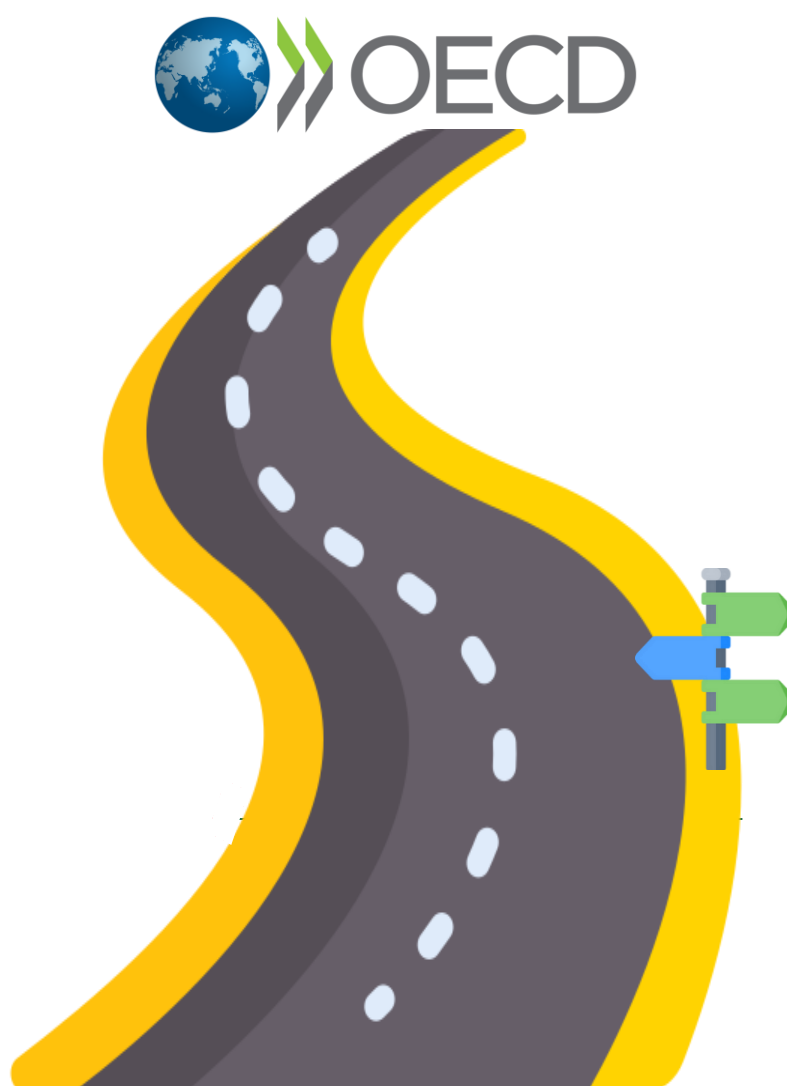


Bulgaria on the way to joining the Organization for Economic Co-operation and Development: Recommendations, challenges, and prospects



Sofia, 2023

Analytical document

BULGARIA ON THE WAY TO JOINING THE ORGANISATION FOR ECONOMIC COOPERATION AND DEVELOPMENT: RECOMMENDATIONS, CHALLENGES, AND PROSPECTS

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ANALYTICAL DOCUMENT

**BULGARIA ON THE WAY TO JOINING THE ORGANIZATION FOR ECONOMIC
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AND PERSPECTIVES**

Abstract: Bulgaria established cooperation with OECD in the early 90s of the 20th century, with the interaction taking place through the participation of the countries in separate working bodies of the organization and within the framework of separate thematic initiatives and programs. The country is an active participant in the OECD regional program for South-Eastern Europe and engages in its statistical and information reporting systems. Undoubtedly the issue of Bulgaria's membership in the OECD is more than topical and is of particular importance for the country in its struggle for achieving the highest possible results in its goals for reforms and the welfare of its citizens after the completion of socialist rule. This is the reason why in 2007 Bulgaria officially expressed its desire to obtain the status of a member in the organization and in 2022 it officially received an invitation. The analysis sets itself the limited goal to study Bulgaria on its way to membership in the organization, to give a vision of what the OECD represents, and to draw up proposals and key recommendations for the country for accelerated and maximally effective membership.

Keywords: OECD, Bulgaria, accession, member state, regulatory policy scan, OECD Roadmap

Sofia, 2023

About the Author:

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He is fluent in English and French.

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List of used abbreviations

NRA	Nuclear Regulatory Agency
BAS	Bulgarian Academy of Science
EU	European Union
CM	Council of Ministers
NA	National Assembly
CMD	Council of Ministers Decree
OEEC	Organization for European Economic Cooperation
OECD	Organization for Economic Co-operation and Development
COMECON	Council for Mutual Economic Assistance
USSR	The Union of Soviet Socialist Republics

Introduction

1. Relevance and importance of the chosen topic

The Organization for Economic Co-operation and Development was established in 1961. The immediate goals of its founders were to promote and improve policies for sustainable economic development, raise the living standards of the population, and maintain the financial stability of its member countries. It succeeded the Organization for European Economic Cooperation (OEEC), established to administer US and Canadian financial aid under the European Recovery Program (the so-called Marshall Plan) after World War II.¹ The OECD currently has 38 member countries. Under Article 13 of its constitutive treaty, the EU Commission also participates in the organization's activities.

The OECD's fundamental ideology is based on the principles of representative democracy and market economy, to which Bulgaria also adheres. It represents a prestigious forum for political and sectoral dialog, mutual identification of best practices in public governance, and levers for mutual assistance on key issues such as tax policy, transport infrastructure, agriculture, education, digital economy and innovation, climate, etc. The organization also often serves as a political buffer for tensions between member states. After the end of the Cold War, the OECD was transformed into a permanent forum for multinational consultations, even for non-members. The organization serves as a terminal for identifying and building beneficial policies and good practices, providing an excellent opportunity for "knowledge and skills" transfer, and promoting a sustainable global future. It is proving as very important for countries in transition, Bulgaria among them.

Bulgaria formally established cooperation with the OECD, which Bulgaria had stubbornly and harshly criticized until recently, right after the democratic changes in the early 1990s. The interaction is carried out through the country's participation in individual working bodies of the organization and within the framework of individual thematic initiatives and specific programs, where mutual interest is identified.² Our country is an active participant in the OECD Regional Program for South East Europe and participates in statistical and information reporting systems, benchmarking exercises such as the Program for International Student Assessment (PISA)³, publications and policy reviews, etc. Bulgaria receives methodological assistance in problem areas such as economic growth and privatization⁴. The OECD supports administrative reform in Bulgaria through the SIGMA Program, aimed at improving public administration in Central and Eastern European countries⁵. The country's integration actions are delivering results.

Over time, the relationship between Bulgaria and the OECD has strengthened. In 2007, almost fifteen years after Bulgaria formally established a relationship with the organization, the country officially expresses its will to become a member of the OECD. In the following years, the request for joining the global community of the organization has been repeatedly reaffirmed, most recently in 2017. Collaboration is so deep that after Bulgaria acceded to the EU, the country's accession to the OECD is seen as a particularly significant foreign policy goal.

¹ In international law, the status of the organizations is identical to a large extent, both in terms of their legal personality and their privileges and immunities. But in this case, we are talking about a unique empirical unity without parallel within the international relations.

² Foreign Trade, Ministry of Foreign Trade, 1984, pp. 7; Economic Encyclopedia for All, A-Z. Pub. by "Georgi Bakalov", 1984, p. 298.

³ PISA - Program for International Student Assessment. The program is a benchmark for policy-making and education reform. Since 2000, PISA has included more than 90 countries and economies and over 3,000,000 learners worldwide.

⁴ The Annual Report of the OECD: Report by the Secretary-General. Organization for Economic Co-operation and Development, 1998, 81.

⁵ Support for Improvement in Governance and Management in Central and Eastern European Countries. See Management Control in Modern Public Administration: The experience of different countries. SIGMA Publication No. 4. OECD OECD/GD (96)19. Available at: <https://www.sigmaweb.org/bylanguage/bulgarian/38765335.pdf>

The consistent policy of Bulgaria has led to a satisfactory result. On 25 January 2022, by a decision of the OECD Council, negotiations for the country's accession to the organization were initiated. The Bulgarian Prime Minister was officially informed of this by Letter MC/2021.394.pb, signed by OECD Secretary-General Mathias Cormann⁶.

Terminology note!

It should be noted that the term "accession" in this study is used in a broader sense, encompassing both the narrow international law term "joining an international organization" and the concept that extends beyond it to the three-step process of preparing for membership (pre-accession, accession, post-accession), formal signing, and subsequent adaptation, embodying all the actions of negotiation, exploration, negotiation, and transfer of policies and practices with a view to a state's joining the organization.

During the OECD Council meeting at ministerial level, held on 9-10 June 2022, a roadmap for Bulgaria's accession to the OECD was adopted, which contains the parameters of the ongoing process of talks, including the conditions for in-depth technical reviews, which in practice starts the actual integration process. The document sets out the conditions and process for Bulgaria's accession to enable the Council, at the end of the procedure set out in this roadmap, to decide on whether to invite Bulgaria to join the OECD Convention. The Council is empowered with the right to impose changes to the roadmap during the accession process. The main objective of the accession process is to align Bulgaria with OECD Standards, best policies, and best practices, leading to better outcomes for both OECD members and the invited country itself.

Undoubtedly, the issue of Bulgaria's membership in this forum is more than topical and of particular importance for our country. This is repeatedly confirmed by the Bulgarian executive authorities. In the framework of the discussion of the draft decree of the Council of Ministers on the organization and coordination of the process of talks and preparatory activities for our country's accession to this organization, membership is declared as a "priority" and as "the most serious integration effort of our country after its accession to NATO and the EU. It is also very significant because it affects almost all spheres of public life"⁷.

This also applies to our neighboring country Romania. In 2022, Prime Minister Nicolae Ciucă stated that the pledge of joining the OECD is the completion of a significant modernization process of Romania, already strengthened by EU integration but also by NATO accession⁸. In this sense, the proposed topic for analysis would present an undoubtedly significant and relevant overview of Bulgaria's readiness, challenges, and prospects on its path to OECD membership.

This report is structured in the following logical sequence. First of all, an introduction to the analysis is proposed, which indicates in detail the subject of the study, its relevance, scope, general and specific objectives, the tasks formulated in this, as well as the usefulness of the report for the

⁶Letter MC/2021.394.pb Available at: <https://www.oecd.org/newsroom/Letter-to-H-E-Mr-Kiril-Petkov-Prime-Minister-Bulgaria.pdf>.

⁷Nikolay Milkov, Minister of Foreign Affairs. Press conference at the Council of Ministers, 11.08.2022 <https://bnr.bg/horizont/post/101689411/ms-prie-postanovlenie-za-organizaciata-i-koordinaciata-v-pregovorite-za-chlenstvo-v-oisr>.

⁸ At stake in joining the OECD is the completion of Romania's modernization, Prime Minister Ciuca said. Available at: <https://www.24chasa.bg/mezhdunarodni/article/13324555>.

development of public administration in Bulgaria. The next section elaborates on the Pillar 10P approach itself, which aims to identify the background, progress, recommendations, and prospects for the country on its OECD accession path. The following section contains a complex and multi-layered examination of the information and evidence gathered throughout the research.

The recommendations and requirements of the organization to our country related to actions in the financial, economic, legal, environmental, and social spheres are discussed. Bulgaria's progress on these issues is also assessed. The conclusions drawn from the analysis and synthesis of information and evidence are presented in the following section. Based on these, the proposals and key recommendations for Bulgaria for an accelerated and most effective membership of the OECD are drawn up in a new section.

The detailed structure of the final report is finally determined after the finalization of an in-depth study of Bulgaria's progress towards accession to the OECD as a result of the findings, conclusions, and observations from the analytical activities carried out.

In schematic form, the analysis as content includes the main elements presented below.

2. Analysis general and specific objectives

Ultimately, the analysis seeks to answer the question of whether and to what extent Bulgaria is ready to join the OECD.

The specific objectives of the analysis are:

- ✓ examining the status of the organization, its origin, history, role, and importance from the global perspective; the legal quality that Bulgaria is gradually acquiring in the OECD bodies;
- ✓ establishing the degree of readiness and examining Bulgaria's progress in implementing the recommendations for institutional and legal reforms of the Organization;
- ✓ identifying the main challenges and formulating recommendations to overcome the challenges in Bulgaria's integration process.

3. Methods and tools

The methodology of the study includes a systematic analysis of the issues raised by applying a complex approach of methods by the formulated goals and objectives, including the method of geopolitical analysis, the method of normative analysis, the method of historical analysis, the method of comparative analysis, the predictive method, etc. The toolkit covers numerous normative documents, international instruments, analytical works, academic papers, databases, etc.

The in-depth study of the accession process is initially identified as the main way of conducting the whole analysis and consists of a detailed study of the degree of Bulgaria's readiness to become a member of the OECD. The immediate tasks in this part of the analysis include the preparation of summarized and synthesized information on the history and international legal status of the organization, as well as the characteristics of its international activities, a study of Bulgaria's relations with the OECD, as well as the legal quality that the country is gradually acquiring in the organization's bodies following its application for membership, an analysis of the progress of Bulgaria's accession to the international legal instruments that are considered as a sine qua non in the Framework for the Accession of the Republic of Bulgaria to the OECD.

The methodology of the study includes finding a systematic answer to the questions posed, by the formulated goals and objectives, by applying a complex of methods, the most important of which are:

✓ **method of geopolitical analysis**, with which, at the level of international relations, the foreign policy of Bulgaria and the international status of the OECD are studied to understand, explain and forecast the international political behavior of the countries in these relations;

✓ **method of normative analysis**, in its broadest sense, both nationally and internationally, through which the country's legal ties and commitments to the international organization are examined, including the resulting international rights and obligations to implement certain policies, leading to amendments and additions to Bulgaria's normative base;

✓ **a method of historical analysis**, through which evidence of the OECD's past, the realization of its goals and objectives over the years, including through the prism of tracing the gradual development of its relations with Bulgaria, is collected, synthesized, and analyzed;

✓ **the method of comparative analysis**, through which both Bulgaria and the OECD itself are put to the examination and identification of the essential similarities and differences with the relevant actors in international relations and the relations formed between them;

✓ **a predictive method**, that examines selected variables or risk factors and assesses their impact on the outcome of the country's accession process

The object of research and analysis includes numerous normative documents, among which the OECD Convention, its acts - decisions, recommendations, the Roadmap for Bulgaria's accession to the OECD, individual declarations, international agreements, the Constitution of the Republic of Bulgaria, individual national laws and regulations, acts of the primary and secondary legislation of the European Union and others. Analytical works, databases, and information tools of the OECD, the World Bank Group, the European Union, and the International Monetary Fund were also used. The most up-to-date academic works of leading Bulgarian and world scholars, as well as reliable media sources, have also been used as sources.

