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## Ikonomicheskoto razvitiye Economic Development

**Likvidnostta na bankovia sektor i sastoyanieto na ikonomikata na stranata**  
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**Liquidity of the Banking Sector and the State of Bulgaria's Economy**

**Ekaterina Sotirova, Vera Pirimova 5**

In recent years, especially after the Corporate Commercial Bank crisis from 2014, the banking system's liquidity has increased significantly. The share of liquid assets in the sector is about 30%, which exceeds the permissible requirements from the perspective of profitability. The reasons for this conservatism in bank behavior involve the macro-system's state as a whole, as well as credit markets. The efficiency of banking institutions is a factor of relatively weak influence. The article's purpose is to analyze part of the factors which contribute to accumulation of broad liquidity. The used methods include analysis and synthesis.

**Key words:** liquidity, macro-system, credit markets.

**JEL:** G14, G21.

**Klasteri i klasterni initsiativi v Bulgaria: razvitiye i predizvikelstva**

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**Clusters and Cluster Initiatives in Bulgaria: Development and Challenges**  
**Irena Slavova, Yovka Bankova, Christo Ivanov 14**

The role of clusters for economic development, competitiveness and innovations is repeatedly confirmed in a set of academic and practical studies and the various cluster initiatives are becoming an increasingly popular approach for their origination, consolidation and development.

The main goal of the article is to represent the development of clusters in Bulgaria by outlining the specificity of the implemented cluster initiatives, prerequisites and challenges towards their future development.

The research is in response to the practical necessity to create a comprehensive idea about the place and the role of clusters in the development of contemporary Bulgarian economy: implemented national politics for cluster development, its basic characteristics and applied tools in the context of EU politics; the environment in which the clusters originate and develop on one hand and their degree of development and structure on the other hand, as well as the possibility to improve the business environment

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and national competitiveness through the implemented cluster initiatives.

The results of the conducted research of the UNWE's "Development of cluster initiatives in Bulgaria: condition, prerequisites and challenges" university project show that the clusters in Bulgaria, investigated in the above aspects, are not a prerequisite for the improvement of national competitiveness. The main reasons are revealed in the unsatisfactory condition of the implemented cluster policy, as well as the environment in which they originate and operate, the state of development of the clusters and their structure, the small number of active clusters in the presence of an excessively large and growing number of emerging ones, the low degree and limited scope of implemented cluster initiatives. The main challenges in the future development of cluster initiatives in Bulgaria are along this lines.

**Key words:** clusters, cluster initiatives; competitiveness, Porter diamond model, model for effectiveness of cluster initiatives.

JEL: O38, A10.

### **Regionalno i prostorno razvitanje na gradovima u Severozapadnom regionu**

**Sonya Dokova, Georgi Nikolov,  
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### **Regional and Spatial Development of Cities in the Northwestern Region**

**Sonya Dokova, Georgi Nikolov,  
Nikolay Tsonkov, Elka Vasileva,  
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The process of territorial and socio-economic development of cities in Bulgaria and their approximation is an especially important issue in the context of Bulgaria's EU membership. Objective analysis shows that a large part of the cities are seriously falling behind in terms of their development. The balance of Bulgaria's village system is disrupted. Medium-sized urban centers whose population is between 30

000 and 100 000 people are developing slowly, and their socio-economic conditions tend to deteriorate. Therefore, it is crucial that the spatial development of medium-sized cities in the Northwestern Region – which is the most underdeveloped region in Bulgaria – be analyzed. That way, the problems in the spatial and regional development of the studied urban centers will be identified in order to outline the possibilities for their development. The medium-sized cities will be studied on the basis of selected socio-economic indicators, the state of the infrastructure, the state of urban economy and territorial and regional development, in accordance with up-to-date strategic documents for regional and spatial development.

**Key words:** cities, development, territory, plans.

JEL: R10.

### **Privlačnost na osnovni profesii v bransh "Elektrotehnika i elektronika"**

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### **The Appeal of Basic Professions in the "Electrical Engineering and Electronics" Branch**

**Emilia Chengelova** 43

The present article analyzes assessments and opinions about the appeal of major professions in the "Electrical engineering and electronics" branch, focusing on the possibilities for increasing the prestige and appeal of this professions. The presented assessments are based on in-depth interviews with labor force in this particular branch and reflect perceptions of the extent to which their professions are appealing and prestigious in the context of society and individuals. The article has shown how good ideas for raising the appeal of major professions can be generated by exploring self-assessments and opinions in one of the key sectors of Bulgarian economy.

**Key words:** Business economics, Personnel economics, Socialist systems and Transitional

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economies, Demand and Supply of labor, Wages, Compensation and Labor costs.

JEL: M2, M5, P2, J2, J3.

**Ikonomicheski efekti ot izpolzvaneto na mineralnite izvori v spa obektite**  
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**Economic Effects of the Use of Mineral Springs in Spas**  
**Elenita Velikova, Ivo Anev 60**

The present article provides a summary of part of the results obtained from a university research project titled "Economic Effects of the Use of Mineral Springs in Spa Tourism". Mineral springs are a natural resource which could improve the quality of life for many people. Spa tourism is one of the most effective ways to use them because it has the potential to become a primary element of the way we vacation, choose tourist destinations and live. The article's main goal is to present the developed model for determining the value of mineral waters and thermal mineral waters, thus creating a quantitative expression of the potential benefits from their use in spas, as well as the losses which result from their waste. The clarification of the nature and significance of mineral springs gives reasons to believe that, in addition to offering benefits for people's health as a natural resource, they are also a valuable source of savings which can be achieved through the use of their thermal potential.

**Key words:** tourism, spa, renewable resources, mineral springs.

JEL: Z320, Q260.

