doubt that the approaches of international financial institutions such as the World Bank and the International Monetary Fund analyze broadly and in-depth the problem of the fiscal sustainability, but there is need for a specific insight to homogeneous groups of countries, as is, for example, the region of Central and Eastern Europe. The selected 10 countries are small and open economies, some of them already Eurozone members. The active and effective integration within the Economic and Monetary Union requires coordinated convergence and maintaining growth with common strategy in countries with similar economic development. Special attention should be

devoted to the factors which have the most influence on the budget balance in each economy, while at the same time not neglecting common characteristics of the countries.

Key words: fiscal sustainability, budget balance, Central and Eastern Europe, Eurozone.

JEL: H62, F41, E62.

Informatika Informatics

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Digitization and digital transformation are bringing significant changes in all companies, regardless of their size and the economic area in which they work. Accounting is not separate from these changes. Recently, new digital technology has been entering rapidly, radically changing modern business and accounting. In Bulgarian companies, accounting is a field where document management is specified and regulated, which supports digitization and digital transformation.

Key words: digitization in accounting, digital transformation in accounting.

JEL: G0, O31.

Ikonomicheski teorii Economical Theories

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Is the End of the Dollar as a Reserve Currency Near?	107
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International currency serves international economic trade. It originated as a result of the internationalization of national currencies or as supra-sovereign currency. In the first case international currency is represented by currencies which perform monetary functions beyond the borders and outside the jurisdiction of the relevant issuer country. In the second case these are regional or global currencies, based on group agreements among the countries.

The present study analyzes the nature of international currency and its inherent functions. Following the latest financial crisis, an urgent answer is sought to the question: Is it possible to substitute the American dollar with some other international currency without shocks to world economy?

The author of the present article contributes to the aforementioned discussion by tracing the role of reserve currencies. The substitution of one currency with another is a natural process. The current world economic order, based on the supremacy of the dollar, is already losing ground. Is the world getting closer to the moment when the dollar will be dethroned as international currency in its dominant position? Which currency could substitute it? The author studies four main possibilities – the Euro, the Renmimbi, the “Ikon” currency and the Cryptocurrency – multilateral monetary system or world monetary system with a single currency in its dominant position.

Key words: Anchor currency, International currency, Triffin dilemma, Means of payment, Unit of account, Store of value, Currency internationalisation.

JEL: E40, E42, F01, G10, G14, G18.

Za neobhodimostta ot politicheska ikonomia na internet na neshtata

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Concerning the Necessity for Political Economy of the Internet of Things

Hristo Prodanov 124

The present article examines one of the most important technologies of the Fourth Industrial Revolution, known as “Internet of things”. “Internet of things” is the creation of a variety of “smart” devices around us based on the data they collect and analyze, which allows much more optimal planning and implementation of a growing number of processes without human intervention. This is how all material objects are gradually becoming “smart”. Along with other technologies of the Fourth Industrial Revolution – like 3D printers, robots, digital platforms, artificial intelligence, big data, etc. – by constantly interacting with them, “Internet of things” is creating a synergy effect which has a growing significance for the development of modern economies and imposes changes with regards to the political regulation of contemporary states. This is why the approach applied in this article is politico-economic, based on the prerequisite that technological jumps lead to changes in economy, politics and their interaction. The logic of analysis is following this approach, progressively examining the emergence, development, and the application of “Internet of things, economic, and the political consequences of their introduction.

Key words: Internet of things, Fourth Industrial Revolution, political economy, digitalization, data.

JEL: O31, P16, C89, L86.

Hibridnata vojna – sashtnost, predpostavki i preventsia

Boyan Hadzhiev 139

Hybrid War – Nature, Preconditions and Countermeasures

Boyan Hadzhiev 139

Modern warfare goes through a period of transformation, encompassing its characteristics and manifestations. When analyzing war transformations, researchers often draw a dividing line between “traditional” and “new” wars, and nowadays there is a growing interest in a

different category of war, the so-called “Hybrid war”. In order to evaluate and understand the contemporary manifestations of “war”, the paper traces the features of the different generations of warfare. The hybrid nature of the latest generation of wars is also analyzed. Moreover, the paper outlines the key tools and the success factors in conducting a hybrid war.

Key words: hybrid war, generations of warfare, cooperative conditions, prevention.

JEL: H56, F51, D74.

Efektivnost i potentsialni polzi ot Radiochestotnata identifikatsionna tehnologia (RFID) v ekspresnite prevozi

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Effectiveness and Potential Benefits of Radio Frequency Identification Technology (RFID) in Express Delivery

Kristian Krastev

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The present article explores the application of the Radio Frequency Identification Technology (RFID) in the sector of logistics. The technology is analyzed in terms of the potential of customers' benefits from logistics services and the achievement of greater optimization and efficiency in processes by the management of logistics companies. The benefits from the application and use of RFID technology in the mainstream processes of express delivery are presented.

Key words: RFID technology, express delivery, innovation, efficiency, process optimization.

JEL: O33, L25, L26.