4. Scope

The conduct of study goes through the sequential implementation of the following activities presented below:

Activity 1. Defining the boundaries and structure of the analysis. Within this activity, the methodology for the analysis is developed and presented, outlining its structure and scope. The results of this activity are presented in the form of a report.

Activity 2 Carry out an in-depth study on Bulgaria's readiness and progress towards accession to the OECD in accordance with the objectives and targets set for the analysis.

Activity 3 Summarize the results of Activities 1 and 2 in a final report containing key conclusions and recommendations for Bulgaria.

The scope of the study is based on the structural differentiation of the OECD recommendations to Bulgaria, as well as the actions, inactions, respectively the results of the country in this respect. The OECD recommendations are grouped into four main categories as follows:

- ✓ legal;
- ✓ economic;
- ✓ social; and
- ✓ environmental.

Table 1 Scope of analysis

Activity	Sub activity	Description
Activity 1 Defining the	Defining the scope of the analysis	Defining the OECD recommendations and Bulgaria's achievements at a national level.

boundaries and structure of the analysis	Outlining the Pillar Approach	Description of the thematic pillars that will provide the basis for the analysis, their sequence, sources of data and information, etc.
	Drafting the content of the analysis and incorporating it into a report	Summary of ongoing sub-activities and submission to the Contracting Authority of a report with proposals relevant to Activity 1.
Activity 2 In-depth examination of the progress of the accession process	Historical and status analysis of the OECD	Synthesis and analysis of the history and international legal status of the organization and a description of its international activities.
	Study of bilateral relations on the Bulgaria-OECD axis	Study of Bulgaria's relations with the OECD and the legal status that the country is gradually acquiring in the organs of the organization following its membership application.
	Monitoring and assessing Bulgaria's progress toward accession to the OECD	Analysis of the progress of Bulgaria's accession to the international legal instruments, which are considered a mandatory condition in the Framework for the Assessment of Potential OECD Member Countries, as well as the reform commitments undertaken by our country related to membership.
Activity 3 Report preparation	Description of the current state of Bulgaria's integration process with the OECD	Preparation of an up-to-date snapshot of Bulgaria's readiness and progress on the path to accession.
	Defining the challenges and making recommendations for Bulgaria on its way to OECD membership	Identify the main challenges and make key recommendations for Bulgaria to accelerate and maximize its OECD membership.

The content of the analysis has been designed in the most appropriate way to provide an up-to-date snapshot of Bulgaria's readiness and progress on its OECD accession path, including defining key conclusions and recommendations for Bulgaria to maximize its accelerated and effective OECD membership. A key aspect of the report in its own right is the clear identification of ways in which the public administration could benefit from the results of the analysis, such as:

- ✓ Exploring the status of the organization, its origins, history, role, and significance globally;
- ✓ the legal quality that Bulgaria is gradually acquiring in the OECD bodies;
- ✓ Bulgaria's degree of readiness and current progress in implementing the recommendations for institutional and legal reforms of the organization, etc.

The potential of using the analysis results for public administration development

The study results can serve as a solid basis and starting point for future broader and deeper analytical and practical elaborations on the issue of Bulgaria's accession and possible membership in the OECD. On the other hand, the findings and conclusions of this analysis present a snapshot of the country's readiness and progress in the process of implementing the recommendations given by the organization, from which the opportunities and challenges for the public administration itself, which should be the engine of the integration process, can be identified.

New methodological guidelines and tools could be developed based on these to improve the functions of the Inter-Ministerial Coordination Mechanism established in 2017 for this purpose. This analytic document will contribute to raising the awareness of the Council of Ministers, the Ministry of Foreign Affairs, and all other bodies and working groups directly and indirectly involved in the country's accession to the OECD.

In addition, the report can also be used by the EU bodies and administrative apparatus, the OECD itself, and all interested countries and international organizations.

II. PILLAR APPROACH “10P”

The “10P” pillar approach is unique because it is theoretically constructed entirely to conduct this analysis. The choice to focus on this method is not random. We were inspired by the highly effective analytical approach of the OECD itself, which uses thematic pillars when seeking solutions to significant problems (such for example as overcoming the tax challenges arising from the digitization of the economy).⁹ In its broader sense, the pillar approach is used to identify a phenomenon using the particular structural definition of the main elements (pillars) on which this analysis rests.¹⁰

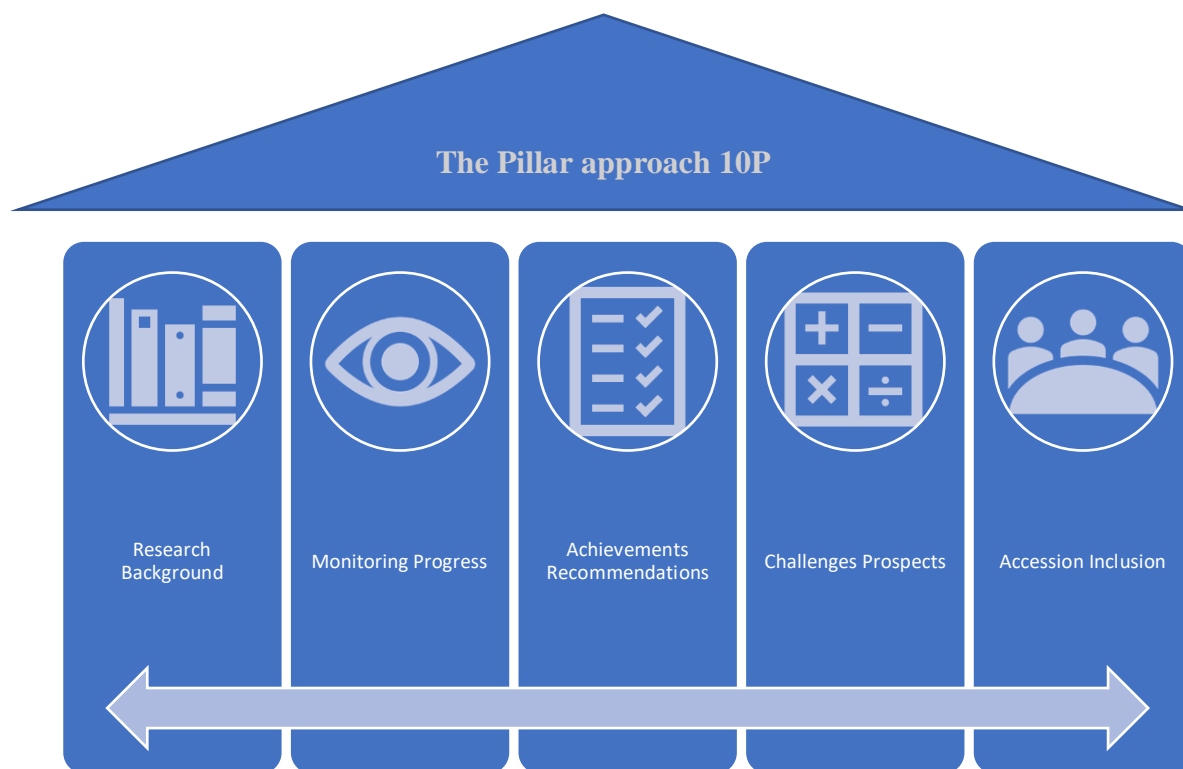
In a more narrow and concrete sense, the approach appears particularly appropriate in defining, deriving, and expressing in the most explicit and accessible way the architecture of the main development components, embodied in ten distinctive pillars and grouped in pairs, which is used as a model for the conceptualization of this analysis. The interdependencies and relations along the OECD-Bulgaria axis are examined through the prism of their **genesis, practical value, utility, and applicability** using this tailored approach. The ultimate aim is to make an evidence-based selection of conclusions and recommendations for Bulgaria to complete its membership process in the international organization and maximize the benefits of this deepening partnership.

In analytical terms, this section defines the thematic pillars (Fig. 1) underlying the analysis. Their sequence, sources of data and information, etc., are defined.

⁹ Two-Pillar Solution to Address the Tax Challenges Arising from the Digitalization of the Economy. OECD/G20 Base Erosion and Profit Shifting Project. October 2021.

¹⁰ From Eng. – „pillar approach”.

Figure 1. 10P Pillar Approach Matrix



Tiers

The 10P Pillar Approach is implemented using the following simplified logic matrix:

1. Research - Background - Outlining OECD characteristics and retrospective analysis;
2. Monitoring - Progress - charting Bulgaria's path to membership;
3. Achievements - Recommendations - identify key achievements and recommendations;
4. Challenges - Prospects - identification of the main problems, the ways to overcome them, and a clear picture of the prospects for accession;

5. Accession - Inclusion - a predictive analysis of accession and the real benefits to the state and society of membership in the "The Rich man's Club".

The chosen 10P Pillar approach is a process that embodies both the ontological structure (map of elements) of the study and a type of stepwise analytical cascade based on the recommendations for conducting a Myatt and Johnson analysis.¹¹ The pillar approach is constructed in such a way as to cover the most common tasks associated with data analysis, namely: data planning or preparation; shaping the method to produce summaries; identifying non-trivial facts, patterns, and relationships in the analytical findings; implementing models from the data to serve as a predictive paradigm; and drawing conclusions, summaries and recommendations.

¹¹ See **Myatt, G., Johnson. W.** Making sense of data I: a practical guide to exploratory data analysis and data mining. 1st Edition. Wiley-Interscience, 2006.

The chosen methodology will allow realizing in practice the characteristics of a legitimate and credible study of the observed phenomenon, namely Bulgaria on its path of accession to the OECD, thus achieving the necessary systematicity, logic, validity, depth, comprehensiveness, accuracy, and credibility of the analytical findings.

1. Research

The first step of any human analytical endeavor is exploration. The term “research” is most often used with the meaning given by the American sociologist Earl Robert Babbie, namely, the activity of systematically investigating the description, explanation, prediction, and control of an observed phenomenon. Research involves both inductive and deductive methods. Inductive methods are those used in the actual analysis of the observed phenomenon, while deductive methods serve us to verify the observed phenomenon. Hence, the inductive approach is mostly associated with qualitative research, while the deductive, is more often associated with quantitative analysis.¹² In this sense, research is a careful and detailed study of a problem or phenomenon with a scientific approach.

The term is also used in the sense of an action denoting the gathering of information about a particular phenomenon or event. This is also the sense we give to the present analytical matrix as an activity based on the intellectual application of the search for data about facts and/or circumstances that have their actual bearing on a given subject.¹³

Thus, in terms of the 10P Pillar Approach, the first pillar, Research, is logically the first and fundamental element of our analytical structure. This is the initial phase of the process, which should culminate, in this case, with findings and conclusions on Bulgaria's progress towards joining the OECD, identifying the main challenges it faces and making key recommendations to overcome them, ensuring the acquisition of membership in the organization.

Methodologically, this research is based on a wide range of academic and normative documents, in particular, international treaties, declarations, analytical papers, databases, etc. Their use aims at the in-depth study of Bulgaria's progress in its association with the OECD, and respectively country's readiness to become a member of the international organization.

The essence of the Organization for Economic Cooperation and Development

Legally, international organizations are secondary, derivative international legal persons. They do not possess sovereignty, populations, or territories but participate on an equal footing with States in many areas of international relations. While their number continues to grow, so do the functions with which they are charged. We usually divide international organizations into universal and regional, according to the scope of their activities.

For universal international organizations, the objectives and purpose of their activities are of interest to all countries worldwide. Although there is no precise definition of a universal international organization, two types of criteria synthesize the meaning of universality:

- Specifics of their membership;
- specificities of their object of activity.

In terms of membership, the universal international organization is open to all states and even, in exceptional cases, to membership by other international entities. Regarding the scope of

¹² What is Research: Definition, Methods, Types & Examples. Available at: <https://www.questionpro.com/blog/what-is-research/>

¹³ Shukla, M. et al. UNT UGC. NET/ JRF/ SET. Paper-2. Psychology. Arihant. 2021, p. 64.

its activities, it can be said that the universal international organization is a social entity that manages activities of universal or global interest through its specific competence.¹⁴

Regional organizations are established to address issues of interest to countries located in a particular region or are constituted according to certain political, ideological, or religious characteristics.

In this sense, it can be concluded that, due to the specificity of the social relations falling within the scope of its activities, the OECD is classified as a regional international organization.¹⁵ The view that the organization is regional is also supported by the leading international law scholars nowadays.¹⁶ The organization operates in a strictly specific field. Its objectives are a conventional hallmark of its area of action. Yet Article 1 of the Convention on the Organization for Economic Cooperation and Development¹⁷ states that the objectives of the organization are to promote policies designed for economic, commercial, and financial prosperity:

“The aims of the Organisation for Economic Co-operation and Development (hereinafter called the “Organisation”) shall be to promote policies designed:

(a) to achieve the highest sustainable economic growth and employment and a rising standard of living in Member countries, while maintaining financial stability, and thus to contribute to the development of the world economy;

(b) to contribute to sound economic expansion in Member as well as non-member countries in the process of economic development; and

(c) to contribute to the expansion of world trade on a multilateral, non-discriminatory basis in accordance with international obligations. . “¹⁸

From an academic perspective, the OECD is among the least studied international organizations. Traditionally, the continental literature has paid much more attention to the international bodies of the UN family and the EU. Our familiarity with the OECD is more or less based on the mainstream media and the political narrative expressed by representatives of the central government. The organization's role in the global architecture of international legal entities is far less explored than that of the World Bank, the International Monetary Fund, the General Agreement on Tariffs and Trade (GATT), or the World Trade Organization, for example.

The above should certainly not be seen as a sign of the insignificance of the international entity called the “OECD”. This is for a trivial reason. It lies, rather, in the limited membership and the distinctive features of the organization, which are revealed later in the presentation. The nature of the organization in terms of legal scholarship is also controversial, and the answers as to what it is cannot be conclusive. Some authors classify it as a technical international organization or one created for scientific and applied purposes, whereas other authors, especially during the years of traditional block opposition, have classified it either as a political or an economic international

¹⁴ **Boisson de Chazournes, L.** Interactions between Regional and Universal Organizations: A Legal Perspective. Brill Nijhoff, 2017, pp. 6-7.

¹⁵ There are also many criteria that a country has to meet to be accepted as a member of the OECD, which in practice means that the organization is not essentially open to all countries in the world. Since 2010, only eight countries have been accepted for membership.