**Upravljenie na resursi i razhodi**  
**Management of Resources and Costs**

**Studentskoto kreditirane – Bulgaria i mezhdunarodniyat opit**  
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**Student Loans – Bulgaria and the International Experience**  
**Elena Konsulova-Atanasova 78**

The author reviews the current model of student lending in Bulgaria – detailed information about its creation and the conditions for granting student loans. At the same time, the picture of student loans abroad is analyzed and presented by giving information about the three most preferred destinations for acquiring higher education abroad by Bulgarian students – Germany, England and the United States. Similarities and differences between the models in different countries have been drawn and conclusions have been made.

**Key words:** higher education, student loans, interest rate.

JEL: H52, I22, I23, I28.

**Evropeyski sayuz**  
**European Union**

**Sravnitelnen analiz na usvoyavaneto na sredstvata ot Evropeyskite strukturni i investitsionni fondove v stranite – chlenki na Evropeyskia sayuz prez programen period 2014-2020 g.**  
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**Comparative Analysis of the Assimilation of Resources from the European Structural and Investment Funds in EU Member States During the 2014-2020 Programming Period**

**Aglika Kaneva 85**

This paper is devoted to the extent of assimilation of resources from the European Structural and Investment Funds in EU member states during the 2014-2020 programming period. A comparative analysis has been made of the utilization of resources from the European Structural and Investment Funds – the Europe-

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an Regional Development Fund, the European Social Fund and the Cohesion Fund – in member states during the 2014-2020 programming period. A comparison has been made with the Structural Funds' assimilation in the 2007-2013 programming period. The assimilation of the funds from the European Regional Development Fund, the European Social Fund and the Cohesion Fund has been analyzed by countries in the 2014-2020 period. Special attention is given to the utilization of the resources from the European Structural and Investment Funds in Bulgaria.

**Key words:** European Union, budget of the European Union, regional policy of the European Union, European Structural and Investment Funds.

**JEL:** F36.

### **Reglament/ES/ 2018/1672 na ES i Saveta – dopalnitelni pravomoshtia za balgarskite organi**

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### **Regulation/EU/ 2018/1672 of the EU and the Council – Additional Powers for Bulgarian Authorities**

**Tamara Vlaykova 102**

The article focuses on the additional powers of customs authorities related to the new Regulation/2018/1672 / 23.10.2018 of the European Parliament and the Council on cash entering or leaving the Union and repealing Regulation (EC) № 1889/2005. In this regard, the legal provisions have been analyzed and the conclusion that our national legislation in the field of cash control is largely in line with the new legal framework is justified; however, some legal changes are necessary in order to implement the new powers provided for customs authorities.

**Key words:** new regulation, temporary detention of cash, administrative decision.

**JEL:** F02.

## **Ikonomicheski teorii**

### **Economic Theories**

#### **Neorganiziranata organizirana prestupnost – printsipi na deystvie i proyavlenia**

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#### **(Non)organized Crime – Principles of Action and Dimensions**

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The article analyzes and explains contemporary evidence, forms and structures of organized criminal activity. A general theoretical framework has been defined for this purpose. The framework includes structural, ethnic and economic boundaries and patterns of organized crime and the relation between analytical views. Several classifications of organized crime have been outlined on the basis of the defined framework: by function, by degree of connection with the political and social system, by activity, and by structural characteristics. The principles of action of each classification have been analyzed. Finally, through the theoretical statements, the contemporary forms and trends of criminal activity have been examined and explained, using analysis of examples and cases of secondary data.

**Key words:** organized crime, criminal network, corruption, business, human trafficking, stolen goods, technologies.

**JEL:** D73, E26, J15, O17, O33.

#### **Problemi na ikonomicheskia rastezh v razvitite strani**

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#### **Problems of Economic Growth in Developed Countries**

**Dimitar Sabev 126**

Political discourse nowadays takes by default that economic growth is a positive feature. This

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article discerns five common situations when lasting negative economic performance accompanies GDP growth. Growth has been fetishized for a long time, due to a set of factors, including class interests, psychology, history and mathematics. However, it becomes evident that the incessant and rapid growth of GDP is not only needless and/or negative but also impossible. The fundamentals that propelled the exponential growth of modern economy are already used up. While the rich world confronts the challenge of de-growth, a high return on financial capital is still possible with a comprehensive global development policy. The middle echelon of countries like Bulgaria has to quickly abandon the catching-up attitude while aiming at a higher level of welfare perception beyond material increments.

**Key words:** economic growth, development, economic saturation, international relations.

**JEL:** O44, O29, F54, Q50.

### **Sravnitelni analiz mezhdu kardinalna poleznost i ordinalna poleznost**

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### **Comparative Analysis between Cardinal Utility and Ordinal Utility**

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This paper traces the history of the issue of utility measurement. Two approaches of utility measurement are examined in historical perspective. First, a brief review on the differences between cardinal utility measurement and or-

dinal utility measurement is done. Second, the methods of Irving Fisher and Alfred Marshall for cardinal utility measurement are examined in depth. Then, it is explained why the measurement of cardinal utility was thrown away from economics at the beginning of the twentieth century. And finally, it is shown how measurement of ordinal utility is conducted by using an indifference curves map.

**Key words:** measurement of utility, cardinal utility, ordinal utility, history of economic thought.

**JEL:** B1, B2, B4, D11.

### **Diskusia**

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### **Thoughts on Unsubstantiated Theories**

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The article presents the author's views on issues related to the changes in economic science with the emergence of new theories and hypotheses, etc. In terms of theory and methodology of economic science, the author's goal is to present some unresolved problems to accounting thought.

**Key words:** economic science, theory, methodology.

**JEL:** B41.