¹⁶ The OECD, for example, is also classified as a regional international organization by José Álvarez, a leading scholar on the law of international organizations and a consultant to the U.S. government on international legal issues. See **Álvarez, J.** International Organizations as Law-makers. Oxford University Press, 2005, p. 117.

¹⁷ Translated from English: „Convention on the Organization for European Economic Co-operation“. Signed in Paris on 14 December 1960 and entered into force on 30 October 1961.

¹⁸ Author's translation. See Convention on the OECD. Available at: <https://www.oecd.org/about/document/oecd-convention.htm#Text>.

organization. In the propaganda literature of the socialist block, it has also been given military significance.¹⁹

The organization was founded in 1961 with the entry into force of its Articles of Association. It has permanent observer status in the UN General Assembly. Its headquarters are located in the Boulogne Forest at the Château de la Muette in Paris, France. From the point of view of international law, it is important to reiterate that it is the successor to the OEEC, which was set up to administer US and Canadian financial aid under the European Recovery Program (the so-called Marshall Plan) after World War II. Under Article 15 of the OECD Convention, the legal capacity possessed by the OEEC continues to exist in the entity of the OECD upon the entry into force of the Articles of Association. This provision technically ensures in an explicit way the succession between the two organizations.

The OECD Convention, despite its limited volume, together with the Additional Protocols thereto, comprise an extremely good and precise constitutional instrument. It contains provisions on both the legal capacity and personality of the organization (Additional Protocol No. 2). This circumstance can be counted as a big plus for Bulgaria as well as for all other international legal entities entering into some type of legal transaction with the Organization.²⁰ This minimizes the controversies that could arise concerning the legal status of the OECD.²¹

Many other international organizations cannot take pride in having similar constitutive documents. Quite a few of the constituent instruments of the international organizations of the generation immediately after World War II, including the United Nations itself, for example, are spelled out with provisions on their functions and aims rather than having their explicit, positive legal expression of their explicit legal personality, legal capacity or competence. Apart from the precise formal character of the OECD's founding documents, we can see another positive quality of the organization. It is constantly evolving, which increases its influence.

By its political nature, the OECD is a membership club of economies with a very high human development index. According to the World Bank, the total population of OECD member countries by 2021 exceeds 1.38 billion people. Of these, the United States (331 million people), Mexico (130 million people), Japan (125 million people), and Turkey (85 million people) account for the largest share. The average GDP per capita among the member countries for 2021 is over \$42,000, according to the World Bank.²²

The fundamental ideology of the organization is anchored in the principles of representative democracy and market economy. Major decisions are taken mainly by the OECD Council of Ministers (the Council), which is the highest political body. The latter is chaired by an elected Secretary-General. The Council is made up of ambassadors from all member countries. As is customary for international organizations, the Secretary-General heads the OECD Secretariat. This is the exact body where the organization's research and policy development is carried out in close coordination with the thematic committees established for this purpose. The OECD has a wide

¹⁹ Mahon, R., Mc. Bride, S. The OECD and Transnational governance. University of British Columbia Press, 2008, p. 43.

²⁰ Maslarova, L. The legal regulation problem of the relations between the Council for Mutual Economic Assistance (CMEA) and the European Economic Community (EEC). -In: Proceedings of the Scientific and Technical Conference „Achievements and Prospects of Socialist Economic Integration“. Economic Institute Karl Marx, 1979, p. 221.

²¹ As can be the case with the Organization for Security and Cooperation in Europe, which is one of the most controversial organizations in theoretical terms. First and foremost, the organization lacks a constitutional document (Articles of Association) under international law. Furthermore, there is no other text establishing its international legal personality. See White, Nigel D. The Law of International Organizations. Third edition. Manchester University Press, 2016, p. 53.

²² It should always be considered that each international organization or country may have its concept of Gross Domestic Product (GDP). Even the OECD itself has its endogenous concept of it. See Glossary of Statistical Terms. Source Publication: SNA 1.128 and 2.173-2.174. Available at: <https://stats.oecd.org/glossary/detail.asp?ID=1163>; The World Bank Data. OECD members. Available at: <https://data.worldbank.org/country/OE>.

range of subsidiary organs - committees, sub-committees, and working groups (more than 300). Each committee is responsible for policy development on different issues.

To maximize democracy and the appropriateness of funds spent on its activities, the organization has adopted a results-based approach to planning, budgeting, and financial management. The OECD's budget is generated by its members' contributions. These are mainly provided by member countries' public bodies and institutions. The OECD financial statements are prepared following international public sector accounting standards and audited by external auditors selected by the supreme audit institutions of the member countries. The Organization's financial statements are published on the OECD website.

The budget of the OECD and the content of the corresponding work program shall be established every two years by the Council based on recommendations from the Secretary-General. The total budget for 2021 amounts to €398 million.²³ The largest contributors to the 2019 budget are the US, Japan, and Germany. Newcomers Latvia, Lithuania, and Slovenia contribute 0.9% each. From these figures, it can be expected, accordingly, that the Bulgarian state will not be burdened with a significant contribution to the maintenance of the organization.

The OECD accession process

The accession pathway of Bulgaria to the OECD is the result of a long evolution of the organization. The process is currently very complex and consists of a series of steps that can be summarized in the following main phases.

PHASE 1: Pre-Accession

The pre-accession period involves a political debate behind closed doors on whether, under what conditions, and in what order future member states will be invited to join. To assist the Council in the process of considering a country's possible accession, the OECD's Global Relations Division provides the organization's Plenary with comprehensive information on the prospective member. The mere fact that a country is invited for this prestigious membership can be considered an extremely high testimonial of its status. The duration of this phase cannot be defined.

PHASE 2: Accession

Accession begins when the Council formally decides to open accession negotiations with a potential Member State. This usually takes place during one of the body's regular meetings. They are held twice a year. A dedicated document detailing the modalities, conditions, and accession process for the prospective member, referred to as the “**Roadmap**”, is drafted by the Secretary-General. It is based on the analytical findings previously established for each potential member state and is always specific to each candidate, although the accession roadmaps of states look very similar. This screening technology is described by those familiar with it as highly reliable.²⁴ This assessment can be confirmed. With its roadmaps, the OECD demonstrates innovation and progress relative to many other international organizations that do not have a pre-established, agreed-upon, unitary accession procedure.

Following the formal opening of accession negotiations, the prospective OECD member should publish an “**initial memorandum**” setting out the applicant's current attitude to alignment

²³OECD (2021), OECD Secretary-General's Report to Ministers 2021, OECD Publishing, Paris, Available at: <https://doi.org/10.1787/8cd95b77-en>. P. 30.

²⁴ **Littoz-Monnet, A.** The Politics of Expertise in International Organizations: How International Bureaucracies Produce and Mobilize Knowledge. Routledge, 2018, p. 182.

with OECD legal instruments. Parts of this memorandum should be presented to the technical committees tasked with screening a given candidate. The OECD Legal Department takes on a coordination role between the relevant Committees, the Council, and the prospective Member State, as the process is technical rather than political and thus based on a pre-established statutory process.

Once sufficiently familiar, the secretariat of each committee also prepares a relevant report containing a factual summary of the findings of the analysis of the candidate country's legislation, policies, and practices in a wide range of areas. The committees meet two or three times a year. First in order, quite naturally, is the review of the general situation of the candidate country. Thereafter, the analysis deepens, and more and more specific issues are discussed within the committees. Specific requirements are considered, such as the need to amend or supplement legislation, adopt certain policies or take certain initiatives that are deemed necessary and appropriate. All of these actions are assigned to the applicant country, and it should respond with a commitment to carry them out. The Committees' analysis is cyclical, as the prospective country should take the recommended actions, and Committee members assess its progress.

The Committees also often organize in situ missions, using field research in potential countries to establish facts relevant to the prospective Member State's fact-finding process. Meetings are held with state and municipal authorities, but also with the media, NGOs, and civil society. The review process of each committee is usually confidential as neither the relevant documents nor the meetings are open to the public.

Since, as mentioned, the review in this phase is not political, the OECD analysis is not formalistic. Full compliance with OECD legal instruments is not required before accession (these actions can be deferred to the post-accession period through a recommendation from the relevant committees). Rather, the purpose of these steps is to assess the potential of a given candidate for membership, as well as the willingness and ability of the candidate country to implement the Organization's legal instruments and best policies and practices in the relevant field.

The review process culminates in a formal opinion from each committee. After all the committees involved in the process have formally expressed their opinion, the Council, taking into account the assessments and any relevant considerations, **shall decide on the readiness** of the State concerned to become a de facto member of the Organization and shall extend an invitation accordingly.

When the invitation has been received by the State concerned, following the principles and rules of international law, it shall carry out the appropriate national procedure for ratification or approval of accession. This process is completed by **the signing of an accession agreement** between the candidate country and the OECD and depositing with the OECD the instrument of accession to the OECD Convention.

As can be seen from a review of accessions in the recent history of the OECD, this phase usually lasts two to three years. Colombia, the organization's 37th member, experienced the longest accession process, stretching over seven years (2013-2020). This is naturally due to the specificities of its national status.

PHASE 3: Post-Accession

Should a Committee impose on a prospective Member certain requirements or make recommendations to be implemented after accession, the new Member shall implement them and report its actions to the Committee, and any costs incurred in preparing for the evaluation and monitoring the results of these deferred actions shall be borne by the Member concerned. To ensure full transparency, the monitoring report should be published.

2. Background

In his world-famous speech delivered on June 5, 1947, at Harvard University, U.S. Secretary of State George S. Marshall proposed the provision of economic and financial aid to the countries of World War II-ravaged Europe. This event marked the beginning of successive U.S. foreign economic actions to transfer substantial capital, equivalent to 13 billion U.S. dollars at the time (the European Recovery Program, which gained popularity under the name of the Marshall Plan). 90% of the capital was absorbed as grants and only 10% as loans.

Thanks to the Marshall Plan, significant investments were made for the reconstruction and modernization of the countries of the continent.²⁵ The program was so complex and large that it required the establishment of a permanent, specialized, high-capacity international administration to coordinate all this activity - the OEEC was set up. This is the organization that will later be reconstituted as the OECD. As Barbara Ward ²⁶rightly concludes, 'amidst all the inevitable uncertainties of historical change and contingency, one thing is clear. Had it not been for the Marshall Plan, there would have been no OECD.

NB!

In studying the genesis of the OECD, it is very important to clarify the significance of the historical phenomenon that necessitated the creation of a deliberate international organization to coordinate capital absorption issues for the reconstruction of Europe and to do so through a new **lens for our country, that of democratic reading.**

The cruel consequences of the Second World War had to be erased in due course. The United Nations was set up and through its network of bodies and supporting international organizations, sets out to repair the war's global economic and social damage. The United Nations Relief and Rehabilitation Administration (UNRRA)²⁷, for its part, immediately took on the function of assisting the war-affected countries. These are avant-garde and courageous steps, but not on a large enough scale. The complete lack of capital in post-war Europe, the material devastation, and the nearly complete collapse of world trade chains put the continent's future at risk.

But it is not all about providing capital. The Marshall Plan was pursuing its own, unprecedented development model, which is leading to profound political and economic changes on the continent. Against the possibility of being financed, the affected European countries were

²⁵ See The Marshall Plan and the establishment of the OEEC. Available at: <https://www.cvce.eu/en/education/unit-content/-/unit/02bb76df-d066-4c08-a58a-d4686a3e68ff/84c940fe-a82b-4fe8-ad53-63144bfe30b1>.

²⁶ Economist and lecturer, founder of the International Institute for Environment and Development (IIED). He is considered to be among the first people to formulate the concept of sustainable development.

²⁷ It was founded in 1943 and became part of the UN in 1945. It would not be unreasonable to assume that it is the UNRRA, technically, the model for the UN itself. With UNRRA embodying the representation of 44 countries and dominated by the United States, the international community aimed to create a specialized agency to serve as a rearguard for the Allies against Hitler's Germany. See Agreement for United Nations Relief and Rehabilitation Administration, November 9, 1943. For more see: Summary of AG-018 United Nations Relief and Rehabilitation Administration (UNRRA) (1943-1946), Available at: <https://search.archives.un.org/downloads/united-nations-relief-and-rehabilitation-administration-unrra-1943-1946.pdf>

forced to formulate their plans, to articulate their needs formally, and the OEEC was empowered to supervise the distribution of capital. All this is under one categorical condition for the beneficiaries: that recovery plans had to be drawn up and coordinated in such a way as to ensure that they all took account of common European developments and that the individual progress of each beneficiary country would mean supporting the progress of all the others. This “encodes” the philosophy of the OEEC and therefore the OECD. This is built into their functional essence: *individual development becomes a prerequisite for the common good*.

By monitoring the Marshall Plan's activities, the OEEC was acting as a guarantee, providing the framework for a credible and dynamic community mechanism for growth, which in turn ensured the longest period of upswing and prosperity for Western economies. But they were not the only winners at the moment. The impetus for recovery and growth made possible by Marshall Plan aid and loans provided the climate for establishing the General Agreement on Tariffs and Trade (GATT), which increased tariff protection and prevented increasing restrictions on international trade and capital movements. Thus, the Marshall Plan not only established the original framework for the OECD but also influenced many aspects of the development of world democracy and trade relations on a planetary scale.

The Soviet Union followed its reading of post-World War II developments. Realism in the philosophy of international relations, however, prevailed. The USSR rejected the Marshall Plan, putting pressure on future communist republics, including Finland, to do the same. These actions deepened the division between Eastern and Western Europe. The Soviet Union feared that the United States would subjugate the Soviet economy by violating the sovereignty of European states by influencing the course of continental politics.²⁸

The communist countries were forced to work on independent international economic measures and programs under the general name of the „Molotov Plan” (of the USSR Foreign Minister Vyacheslav Molotov ²⁹- the so-called “Brotherhood Plan”). In January 1949, in response to the Marshall Plan, the USSR established a program of economic cooperation among the Soviet block countries called the Council for Mutual Economic Assistance (COMECON), turning it into a counterpoint body to the Western OEEC. But the COMECON did not stand the test of time. The project was a failure.

The History of the Organization for European Economic Cooperation

In terms of governance, post-World War II Europe had already gained some experience in administering international organizations, in the form of the League of Nations and the United Nations Relief and Works Administration. The OEEC was established in the immediate aftermath of the Second World War in 1948. Following the, to put it mildly, unsuccessful attempts to bring in the USSR, on 3 July 1947 the foreign ministers of Britain and France invited their European counterparts to meet in Paris to consider the preparation, coordination, and implementation of economic rehabilitation in post-war Europe. The conference also established a dedicated body, the 1947 Committee of European Economic Co-operation, set up to manage the initial phases of the European reconstruction program. The Committee consisted of representatives of 16 European countries, which did not include the Soviet Union and its satellite states, despite being invited, for the redistribution of a total of \$22.4 billion over four years.

A year later, given the need for a permanent administrative apparatus, and following a decision of the Committee at a meeting on 15 March 1948, the body was dissolved and its functions

²⁸ **Hogan, M.** The Marshall Plan. America, Britain and reconstruction of Western Europe, 1947-1952. Cambridge University Press, 1987, p. 51.

²⁹ The Soviet foreign minister opposed economic aid to Germany.

assumed by a new, dedicated organization, the OEEC. It became operational on 16 April 1948.³⁰ To achieve complete coherence, avoid contradictions, and ensure stability, the decisions made by the organization were unanimous. The formal objective of the organization, according to Article 11 of the Convention on European Economic Cooperation of 16 April 1948, was the achievement of a stable European economy through economic cooperation between its members. The objectives of the organization also included industrial development through the efficient use of resources, promoting the maximum possible exchange of goods and services among European countries, achieving a multilateral system of payments among them, including through the establishment of customs unions or free trade areas, reducing tariffs and other barriers to the expansion of trade, and achieving national financial stability. In practice, however, the organization's functions extend beyond purely economic matters, and for the first time, the organization is showing its innovation potential. It deals with issues in the field of nuclear energy, which is gaining popularity.

It would not be an exaggeration to conclude that in the 1950s it was the OEEC that became the “launch pad” of European integration, providing the framework for negotiations aimed at defining the terms for the establishment of a European Free Trade Area to unite the European Economic Community of the six and other OEEC members on a multilateral basis. Under the auspices of the OEEC, many issues related to the free movement of capital, transport, and shipping are addressed. In 1958, the first autonomous body with an independent legal status and international legal personality - the Nuclear Energy Agency (NEA) - was established within the OEEC.³¹

Over the ten years of its actual existence, the organization can boast of successful work toward the abolition of quantitative trade restrictions in Europe. It also helped to lay the foundations for the European Economic Community, European free trade, and a convertible currency until the European Payments Union was established.

By the end of the 1950s, with the work of rebuilding Europe now mostly complete, the OEEC was considered to have achieved its objectives. Due to its success, the decision was taken that the organization had acquired sufficient capacity and should be reconstituted and adapted to the new global political and economic environment rather than being dissolved.

There are also several problems, mainly caused by the confrontation between France and the UK internationally, as well as the growing influence of other international forums such as the Council of Europe and the NATO Economic Committee, which are beginning to gain more influence as forums for sectoral dialog among democratic countries. At the last session of the OEEC Council, held on 15 December 1958, whose agenda included the establishment of a European free trade area, the conversation became so unproductive that confrontation took over to the point where it became more than clear that the organization had exhausted its capacity both to settle economic issues and to compete in influence with the European Economic Community. It has therefore been decided to take a new path.

After tense deliberations in Paris (at the Majestic Hotel³²), a decision was reached as early as 1960 to create a new international body that would deal not only with European and transatlantic economic issues but whose mission would also include the development of policies to assist

³⁰They are Austria, Belgium, Denmark, France, Greece, Iceland, Ireland, Italy, Luxembourg, the Netherlands, Norway, Portugal, Sweden, Switzerland, Turkey, the United Kingdom, and West Germany. East Germany, as well as Spain under Franco, did not receive membership. By 1958, membership from the Old Continent within the OEEC overlapped with that of NATO, except for neutral Austria, Ireland, Sweden, and Switzerland.

³¹ It was originally established on 1 February 1958 by an OEEC decision of 20 December 1957 under the name “European Nuclear Energy Agency”, with the United States participating as an associate member. The name was changed in 1972 to “Nuclear Energy Agency” after Japan became a member.

³²The hotel has a long and intriguing history. It was used by the French authorities as well as subsequently being the headquarters of the German command in France during WWII. It also briefly served as the headquarters of UNESCO, and in addition to the establishment of the OECD, the Paris Peace Treaty was signed there on 27 January 1973, ending the Vietnam War two years later.

catching-up countries on other continents. The focus of the organization has shifted from regional to global. It was to be a new organization of prosperous states that would promote liberal idealism on a global scale. This was to ensure that influential states like the USA and Canada were also brought into this new organization, from observers to full membership. And because the scale was already global, the membership strategy changed. The aim was now also to attract Japan as the Eastern economic hegemon.³³

Thus, immediately after signing the 1957 Treaties of Rome establishing the European Economic Community, the Convention on the Organization for Economic Cooperation and Development was drafted. It was signed in December 1960, formally making the OECD the successor to the OEEC. This took place in September 1961. The original membership included the European founding members of the OEEC and the United States and Canada.

Bulgaria falls into the opposite block. Decades of totalitarian rule in the country followed, during which all its major external affairs, including the particularly important work of international cooperation and norm-setting through the drafting of multilateral international treaties, were coordinated with the USSR.³⁴

The current composition of the OECD membership as of 2022 is presented in tabular form.

Table 2. OECD member countries by 2022³⁵

Country	Accession date:
AUSTRALIA	06/07/1971
AUSTRIA	09/29/1961
BELGIUM	09/13/1961
CANADA	04/10/1961
CHILE	05/07/2010
COLOMBIA	04/28/2020
COSTA RICA	05/25/2021
CZECH REPUBLIC	12/21/1995
DENMARK	05/30/1961
ESTONIA	12/09/2010
FINLAND	01/28/1969

³³The accession process of the country is extremely fast and lasts only seven months. The decision is rather political and aims at bringing Japan quickly into the anti-communist countries and opening its economy to trade and investment. The Asian country has enjoyed remarkable economic growth since the Second World War, as a result of successful government reforms leading to the most appropriate redistribution possible, reduced military expenditure, but above all the so-called "Inclined Production Mode" focused on the production of raw materials. The Korean War also provided momentum. Japan's path to superpower status after the devastating Second World War is often qualified as the "Japanese Economic Miracle".

³⁴ This is very much evident in the discussions on the codification of the law of treaties that led to the adoption of the 1969 Vienna Convention on the Law of Treaties.

³⁵The list contains hyperlinks to country profile pages on the OECD website.

<u>FRANCE</u>	08/07/1961
<u>GERMANY</u>	09/27/1961
<u>GREECE</u>	09/27/1961
<u>HUNGARY</u>	05/07/1996
<u>ISLAND</u>	06/05/1961
<u>IRELAND</u>	08/17/1961
<u>ISRAEL</u>	09/07/2010
<u>ITALY</u>	03/29/1962
<u>JAPAN</u>	04/28/1964
<u>KOREA</u>	12/12/1996
<u>LATVIA</u>	07/01/2016
<u>LITHUANIA</u>	07/05/2018
<u>LUXEMBOURG</u>	12/07/1961
<u>MEXICO</u>	05/18/1994
<u>THE NETHERLANDS</u>	11/13/1961
<u>NEW ZEALAND</u>	05/29/1973
<u>NORWAY</u>	07/04/1961
<u>POLAND</u>	11/22/1996
<u>PORTUGAL</u>	08/04/1961
<u>REPUBLIC OF SLOVAKIA</u>	12/14/2000
<u>SLOVENIA</u>	07/21/2010
<u>SPAIN</u>	08/03/1961
<u>SWEDEN</u>	09/28/1961
<u>SWITZERLAND</u>	09/28/1961
<u>TURKEY</u>	08/02/1961
<u>GREAT BRITAIN</u>	05/02/1961
<u>UNITED STATES OF AMERICA</u>	04/12/1961

3. Chronological line of events

With the fall of the Berlin Wall, the course of Bulgarian foreign policy was directed toward integration with the West. In 1994, Bulgaria joined NATO's Partnership for Peace initiative. In 1996 Bulgaria joined the Wassenaar Arms and Sensitive Technology Export Control Agreement for countries of concern. In the same year, the country became a member of the World Trade Organization. The country also became a member of the Zangger Committee³⁶ and the Nuclear Suppliers Group. In 1997, the country formally applied for NATO membership. After five years of reforms, it managed to impress the alliance. At the organization's summit in Prague in 2002, Bulgaria was invited to join the Alliance. In 2004 this membership became a fact. In 2006, Bulgaria and the US signed a Defense Cooperation Agreement, which provides for US military bases and training camps in Bulgaria as part of the Pentagon's restructuring plan.

In parallel with these actions, the state is moving not only towards a change of political direction, seeking partnership with Western European countries, but also towards a real deepening of this cooperation. It is seeking membership in the European Community. The process of accession of the country practically started with the decision of the Seventh Grand National Assembly for full membership of Bulgaria in the Community, adopted on 22 December 1990. Four years later the Agreement on the Association of Bulgaria to the European Union (1994) came into force. The country formally applied for full membership at the end of 1995 and was accepted as a full member of the European Union on 1 January 2007.

In the following decade, the country embarked on many other integration projects. One of them is the Three Seas Initiative, proposed by Polish President Andrzej Duda and Croatian President Kolinda Grabar-Kitarović. "Three-Seas-Initiative")³⁷.

Bulgarian foreign policy is also expanding permanently eastwards. The country is actively participating in and focusing on strengthening trade and investment ties with the People's Republic of China. The Secretariat of Cooperation between the China and the Central and Eastern European Countries (17+1) was established for this purpose. This unit aims to arrange high-level meetings of the leaders of the countries concerned, as well as to organize economic and trade forums and coordinate and implement the relevant agreements reached during these events. The China-Central and Eastern Europe Research Fund was established to encourage and support experts, scholars, and think tanks, as well as other individuals and institutions from the 17 countries, in their process of studying China-Central and Eastern Europe relations, and to promote cooperation and academic exchanges.

Committed to deepening cooperation, the Center for the Promotion of Agricultural Cooperation between China and the Countries of Central and Eastern Europe has been established in Bulgaria as a legal entity - a secondary budget manager under the Minister of Agriculture, Food, and Forestry. The Global Partnership Center, also located in Sofia, has been established to facilitate communication between Chinese and European businesses.

Bulgaria's priority, however, remains deepening integration with its new Western partners. Following the country's accession to NATO and the EU, joining the OECD is thus seen as a particularly significant foreign policy objective. Bulgaria formally deposited an international legal instrument with the organization in 2007, expressing its wish to become a member state. In the

³⁶ Zangger Committee - named after its first chairman prof. Claude Zangger.

³⁷ Essentially this is an organization of twelve countries in the European Union, uniting countries from the Baltic to the Adriatic and Black Seas in Central and Eastern Europe. The initiative aims to create a regional dialog on many issues, most notably on two major infrastructure projects in the region - the Via Carpathia North-South Highway and LNG infrastructure, with offshore terminals in Poland and Croatia and a connecting pipeline.

These are Austria, Bulgaria, Croatia, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia, and Slovenia.

following years, the request to join the global community of the organization has been repeatedly reaffirmed, most recently in 2017.³⁸

The organization considering the criteria of similarity, relevance, mutual benefits, and global considerations, thus decided on 25 January 2022 to open accession negotiations with Bulgaria alongside Romania, Croatia, Brazil, Argentina, and Peru. The decision is also conditional on recognition of the progress made by these countries towards meeting the criteria set out in the Framework for the Consideration of Potential Members.³⁹ This action invites the Secretary-General, through a letter approved by the Council, to communicate the Council's decision to Bulgaria and request the country to confirm its adherence to the OECD 60th Anniversary Declaration and the CM statement adopted in October 2021.

The Council Decision also requests the Secretary-General, as the relevant positive responses from the candidate countries have been received, to determine the modalities, conditions, and process for accession to the OECD. This is also formally constituted in the respective draft accession roadmaps for consideration and adoption by the council.

4. Progress

The country established cooperation with the OECD in the early 1990s, with interaction taking place through the country's participation in the organization's various working bodies and within the framework of individual thematic initiatives and specific programs.

As early as the mid-1990s, the Bulgarian economy was the subject of evaluation and recommendations. Bulgaria received an economic assessment as early as 1992, and the first full report examining the Bulgarian economy was carried out in 1996. Immediately after the collapse of the socialist system, the organization set about organizing technical and methodological assistance for the Bulgarian public administration as the country experienced a series of particularly difficult years for its economy, which led to yet another financial crisis. The OECD has been working hard on providing good prospects for the country by analyzing and forecasting the economic situation in the former socialist block.⁴⁰ Its opinion on current problems, although criticized until recently, is coming into instant use in Bulgarian doctrine and state practice.

In 1999 a Bulgarian delegation participated in the special session of the OECD's Economic and Development Review Committee, where practically the country made a real breakthrough - the possibility for Bulgarian experts to participate in the organization's committees was established. The country pursues its relations with the organization by coordinating a dedicated body to cooperate with third countries.

The Center for Cooperation with Non-OECD Countries was established in January 1998, following the merger of two other structures - the Center for Cooperation with Countries in Transition and the Liaison and Coordination Unit. The newly formed body has the main task of serving as a focal point for the development of relations and cooperation between the OECD and non-member countries. The Center carries out thematic, common country programs and national, specific ones for transition economies. This is precisely the sort of cooperation the OECD pursued in the 1990s with Bulgaria, China, Russia, Romania, Slovakia, and Slovenia.⁴¹

The first significant binding bilateral step in the OECD membership process is the conclusion of the relevant agreement on the privileges and immunities of the organization. About accession,

³⁸ See "Framework for the Consideration of Prospective Members" a translation by the Ministry of Foreign Affairs, on its website, Foreign Policy section.

³⁹ RESOLUTION OF THE COUNCIL ON THE OPENING OF ACCESSION DISCUSSIONS. Adopted by the Council at its 1438th session on 25 January 2022 C(2017)92/FINAL.

⁴⁰ Angelov, I. Bulgaria's economy until 1998. Bulgarian Academy of Sciences, Institute of Economics, 1996, p. 34.

⁴¹ OECD Economic Surveys: Bulgaria 1999.

in international law terms, this agreement must necessarily be concluded before the OECD Council decides to invite the applicant country to become a member and must enter into force no later than the date of accession to the OECD Convention.

Given its commitments and the deepening of cooperation with the Organization, Bulgaria also undertakes to allow the OECD to fully and effectively discharge its responsibilities and perform its tasks by signing such an instrument with the Organization. This is, in fact, the first international instrument that lays the foundations for the country's future interaction with international organizations in a detailed and comprehensive manner. The Agreement was concluded on 11 October 1996. It is very detailed and declares both the legal capacity of the organization (in particular its legal personality and contractual capacity, Article 2) and settles several questions concerning the inviolability, privileges, and immunities of persons serving in it. Like any legally sound international treaty, the agreement ends with dispute settlement clauses.⁴²

With Bulgaria's possible membership in the organization in mind, although with some delay, the country is also taking quite a few actions internally. A special permanent body, the Inter-ministerial Coordination Mechanism for Bulgaria's Accession to the OECD, was established by Decision No 789 of the Council of Ministers of 20 December 2017, as amended by Decision No 444 of the Council of Ministers of 11 June 2021, to prepare Bulgaria for the opening of negotiations for the country's accession to the OECD. Chaired by the Minister of Foreign Affairs, it includes representatives of the ministries and departments involved in cooperation with the OECD.

Following Article 8(2) of Decision No. 242, 2022 of the Council of Ministers on the organization and coordination of the preparatory process and activities for Bulgaria's accession to the OECD, the Council of Ministers issued Decision No. 817 of 24 October 2022 to designate leading and partner institutions responsible for the Organization's legal instruments. Where appropriate, the leading institutions responsible for carrying out the technical reviews by the OECD Thematic Committees and for ensuring compliance with OECD legal instruments may involve partner institutions other than those listed in a specific appendix to the Decision. Presented in tabular form are the leading institutions, respectively the team of partner institutions according to which instrument they will be assigned.⁴³

Following is another very significant step. In 2022, the Initial Memorandum of the Republic of Bulgaria on the OECD accession process was approved. This document contains the first self-assessment of the conformity of the country's legislation, policies, and practices with each OECD legal instrument in force.⁴⁴ One year prior, the Council of Ministers made another milestone decision that Bulgaria should also join the OECD Development Center.⁴⁵

According to the Minister's draft report, the next stage of the process consists of in-depth technical reviews that will be carried out by more than 20 OECD⁴⁶ thematic committees in different

⁴² AGREEMENT BETWEEN THE REPUBLIC OF BULGARIA AND THE ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT ON THE PRIVILEGES, IMMUNITIES AND FACILITIES GRANTED TO THE ORGANISATION. Available at: <https://www.oecd.org/legal/41383747.pdf>.

⁴³ CM: A Decision of the Council of Ministers on the process of accession of Bulgaria to the OECD has been published. Available at: <https://www.strategy.bg/News/View.aspx?lang=bg-BG&Id=10681>.

⁴⁴ CM: The Government approves the Initial Memorandum of the Republic of Bulgaria on the OECD accession process. Available at: <https://www.strategy.bg/News/View.aspx?lang=bg-BG&Id=10682>.

⁴⁵ The body helps developing countries and emerging economies find innovative policy solutions to promote sustainable growth, reduce poverty and inequality and improve the lives of their populations. It aims to facilitate policy dialog between governments, involving public and private stakeholders.

⁴⁶ Investment Committee and Working Group on Responsible Business Conduct; Working Group on Bribery in International Business Transactions; Corporate Governance Committee; Financial Markets Committee; Insurance and Private Pensions Committee; Competition Committee; Fiscal Affairs Committee; Environmental Policy Committee; Chemicals and Biotechnology Committee; Public Management Committee; Senior Budget Officers Committee; Regulatory Policy Committee; Regional Development Policy Committee; Statistics and Statistical Committee Economic and Development Review Committee; Education

areas such as trade and investment, public governance, integrity and anti-corruption, environment and climate change, digital economy, regional development, quality infrastructure, competition, employment, and social policy, etc.⁴⁷ In practice, this is the first step in the substantive technical reviews of Bulgaria. During the accession process, Bulgaria is invited to participate, based on its status as a candidate country, in the meetings of all important OECD committees and their subsidiary bodies open to the participation of all OECD members. Participation in all discussions is granted, except for confidential sessions, with access to documents relating to its admission. Bulgaria is not entitled to participate in decision-making.

Submitting the Initial Memorandum to the OECD is an essential step in the accession process, after which the OECD Committees begin conducting in-depth technical reviews of our country for their respective fields of work. Following their completion, Bulgaria has to submit its final position according to the established procedure. The initial memorandum is formally submitted to the Secretariat for review, as are any appropriate changes incorporated thereafter. The relevant parts of the Initial Memorandum shall be submitted to the various committees that consider Bulgaria's progress. As part of their technical review, they assess Bulgaria's alignment with the OECD legal instruments within their remit to identify any additional actions required in the accession process.

The formal opinion of each Committee shall include an assessment of Bulgaria's readiness to implement the relevant OECD legal instruments. The Committees reviewing Bulgaria should also formulate and submit to the Board an assessment containing their formal views of Bulgaria's policies and practices in comparison with the best OECD policies and practices in their thematic area of competence, referring to the relevant core principles set out in the Annex to the Bulgaria Roadmap. In the interests of full practical integration, the Committees may also consider Bulgaria's position on any other rules, standards, and benchmarks that OECD members find necessary to comply with.

Bulgaria's alignment with OECD legal instruments that are not within the remit of a particular committee considering Bulgaria or that have not been reviewed by the competent committee because they were adopted after the completion of its formal opinion, will be assessed by the Secretary-General, who should submit a report to the Council at the end of the process.

Our country's preparatory measures are included in triennial Roadmaps containing specific actions for accession to the OECD. The document incorporates the Action Plan developed in cooperation with the OECD Secretariat in 2019. This is a deliberately structured working document outlining the main actions in 21 areas needed to achieve OECD standards and meet the criteria for membership of the Organization in line with the requirements of the OECD Assessment Framework for potential members.

In line with the Action Plan and the three-year National Roadmap, Bulgaria is acceding to several OECD legal instruments and stepping up its participation in a number of committees and working groups. Towards the end of 2022, the EU will participate in numerous OECD and OECD-related activities. Bulgaria participates with the status of “member”/“associate member” in the activities of 13 working bodies, has the status of “participant” in 6 other bodies, and is a „guest”/“observer” in 19 others.⁴⁸

Policy Committee; Employment, Labor and Social Affairs Committee; Health Committee; Trade committee and Export Credit Working Group; Agriculture Committee; Fisheries Committee; Science and Technology Policy Committee; Digital Economy Policy Committee; Consumer Protection Committee; Steel Committee.

⁴⁷Draft Report by Teodora Genchovska, Minister of Foreign Affairs Subject: Proposal for a Resolution of the Council of Ministers on the organization and coordination of the process of talks on the accession of the Republic of Bulgaria to the Organization for Economic Cooperation and Development (OECD). 31/05/2022

⁴⁸On 27 January, for example, the Council of Ministers adopted a Decision confirming Bulgaria's position as a regular observer in the Statistical Committee of the Organization for Economic Cooperation and Development and designating the President of the National Statistical Institute to represent the country in the meetings of the Statistics Committee. See NSI: Bulgaria will apply for

As of January 2023, our country has adherence to 33 legal instruments. Of the legal instruments, the accession to which is considered a mandatory condition in the Framework for Assessment of Potential Member Countries, Bulgaria has acceded to 7 of the 8 OECD standards, as follows:

- Convention on Combating Bribery of Foreign Public Officials in International Business Transactions;
- Council Recommendation on Principles of Corporate Governance;
- Council Recommendation on Principles for Internet Policy Making;
- Council Recommendation on Good Statistical Practice;
- OECD Inclusive Framework for the implementation of the BEPS (Base Erosion and Profit Shifting) project measures;
- The OECD Global Forum on Transparency and Exchange of Information for Tax Purposes;
- The OECD Declaration on International Investment and Multinational Enterprises.

The procedure is underway for the country to join the other OECD codes for the liberalization of capital movements and current invisible transactions. In the Agreement between the Government of the Republic of Bulgaria and the OECD, ratified by a law adopted by the 44th National Assembly on 24 January 2019,⁴⁹ the steps for accession to each OECD legal instrument can be traced.

5. Achievements

Among the more significant achievements on the way to the country's OECD membership in recent years can be formally highlighted by the successful completion of the process of Bulgaria's accession to the NEA⁵⁰ and the OECD Data Bank. Methodologically, Bulgaria is the subject of a special analysis, culminating in the presentation on 29 January 2021 of the Economic Survey for Bulgaria, prepared by the OECD for the first time since 1999. Bulgaria is also the subject of an analysis in three specific areas to report the results of a diagnostic scan so typical of the organization:

- Regulatory Policy Scan of Bulgaria;
- Public Integrity Scan of Bulgaria;
- Center of Government Scan of Bulgaria⁵¹

Economical

Over the period 2000-2019, exports and imports of goods and services increased from 78% to 124% of GDP. However, with 64% of GDP, exports of goods and services remain relatively low compared to other Central and Eastern European countries. It is estimated that about two-thirds of

the status of a permanent observer in the Statistics Committee in OECD. Available at: <https://www.nsi.bg/en/content/8634/bulgaria-will-apply-status-permanent-observer-statistics-committee-oecd>

⁴⁹ Effective from the day the ratification law enters into force - 8 February 2019, issued by the Ministry of Finance. Prom., SG issue 16 of 22 February 2019

⁵⁰ As of 1 January 2021, our country became the 34th member country of the NEA.

⁵¹ Under the Advancing Public Administration Reform project, the OECD is providing support to the country to improve coordination among public authorities to achieve the highest possible level of integrity, improve the coordination and strategic foresight functions of public administration, and refine the use of regulatory management tools by developing concrete reform proposals based on best practices and international standards. The project, like the Regulatory Policy Scan and the Public Integrity Scan, results in the Center of Government Scan publication approved by the OECD Public Governance Committee on 27 May 2022. The document analyses the functions and institutional responsibilities within the central government and assesses their role in decision-making. The review further examines strategic planning and the ability of the MC administration to set government priorities and governance commitments and translate them into measurable objectives. REGULATORY POLICY SCAN OF BULGARIA OECD PUBLIC GOVERNANCE POLICY PAPERS September 2022 No.18. 10.

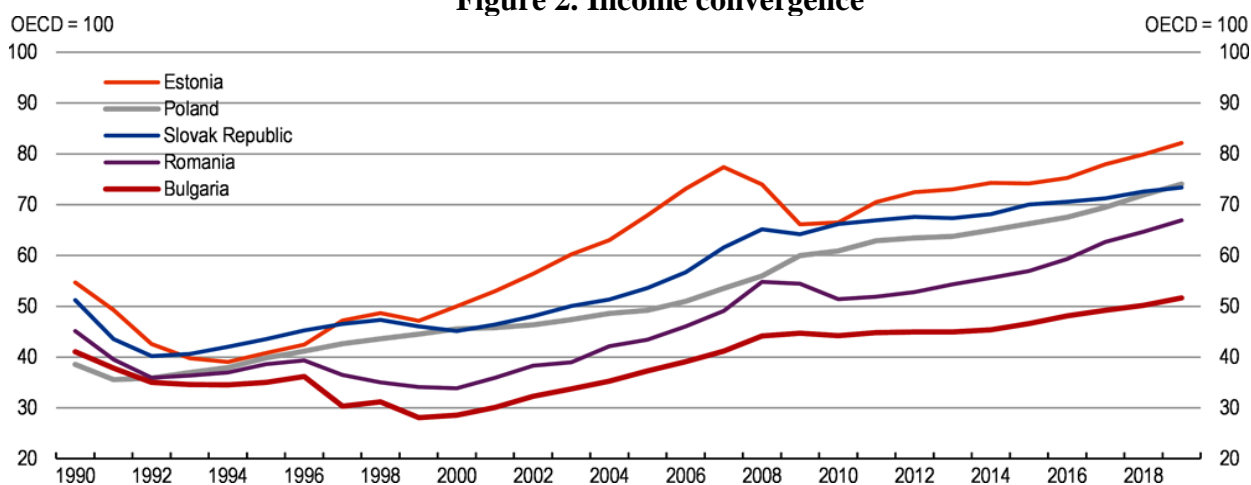
exported goods are destined for the EU, with Germany, Romania, Italy, Turkey, and Greece being the most important markets for Bulgaria.

Services account for about a quarter of exports, with about 38% of total services exports consisting of tourism services and only about a fifth of transport and storage services. Bulgaria can also boast another achievement in terms of technology. The share of business services is increasing, including in the dynamic computer and information services sector. Exports of goods rely on a high share of primary exports, including copper, iron, and other metals and petroleum products, and a lower share of higher value-added goods.

The OECD report “OECD Economic Surveys: Bulgaria 2021” confirms that Bulgaria is an open economy. Among the survey’s conclusions is that the national manufacturing sector is integrated into global chains but faces several challenges. Participation in global chains is assessed at a level similar to Central and Eastern European countries. Imports of raw materials for the production of goods and services are more pronounced than exports of domestically produced raw materials to foreign producers, with Bulgaria making large gains over the past two decades.

The report shows that the sound macroeconomic framework and deepening integration with the EU provide a good platform for the country to join the Eurozone. Economic growth has exceeded 3% per annum for five consecutive years, wages are rising rapidly, and unemployment is declining. Since 2014, convergence with OECD income levels has accelerated and Bulgaria is making satisfactory progress in the financial sector and institutional reforms to gain membership of the European Exchange Rate Mechanism II (ERM II) and the Banking Union in July 2020.

Figure 2. Income convergence⁵²



Before the COVID-19 pandemic, the country performed well economically. Unemployment fell to historically low levels while personal income grew significantly. Impressive structural reforms were implemented to raise productivity, increase income convergence and address social challenges. The flourishing economy translates into steady growth of household disposable income, although the wealthiest benefit the most, and income inequality exceeds that of almost all OECD countries. Achievements in gender equality are good, with gaps in labor market participation and wages below the OECD average.

Global crisis, however, directly affects Bulgaria's performance. The COVID-19 pandemic is hitting the Bulgarian economy at a time when it is performing strongly and exacerbating its outstanding problems. Relative poverty is higher than in many OECD countries. Bulgaria faces

⁵²Source: StatLink <https://stat.link/tomdrv>.

particular challenges in health and housing. Life expectancy remains relatively low, while more than half of the population reports low life satisfaction, the highest proportion in the European Union. The coronavirus abruptly halted several years of robust economic growth that had raised per capita income above half the OECD average.

Despite fewer cases in relative terms, as well as softer restrictive measures in response to the pandemic than in other OECD countries, the Bulgarian economy is contracting strongly in the second quarter of 2020. While public finances remain stable and the authorities are taking action to support firms and households, 2022 is marked by an unprecedented political crisis in the country, leading to a vicious round of elections for the National Assembly, and accordingly, the deterioration of economic indicators is not delayed.

Globally, at a time when the world seems to have taken a breather from the waning pandemic, war broke out in Ukraine in early 2022. Economic growth in Europe slows further, which also affects Bulgaria. Inflation is on the rise, reaching historic proportions in the country. According to the National Statistical Institute, the annual inflation rate for September 2022 compared to September 2021 is 18.7%, and the month-on-month price increase in 2022 is in the groups: education is +5.4%, housing, water, electricity, gas, and other fuels is +4.2%. For food and non-alcoholic beverages is +2.3%.⁵³

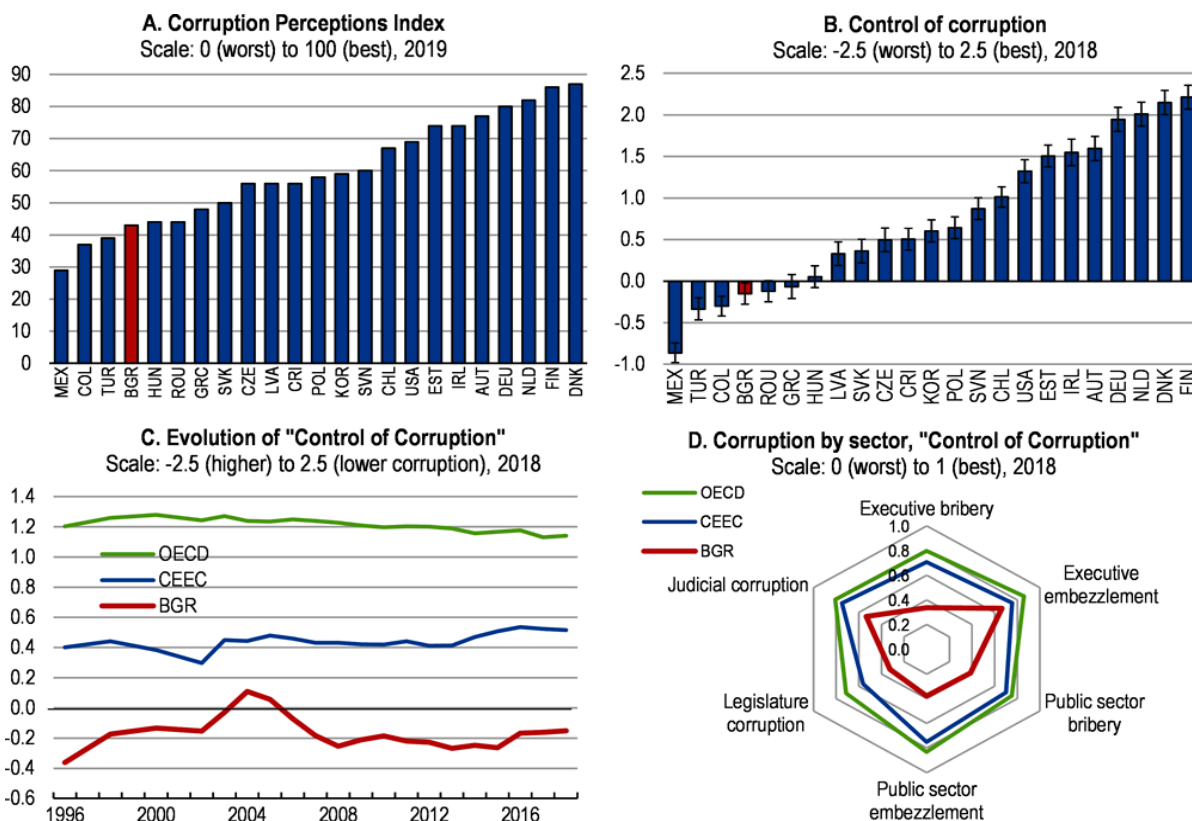
In regulatory plan

According to the 2019 monitoring report on the EU's Cooperation and Verification Mechanism, Bulgaria has made sufficient progress in all six focal areas to exit the mechanism, which was established at the time of EU accession, to ensure continued progress in judicial reforms and the fight against corruption and organized crime. The European Commission is assessing progress in the governance of state-owned enterprises and the implementation of an anti-money laundering framework.

Figure 3. Corruption-related indices ⁵⁴

⁵³INFLATION AND CONSUMER PRICE INDICES FOR SEPTEMBER 2022. Source: https://www.nsi.bg/sites/default/files/files/pressreleases/Inflation2022-09_WGJV1YZ.pdf

⁵⁴Source: StatLink <https://stat.link/1as95z>.



The OECD plays a considerable positive role. In 1997, the organization launched its Regulatory Reform Programmer.⁵⁵ On 07.06.2022, at a special event at the Council of Ministers, the organization presents the first-ever report containing the results of its diagnostic scan of Bulgaria's regulatory policy since the start of the reform at the end of 2016. According to the same document, Bulgaria has built a solid regulatory policy system, with the *Bulgaria 2030 Agenda* outlining the government's vision for regulatory policy, albeit not specifically.

In 2016, almost ten years after the country joined the EU in 2007, the government introduced key measures to improve the regulatory process, following European best practices. Following the external example, the Bulgarian government leadership has nevertheless made the political commitment to quality regulatory policy, enshrined in legislation with the changes to the Regulatory Acts Act, and implemented reforms to ease the administrative burden. The Government has also formulated strategic objectives regarding regulatory policy as part of the Statewide Strategy for the Development of Public Administration 2014-2020, adopted by the Council of Ministers Decision No 140/2014. The Strategy sets out the vision of an efficient, transparent, and service-oriented Bulgarian civil service through the following strategic objectives: Effective governance and rule of law, partnership governance with citizens and business, open and accountable governance, and professional and expert management.⁵⁶

The state's plan entails changes in the legal framework of Bulgarian regulatory policy to realize the long-sought goal of evidence-based and transparent regulation. In particular, it introduces a planning process for the development of legislation and implements a requirement for regulatory impact assessments. The Strategy also revises the procedures for public consultation on draft regulations with the amendments to the Regulatory Acts Act 2016. Compared to OECD

⁵⁵ Reviews of Regulatory Reform Regulatory Policies in OECD Countries. C 22 2002 OECD.

⁵⁶ REGULATORY POLICY SCAN OF BULGARIA © OECD 2022, pp. 10– 12.

countries, Bulgaria scores well on stakeholder engagement during the development of legislation. However, challenges remain in ensuring that legislation is effectively implemented in practice.

6. Recommendations

Bulgaria has been receiving key recommendations on its policy and legal regulation since the 1990s, as early as the first country-specific assessment and study reports. These had a positive impact, and after the collapse of the communist regime in Bulgaria, the country undoubtedly made progress in legal reform, economic policy, and democratization. The OECD now has a variety of innovative tools at its disposal, providing in-depth analysis of a wide range of areas such as economics, finance, legal regulation, etc., and making concrete recommendations and proposals on all the topics identified as problematic. The organization's most up-to-date documents in this regard, with which it examines Bulgaria's progress and provides its recommendations, are the three scans *Center of Government Scan of Bulgaria*, *Regulatory Policy Scan of Bulgaria*, and *Public Integrity Scan of Bulgaria*, as well as in the *Bulgaria 2021 OECD Economic Survey Overview*.

It is evident that alongside the economic issues that underpin the organization's work, regulation is among the main topics the OECD addresses. Here too, the organization is continuously building on its toolkit. In 2014, it launched a new analytical document, the *Regulatory Policy Evaluation Framework*⁵⁷, which includes a specific conceptual apparatus and outcome indicators for inputs, intermediate and final results of regulatory policy. The framework's implementation is still regarded as one of the best approaches to practically measure the effects of regulatory policy implementation contributing to regulatory objectives. The OECD is among the organizations with a long tradition of monitoring regulatory policies and regulatory reforms globally. The key recommendations for our 2022 regulatory system made by the organization in its diagnostic scan of Bulgaria's regulatory policy since the start of reform in late 2016 are extremely clear, targeted, precisely focused, and well-balanced. They are on two main levels: practical and political-strategic.⁵⁸

Government management is another major focus of the organization at present. The OECD's most recent diagnostic analysis⁵⁹ strongly highlights that proper response is key in addressing today's dynamic and complex political problems, which place considerable pressure on governments to deliver on their policy objectives and mandates. The organization sees improving public governance and public sector performance as critical issues if governments are to ensure that they meet the expectations of their citizens. To overcome the complex and multidimensional challenges, the organization recommends that government should be able to prioritize policy objectives at a high level and that the state apparatus should acquire a higher capacity to lead and coordinate strategic planning, policy development, and implementation in the country. The country cannot boast of much progress in strategic planning. The overall conclusion of the academic researchers in the field, which is also evident from the OECD analytical materials, can be summarized by saying that “despite the measures taken to ensure the legality of the strategic planning system in the Republic of Bulgaria, it does not yet function as a centralized system”. This can be unequivocally supported. This problem is ongoing and is not of recent origin. In 2019, a Draft Law on Strategic Planning of the Republic of Bulgaria was unsuccessfully proposed.⁶⁰

⁵⁷ From Eng. „Framework for Regulatory Policy Evaluation“

⁵⁸ OECD (2022), *Regulatory Policy Scan of Bulgaria*, OECD, Paris.

⁵⁹ OECD (2022), *Center of Government Scan of Bulgaria Strengthening Strategic Decision-making at the Center of Government*.

⁶⁰ Arabadzhijski, N. Problems of Strategic Planning in the Public Sector of the Republic of Bulgaria. Center for Public Administration, NBU, 2011, p.30.

The third topical issue of the OECD is public integrity in Bulgaria.⁶¹ Related is the only document providing an overview of the institutional landscape in Bulgaria.⁶²

The main recommendations to the country from the OECD on the current issues to be addressed, which we find essential (detailed at the end of the analytical document), can be summarized as follows:

- Take a set of appropriate sustainable solutions and measures to recover from the severe economic impact of the COVID-19 pandemic and optimize government spending.

- **Modernize the education system in Bulgaria and implement deeper reforms to educate citizens at every stage of their lives, including through investment in the labor market;**

- **Judicial and executive reforms to increase transparency, reduce corruption, improve the integrity of government decision-making, and increase media independence.**

- **Encourage the green transition and decarbonization of the economy in line with the objectives of the EU Green Pact.**

- Take appropriate measures and reforms to promote regional development and social inclusion by improving the connection of remote regions to national and international supply chains.

- **Increase the efficiency of public spending on health, improve healthcare coverage, and reduce payments by low-income and vulnerable groups;**

- **Redesign the institutional structure for regulatory oversight to improve the quality of regulatory management tools and promote decision-making to enhance the transparency of the legislative process.**

- **Sustainable reform of the judiciary, including administrative punishment to reduce corruption.**

- Measures to strengthen the institutions of ex-ante and ex-post regulatory impact assessments.

- **Develop and publish a clear, formal, and binding government-wide regulatory policy strategy as a stand-alone high-level public document in the form of a Council of Ministers decision.**

- Encourage the responsible ministries and government bodies at the center of government to plan all these thematic reforms to stimulate business dynamism in the economy and help reduce administrative burdens.

- **Encourage more accountability by establishing mechanisms for regular functional reviews of the CM administration;**

- Address existing gaps in the responsibilities and functions of the units at the center of government by reviewing the institutional structure for regulatory oversight and strengthening quality control of regulatory management tools, including improving horizontal coordination between government bodies and upgrading the capacity of staff in the administration.

- **Articulate the shared vision in a single, results-oriented document that describes the set of shared objectives and desired outcomes for the government.**

- **Improve the decision-making process by considering and reviewing the framework for quality checks in the CM administration by ensuring sufficient levels of experience and expertise in the center of government bodies involved in quality checks for all items submitted to the CM.**

- **Evaluate and monitor decisions against existing challenges with sufficient information and data available for decision-making at the center of governance and promote discovery and regular sharing of relevant information and key documents between the units of the CM Administration and respective ministries.**

⁶¹ Public sector integrity refers to the consistent alignment and adherence to shared ethical values, principles, and norms to defend and prioritize the public interest over private interests in the public sector. See Integrity in the public sector. OECD Recommendation. Current as of 2023 and available at: <https://www.oecd.org/gov/ethics/integrity-recommendation-BG.pdf>

⁶² OECD (2022), Public Integrity Scan of Bulgaria Strengthening Institutional Co-operation and Standards for Integrity.

- **Improve alignment of existing strategic documents at the center of government and with line ministries and government bodies. Institutional responsibility within the center of government should also be clarified, while the Bulgarian strategic planning architecture should be streamlined and simplified.**

- **Establish a clear strategic planning framework that defines the strategy development process, and last but not least, quality criteria. Comprehensive guidelines and tools should be created to integrate stakeholder engagement and citizen participation within the planning cycle.**

- **Attention should be paid to the quality of strategic planning throughout the civil service, and mechanisms should be in place to ensure that expertise is shared within the civil service, thus creating a broader pool of expertise for strategic foresight within line ministries.**

- **Promote structural reforms for effective management of EU funds.**

7. Challenges

Bulgaria has often been isolated or less supported internationally, whether deserved or not, by other European countries, which has pushed the country towards national catastrophes. Historically, we can find examples in support of this judgment from the beginning of the 20th century. After the Balkan Wars of 1912 and 1913, the results of which led to a disruption of the economic and cultural upsurge that began after the Liberation, Bulgaria was diplomatically isolated, surrounded by hostile neighbors, and deprived of the Great Powers' support. All this led to the first national catastrophe. Negative sentiment grew especially in France and Russia, whose leaders blamed Bulgaria for the collapse of the Balkan League. Bulgaria's defeat in the Second Balkan War in 1913 turned revanchism into an emotive foreign policy focus, reinforced the political doctrine of realism in statecraft, and elevated ethnonational unrest.⁶³ Which prompted the state to enter World War I two years later on the side of the Central Powers, invading Serbia. It is no coincidence that this period is also the apogee of research on the national consciousness, and its results as a social phenomenon are “central to both the study and practice of international relations” during this period.⁶⁴

Despite the military achievements of the Bulgarian army, the economy suffered, and social relations led to the state being forced to seek peace and for the second time in just five years, Bulgaria was brought to national disaster. Following a policy of neutrality from the beginning of the war until the accession to Hitler's Germany, Bulgaria was directly and indirectly involved in World War II until May 1945.⁶⁵

After the war, events repeated themselves to some extent and Bulgaria remained cut off from the democratic states. The isolation was particularly pronounced in regional terms, becoming a proxy for Soviet interests.⁶⁶ Indicatively, Bulgaria remained outside the Balkan Pact (1953-1954),

⁶³ According to Friedrich Meinecke's division (Cosmopolitanism and the Nation-State, 1907), we can distinguish the political nation from the ethnoculturally/organic nation. The former is based on diverse ethnic groups, and multicultural societies, while ethnonationalism is a homogeneous ethnic community of people with a common cultural heritage, religion, clan, and language. Each of these types hides its own peculiarities. Ethnonations create nation-states with state interests linked primarily to the preservation of ethnic and cultural heritage and identity. The national interests of political nations are identified with the material needs of the state and with the requirement to establish rational rules for international cooperation. An unfortunate example of the drive to form an ethnonation relates to the history of Germany. It led the world into two world wars. Bulgaria has always defined itself as a political nation-state, inspired by the Renaissance ideals of peace and equality for all its citizens. At the core of the idea is the notion that the country is a mono-nation state, which, however, contains ethnic, religious, and linguistic diversity. See **Ivanova, Bl.** Values versus interests in politics (problems of theory). UNWE Publishing Complex, 2022, pp. 194; **Ivanov, I.** “Political nation” or “ethnonation”. Human Rights (2). ISSN 1310-9170, 1997, c. 2.

⁶⁴ **Lerner, A.** Pathological nationalism? The legacy of crowd psychology in international theory. – In: International Affairs. Vol. 98, Number 3, May 2022, Oxford, p. 995.

⁶⁵ **Kalonkin, M.** Bulgaria in the Second World War: 1939-1945 Ascon Publishing, 2010, p. 391.

⁶⁶ **Braun, A.** Small-State Security in the Balkans. Brill, 1983, p. 191.

which aimed precisely to normalize relations in the troubled peninsula. Nearly half a century later, events are repeating themselves and the country is at a crossroads.

In the first years after the collapse of the communist regime, despite the proclaimed pro-Western direction, the uncertain domestic politics and strong left-wing movements further introduced uncertainty about Bulgaria's path toward a United Europe.⁶⁷ External support for the state is weak. This also leads to uncertainty in the country's Western partners and risks undermining its integration efforts for years to come.

Despite the country's NATO and EU membership, challenges continue. Along with the problems brought in from outside today as a result of the COVID-19 pandemic and the war in Ukraine, Bulgaria's EU membership increases the public's reflection and sensitivity to crime, respectively increasing public pressure for better policy outcomes, especially in the areas of human rights and anti-corruption. According to the Corruption Perceptions Index, Bulgaria is a country characterized by a high level of corruption, equivalent to that of the so-called "Third World countries" and weak control over organized crime.⁶⁸ Recent research suggests that the Balkan Peninsula has historically been negatively affected by this problem and unlike Western European societies, local states have not had the opportunity or time to establish effective models to control this illegal activity.⁶⁹

A long-standing judiciary reform is underway, characterized by weaker than the EU average indicators of public accountability and independence, and a lack of a coherent public integrity system. Freedom of the media is another issue in the public spotlight and the state lacks regulation of public relations arising in and around lobbying, further undermining the foundations of the rule of law and trust in public authorities.

The legislative system is also lagging. As early as 2012, in its Recommendation on Regulatory Policy and Governance, the OECD instructed member states to integrate regulatory impact assessment into the early stages of the policy formulation process and the creation of new regulatory proposals, urging them to identify policy objectives and to consider whether the regulatory measure is necessary and how it can be most effective and efficient in achieving those objectives. For nearly 20 years, the EU has focused on improving regulatory outcomes through its Better Regulation initiatives. Prior impact assessment is recognized as the central tool for managing regulation by the European Commission. The ex-ante impact assessment is recognized by the European Commission as the central tool for managing regulation.

With a delay of more than 16 years after the democratic changes of 1989 and more than 8 years after it accedes to the EU, the country embarked on the path of better regulation only in 2015. The concept of the Bulgarian government at that time also foresaw a change in the principles of standard-setting. This means a complete change of the philosophy of the Law on Regulatory Acts, which should lead to a change of priorities and a qualitatively new model of legislative decision-making in Bulgaria in line with the best standards and practices in the EU and the world. In 2016, the main reform package is in place⁷⁰

Bulgaria is also lagging in establishing a productive investment climate, for which, despite European legislation that has had an impact on a local level, special measures should be taken, be

⁶⁷ Schnabel, A. Southeast European Security: Threats, Responses, Challenges. Nova Science pub, 2002, p. 84.

⁶⁸ Corruption perceptions index. Available at:

https://www.transparency.org/en/cpi/2021?gclid=CjwKCAiAkrWdBhBkEiwAZ9cdcAp0XLKQuWwdmo3Yrxc5oPW4JqdzEVoHJO--dxTilzEqh_seSOBqmBoCQRIQAvD_BwE.

⁶⁹ Buchenau, Kl. Et al. Vitamin Sea against Corruption: Informality and Corruption through the Interdisciplinary Lens. In: Comparative Southeast European Studies. East and Southeast European Studies. De Gryter, vol. 70, Issue 2, 2022, p. 365.

⁷⁰ Dimov, T., Ivanov, P. Quality regulation and innovation: Best approaches and practices from the European Union and the world and Bulgaria's regulatory policy. Institute for Public Administration, 2021, pp. 10, c. 33.

it with an entirely new regulatory framework. Problems such as the aging population, the brain drain, and the weak integration of national minorities are factors that investors are taking into account, for which more clear decisions are to be taken. Insufficient development of the country's transport infrastructure, insufficient digitalization, and an innovation environment are also problems that Bulgaria lags compared to its OECD partners.⁷¹

8. Perspectives

Although global growth picked up in the third quarter of 2022, helped by recoveries in China and the United States, it remained moderate, with weak real income growth holding back consumer spending and higher energy prices leading to a sharp slowdown in many economies, especially in Europe.⁷² In this situation, the state relies very heavily on the EU.

Bulgaria's Recovery and Resilience Plan responds to the urgent need to promote intensive recovery and prepare the country for the future. The reforms and investments in the plan will help Bulgaria become more sustainable, resilient, and better prepared for the challenges and opportunities of the green and digital transition. To this end, the plan includes 56 investments and 47 reforms. They will be supported by €6.27 billion in grants.

The transformative impact of Bulgaria's plan must be realized through a combination of reforms and investments addressing the country's specific challenges. While the need for reforms, repeatedly referred to by the OECD itself, should overcome obstacles to lasting and sustainable growth, investments are aimed at addressing common European challenges by embracing green and digital transitions to strengthen economic and social sustainability and the cohesion of the common market. In particular, Bulgaria's plan will accelerate the decarbonization of the energy sector, promote the large-scale deployment of digital infrastructure, including in rural areas, and support investments in improving the business environment, education and skills of Bulgarian workers, contribute to research and innovation, social protection and health care⁷³, bringing the country further in line with the high standards of OECD countries.

The organization foresees that Bulgaria's growth, after slowing down sharply in 2023, will start its gradual recovery in 2024, supported by public and private investment stimulated by EU funds. Nevertheless, the country faces several difficulties from the global macroeconomic situation that will not allow it to unleash its full potential in its reform drive. It will continue to be undermined by the need for tighter monetary policy, rising effective interest rates, high energy prices, weak growth in real household incomes, and declining confidence in public authorities and the EU thereafter.

The United States and Europe are expected to slow sharply, while major Asian emerging market economies are expected to account for nearly three-quarters of global GDP growth in 2023. Not only does this pose a formidable challenge for Bulgaria but also the OECD as a whole. Deteriorating economic conditions and growing uncertainty in key trading partners will slow exports and consumption in 2023, while implementation of EU-funded projects is still stalling. Negative expectations are for inflationary pressures to intensify, due largely to the war in Ukraine, pushing up energy and food prices. Higher energy costs are helping to push up prices for a wide range of goods and services across Europe.

⁷¹ OECD Investment Policy Review: Bulgaria in transition: Challenges and opportunities 2022. OECD Publishing, Paris.

⁷² OECD Economic Outlook, Volume 2022 Issue 2. Available at: <https://www.oecd-ilibrary.org/sites/f6da2159-en/1/3/1/index.html?itemId=/content/publication/f6da2159-en&csp=761d023775ff288a22ebcaaa183fbd6c&itemIGO=oeecd&itemContentType=book#p-d1e315>

⁷³ Recovery and resilience plan for Bulgaria. https://ec.europa.eu/info/business-economy-euro/recovery-coronavirus/recovery-and-resilience-facility/recovery-and-resilience-plan-bulgaria_en.

According to OECD estimates, business confidence in the country has declined slightly, signaling increased uncertainty amid higher energy prices and expectations of interest rate hikes. High inflation is weighing on private consumption, but consumer confidence at the end of 2022 is improving after an initial decline at the start of the year. Labor shortages are significant while unemployment remains low. Wage growth in real terms is holding up, albeit at a slower pace, due to high nominal wage increases and administered energy prices, unlike in most OECD countries. Weak growth in its main trading partners is hampering Bulgaria, as trade with Russia and Ukraine is relatively limited. On the positive side, gas plays a minor role in Bulgaria's energy mix, dominated by nuclear and coal-fired electricity, produced at a low cost, and exported to neighboring countries. In addition, Bulgaria faces another challenge in the 2022-2023 period as a strong flow of Ukrainian refugees is observed, many of whom have already left the country.

9. Accession

It is without a doubt, however, all these negative consequences can be mitigated or outright eliminated if Bulgaria manages to win a place among the OECD members in a more urgent manner. OECD accession takes place according to the conventional procedure, namely using an international treaty (accession agreement) concluded between the OECD and the prospective member. The same will happen with Bulgaria. A curious detail of OECD accession agreements is that until 2000 they were called "Agreement on the invitation to...". The last one was signed with the Slovak Republic. Subsequent ones, starting with the agreement with the Republic of Chile, acquired a more standard and formal legal formulation and were called "Agreement on the conditions of accession of...". The formal basis for the accession of States to the Organization is found in Article 16 of the Convention:

"Article 16.

The Council may decide to invite any Government prepared to assume the obligations of membership to accede to this Convention. Such decisions shall be unanimous, provided that for any particular case the Council may unanimously decide to permit abstention, in which case, notwithstanding the provisions of Article 6, the decision shall be applicable to all the Members. Accession shall take effect upon the deposit of an instrument of accession with the depositary Government."

However, the provision is general and does not give more information on the criteria a country should meet for membership, nor what is the vision of the OECD itself on the admission of third countries. Until the beginning of the new twenty-first century, the accession process occurred on an ad hoc basis, with an invitation from one or more member states, followed by informal negotiations with the OECD Secretary-General. It was not until 2007 that the organization adopted a formal strategy and accession process called the Enlargement and Outreach Strategy, also known as the 'Noboru Report'.⁷⁴ Chile was the first country to go through it.

The current methodological framework for joining the organization, to which Bulgaria adheres, was revised in 2017.⁷⁵ According to the framework, although there is no hard and fast rule for the optimal OECD membership, members agree that members can continue to grow at a pace

⁷⁴ A STRATEGY FOR ENLARGEMENT AND OUTREACH. Report by the Chair of the Heads of Delegation Working Group on the Enlargement Strategy and Outreach, Ambassador Seiichiro Noboru. C(2004)60. Available at: <https://www.oecd.org/global-relations/globalrelationsstrategy/37434513.pdf>.

⁷⁵ Report of the Chair of the Working Group on the Future Size and Membership of the Organization to Council Framework for the Consideration of Prospective Members. Available at: <https://www.oecd.org/mcm/documents/C-MIN-2017-13-EN.pdf>

and to a size that ensures the organization remains effective, taking a cue from previous accession processes. The aim is to continue the character of the organization as a community of nations committed to the values of democracy based on the rule of law and human rights, and adherence to open and transparent market economy principles.⁷⁶

The paper assumes that the OECD could grow to 50 member countries over time, with neither a target nor a ceiling, but a consideration of the real possibilities, given members' considerations of expansion and strategic geographical engagement.

Accession treaties can be said to be blank, model agreements following a strictly defined order. For maximum relevance and credibility, this analysis examines only those concluded after 2010 with European countries that have shared a common geopolitical fate with Bulgaria over the past century. These are Lithuania, Latvia, Estonia, and Slovenia.

As outlined in the OECDs' 60th Anniversary Declaration and the Council of Ministers Statement adopted in 2021, for a country to join the OECD, it must align with the shared values, vision, and priorities of the organization. These underpin the unity and strength of the organization and constitute a baseline requirement for joining the OECD. Shared values, vision, and priorities will be a central element during the accession process, down to the final decision on whether Bulgaria should be invited to join the OECD Convention.

In political and technical terms, according to the Roadmap for Bulgaria's accession to the OECD, adopted by the OECD Council on 10 June 2022, the main objective of the accession process is to achieve convergence of Bulgaria with OECD standards, best policies, and best practices, leading to better outcomes for both OECD members and Bulgaria and its citizens. In addition to the unprecedented rights and opportunities for the state, Bulgaria should also assume many obligations. In summary, according to the Roadmap, these are:

- Acceptance of the organization's objectives, as stated in Article 1 of the Convention and in the report of the OECD Preparatory Committee of December 1960;
- Adherence to the OECD Convention and fulfillment of all the objectives and commitments set out therein;
- Adoption of Additional Protocols No. 1 and 2 to the OECD Convention;
- the adoption of all decisions, resolutions, rules, regulations, and conclusions previously adopted by the Organization in connection with its governance and operation, including those concerning the management of the Organization, financial contributions of members, other financial and budgetary matters, personnel matters (including decisions of the Administrative Tribunal), procedural matters, relations with non-members and classification of information, as in effect on the date of membership and without exception;
 - acceptance of the organization's financial statements;
 - adoption of the organization's methods of operation;
 - acceptance of all substantive legal instruments of the Organization in force at the date of the OECD Council's decision to invite the applicant country to become a member, subject to any agreed reservations or observations reproduced in the Final Statement.

The country also benefits from the OECD Constitutive Act, which, together with its Additional Protocols, constitutes an excellent and precise constitutional instrument. Not many other international organizations can boast of such founding documents, including the UN itself. For Bulgaria and all other international legal entities, entering into some institutional communication with the organization, such a document can be considered an advantage. This minimizes the controversies that could arise concerning the legal status of the OECD.

⁷⁶ OECD's 60th Anniversary Vision Statement.

Following the signature of the actual accession document, Bulgaria will be required to implement certain actions (formal reporting of achievements in the areas of environment, public governance, fiscal policy, employment and social issues, trade, etc.) related to the country's commitments to the OECD, for which a timetable can be given.

10. Inclusion

The OECD has been working with Southeast Europe since 2000 with an agenda to ensure peace, stability, and prosperity in a region weakened by conflict but endowed with rich culture, history, and resources. Since the collapse of the communist regime, which left a deep imprint on many of these countries, governments, businesses, and civil society have worked alongside the OECD to address economic challenges, including overcoming the global economic and financial crisis and preparing for EU enlargement in this direction.⁷⁷

The OECD is supporting the region with the design and implementation of reforms to promote private sector development and competitiveness, attract more and better investment and raise the population's standard of living. The South-East Europe Regional Program brings the regional economies closer to the OECD, aiming to deepen their dialog with the organization and support their reform agendas. The Balkan countries are, in particular, strengthening their participation in OECD bodies and their adherence to its legal instruments. Bulgaria, along with many neighboring countries, has integrated several statistical reporting and information systems as well as benchmarking tools. They also continue participating in OECD global forums, publications, and economics and political activity reviews.

The organization's support to non-member countries ranges from policy analysis and monitoring to substantive methodological assistance through policy development, capacity building, and reform implementation support. The OECD is actively working on improving policy dialogue at the technical and high policy level and on transferring good policy practices in different policy areas from member countries to countries in the SEE region.

The admission of Bulgaria into the “The Rich man's Club” which unequivocally “outperforms” and outlives the Eastern socialist projects, will have a highly beneficial impact on the country. It can be assumed that the long-term prospects for the country will be exceptionally positive. The effect in certain areas will be similar to that of our country's accession to the EU. Bulgaria's inclusion, on the other hand, will indicate the country's socio-political direction in an attempt to achieve a kind of renaissance in its Social formation. Bulgaria's accession to the OECD could be seen as an opportunity for the country to establish itself as well-developed and, at the same time, a country interested in competing in the top league of world economies. The country's strategic goal should be lasting and sustainable integration as a competitive player in international finance and trade.

Bulgaria will take its place alongside the world's most advanced economies and have the opportunity to influence the design and implementation of key initiatives and instruments to improve global economic, social, and environmental governance. Gaining OECD membership will be seen as a highly positive signal to investors that the country's policies are consistent with the latest standards in key areas such as corporate governance, investment, competition, and financial markets.

To some extent, we can glean what Bulgaria's short-term future will look like from the OECD-aligned European post-communist countries with similar characteristics to Bulgaria, such as Estonia, Latvia, and Lithuania.

⁷⁷ The OECD and South East Europe. Available at: <https://www.oecd.org/south-east-europe/>.

Estonia

Since its independence from the Soviet Union (1991), Estonia has made tremendous progress towards greater economic prosperity thanks to rapid adaptation to democratic governance, successful reforms, and integration into Western countries.

The country joined the EU and NATO in 2004 and the Eurozone in 2011 while enjoying solid institutions, political stability, a strong and reliable fiscal policy, and a sound financial sector. The combination of sound foreign policy decisions and good domestic reforms has yielded excellent results.

Estonia is a leader in digital governance and innovation in Europe. Few are its peers in this respect, even globally. The country, alongside Switzerland and Finland, is even ahead of the United States in the Consumer Technology Association's 2019 International Scorecard. As one of the founding members of the Digital4Development Hub, Estonia is actively engaging with its partners in Eastern Europe and Africa on digitalization.

In addition to the cross-cutting themes of digitalization and gender equality, Estonia's priority areas for development cooperation remain global education, peace and stability, governance, human rights, economic development, environment, and sustainable development. Stable and secure digital services achieved thanks to the country's successful governance and cooperation within the EU and the OECD, are one of the factors that allowed Estonia to mitigate better than others the health and economic shock caused by the COVID-19 pandemic.

Estonia has recovered impressively from this global crisis, drawing support and considerable experience from the OECD recommendations. Overall, the country's active integration efforts are paying off, as is evident from GDP per capita figures. While in the 10 years 1995-2004 (the time when the country was accepted into the EU) the indicator grew more modestly from 3134\$ to 8914\$, in the 5 years of EU membership and despite the stagnation of the global financial crisis in this period it almost doubled, reaching 14 663\$. With OECD membership from 2010 to 2020, GDP per capita grew even more significantly, reaching \$23,054.⁷⁸ Fueled by steady increases in business freedom and rule of law scores, Estonia recorded an overall increase in economic freedom of 0.9 points since 2017 and managed to cross the threshold from the Mostly Free category into the upper category - Free - for the first time in the history of its index. The state's only apparent weakness remains in its government spending score.⁷⁹

Latvia

Latvia gained its independence from the USSR in 1991 and joined the EU and NATO in 2004. It joined the Eurozone in 2014. Latvia's small, open economy relies heavily on exports, and, like Bulgaria, it has been turning to OECD countries since the collapse of the socialist system. Transit services are strongly developed in the country, as are timber and wood processing, agriculture and food products, as well as machinery and electronics manufacturing.

Thanks to its successful integration policies, the Latvian economy is known for innovation and for being a regional transport hub.

Like Bulgaria, however, it has a significant gray economy. Labor costs are relatively low by European Union standards. There is a shortage of available workers. The government provides subsidies for electricity, heating, agriculture, transport, and other sectors. All these problems and

⁷⁸ Macrotrends: Estonia GDP 1995-2023. Available at: <https://www.macrotrends.net/countries/EST/estonia/gdp-gross-domestic-product?q=bulgaria>

⁷⁹ 2022 Index of economic freedom: Estonia. Available at: <https://www.heritage.org/index/country/estonia>.

issues are the subject of special attention in the OECD studies on the state, and accordingly, recommendations and solutions are given to overcome them.

With the country's admission to the OECD in 2016, Latvia has overcome these difficulties and is enjoying significant GDP growth, rapidly reducing the income gap with OECD economies. GDP grows by 4.8% in 2021, with the country's strong economic performance underpinned by exports and EU-funded public investment. The Latvian economy is recovering from the pandemic at a very good pace. Latvia's income convergence with OECD economies is impressive. Per capita income is almost 70% of the OECD level compared to 55% before 2012.⁸⁰ Over the period from 1995 to 2004 (the point at which the country was admitted to the EU) GDP grew from \$2,330 to \$6,379. From 2004 to 2016, when the country was admitted to the OECD, GDP per capita increased even more significantly to \$14,332. But with its admission, in just 5 years, this indicator increases to \$20,642 (for 2021).

Lithuania⁸¹

In the same way as the other two Baltic states, striving for the deepest possible integration with democratic partners, Lithuania is a developed country with a highly efficient economy. The country ranks very high on the Human Development Index (sharing 35th place with resource-rich Bahrain and Saudi Arabia).⁸² The country gained independence from the Soviet Union in 1990. Lithuania joined the World Trade Organization in May 2001. Since 2004, Lithuania has been part of NATO and the EU. It has been a member of the Schengen Agreement since 21 December 2007, and since 2015 Lithuania has joined the eurozone, adopting the single currency of the European Union as the last of the Baltic states, but by no means economically backward.

In 2018, Lithuania also officially joined the OECD. Since the country became a member of the EU, GDP per capita measured by 2021 has increased nearly 4 times, from \$6,700 in 2004 to \$23,433 in 2021. In the first 4 years of OECD membership alone, GDP per capita increased by as much as 22%.⁸³

III. ANALYSIS OF DATA AND EVIDENCE COLLECTED

1. Key findings on the Organization for Economic Co-operation and Development

The OECD is different from other international organizations. It is an innovative, complex, multi-layered, constantly improving state-of-the-art empirical entity. It traces its origins to another exceptional organization, the OEEC, established to coordinate and manage capital to restore a Europe badly damaged by World War II. And since the institutional nature of the OECD's progenitor lies precisely in the innovation fostered for the rapid and meaningful reform of war-weary countries (individual yet community economic planning), it is only natural that the OECD itself is unique. It is by no means a coincidence that in the times of traditional bloc opposition, even

⁸⁰ OECD. Latvia: Improve skills, innovation and business conditions to optimize the strength and quality of future growth, says OECD. Available at: <https://www.oecd.org/newsroom/latvia-improve-skills-innovation-and-business-conditions-to-optimise-the-strength-and-quality-of-future-growth.htm>

⁸¹ A curious detail on which we will give a slight wink to the OECD is that the Q&A section („read our Q&As“) on Lithuania's OECD membership leads to Latvia's page. We hope that at least the data on Latvia refers to Latvia itself. Mistakes like this occur, and we can only smile when we remember the predicament of a group of Bosnian fans in 2013, who decided to travel to Kaunas, Latvia, for a football match between Bosnia and Herzegovina and Latvia, but ended up in Riga instead, got their destination country wrong and arrived in Lithuania. See OECD. Lithuania's accession to the OECD. Available at: <https://www.oecd.org/lithuania/lithuania-accession-to-the-oecd.htm>.

⁸² Human Development Index (2022 report). United Nations Environmental Program.

⁸³ Macrotrends. Lithuania GDP Per Capita 1995-2023. Available at: <https://www.macrotrends.net/countries/LTU/lithuania/gdp-per-capita>

at the dawn of its construction, it was considered a fundamental part of the economic architecture of the West, defined by the ideologues of socialism as the “capitalist enemy“.

It is difficult to classify the organization under the usual taxonomic categories of international law; it is neither a strictly technical nor an economic or political organization. Any such endeavor would be too superficial and destined to fail, since the OECD is part of the international network relations systems' contemporary architecture, increasingly moving away from traditional forms and understandings and the dogmatism of legal science. Any categorical conclusion about the nature of the organization can easily find its counterpoint. The relations of the globalized world order proceed according to their own rules, and transactions are realized that have long exceeded the conventional boundaries of international public law communication. At the heart of the organization are innovation, economic, scientific, and technical interactions with national public bodies, with other international organizations, and, to a large extent, with civil society.

In most dedicated analyses of the matter, and especially in journalistic works, the organization can be encountered by the metonymies “The Rich men's Club”, “The rich countries club”, “The world's first number one club”, “Network of networks“, etc.⁸⁴ In the literature, it can also be encountered with the humorous name of the organization, as derived from the acronym in English “OECD“ - Organization for Excellent Cocktails and Dining, stemming probably from the fact that its headquarters is located in Paris and, accordingly, the organization has acquired a somewhat snobbish status.⁸⁵ It is unlikely that there is another international public entity with more aliases.

It is also often described as something fundamentally different from traditional international organizations. The OECD is very accurately understood as a kind of “International think-tank“, “Shared state apparatus“, “Unacademic University“, “Monitoring agency“, etc.

The OECD has long since transcended the role of international relations organizer, the field in which its progenitor was founded, becoming much more than a “temple for the growth of industrialized countries“, as the researcher Matthias Schmelzer would call it.⁸⁶ The organization exceeded the wildest expectations of its founders and became a compelling factor in contemporary international relations. It has developed to such an extent that it is achieving influence on a global scale, despite its legal-technical, regional character. Its activities are taken into account and, respectively, benefited by many countries other than its members. The organization has become a terminal for identification and development of useful policies and good practices, offering an excellent opportunity for the transfer of “knowledge and skills” both among member states and to third countries. All world economic regions, as well as almost all countries, even those with radically different political and economic philosophies, such as North Korea, have a place in their analyses and documents, either directly or indirectly.⁸⁷ Thus, the organization is characterized by a significant global influence.

The OECD is called upon to fulfill one very particular function in contemporary international relations. Although it is often underestimated for not being characterized by strong international lawmaking in a formal, positive-law sense, it represents a sort of “coral reef” in informal international norm-setting, providing excellent conditions for many informal organizations and

⁸⁴ Ozga, J. et al. *Fabricating Quality in Education: Data and Governance in Europe*. Routledge, 2011, p. 69.

⁸⁵ Carroll, P., Kellow, A. *The OECD: A Study of Organizational Adaptation*. Edward Elgar, 2011, p. 1.

⁸⁶ Schmelzer, M. *The Hegemony of Growth The OECD and the Making of the Economic Growth Paradigm*. Cambridge University Press, 2016, p. 163.

⁸⁷ See The detailed analysis of the Asian economy in: Koen, V., Beom, J. *North Korea: The last transition economy?* OECD Economics Department Working Papers No. 1607, 2020.

international networks to „flourish“ under its umbrella.⁸⁸ Thus, in practice, the organization carries out its activities in a highly innovative and flexible way that fits perfectly into the emerging liberal model of flexible norm-setting, led by transnational regulatory networks and breaking the traditional club model of international politics. The organization's operating model allows for a high degree of continuity, guaranteeing the participation of smaller, poorer, or less developed countries.⁸⁹ The organization represents an excellent platform for cooperation and a social hub for the public administrations of the member states. Through its functions and its innovative nature, although it does not participate significantly in formal international lawmaking, its strong and beneficial impact on both its members and non-members, as is the case with Bulgaria, is undeniable. It is no coincidence that the doctrine of the former socialist block was so afraid of it.

Its activities, however, have also received criticism. That said, it is useful to know that at each of the more significant periods of world history, while the organization has existed, there have been quite a few criticisms, such as that the organization has served as the North's headquarters in the North-South Dialog, exacerbating problems between developed countries and Third World countries.⁹⁰ This cannot be supported. On the contrary, indirectly, the organization has both stimulated bilateral cooperation between its member states and supported the development of the 'South' - the states emerging after the collapse of colonialism in Africa, Latin America, and Asia.⁹¹ There have been more than a few calls for the organization's abolition (most notably with the end of the Cold War). But because of its particular nature, it has endured.⁹²

One of the main criticisms of it nowadays is that its work in terms of analyses, and the conclusions they draw, are prepared under pressure from certain state interests by its members. The OECD has been referred to in one study as the 'citadel of intellectual conformity'.⁹³ This criticism is quite understandable, but it is unjustified. Within the framework of the OECD's activities, it should always be borne in mind that it is an interstate empirical unity, with all the positive and negative consequences that this entails, the former predominating. This is evident, to say the least, from the economic prosperity of its member countries.

From an organizational point of view, the OECD is closed to multiple countries, i.e. they cannot be members. This does not mean that the organization does not interact actively with these countries and that they do not enjoy “feedback” on its decisions, including through participation in

⁸⁸ **Roger, C.** The Origins of Informality Why the Legal Foundations of Global Governance are Shifting, and Why It Matters. Oxford University Press, 2020, p. 28; Abbott, K., Snidal, D. Why States Act through Formal International Organizations. - In: Journal of Conflict Resolution, Volume 42, Issue 1, 2016, p. 11.

⁸⁹ Harvard scholar Robert Keohane's theory of the “club model” recreates the 19th-century idea of the gentleman's club. According to the concept, diplomats/ministers from wealthy, industrialized countries meet with a limited number of preselected representatives of other countries of their rank and chart the course of international relations. The club model excludes representatives of other states or areas of regulation that are not “necessary” or „convenient“. This interaction model works efficiently, simply, and cheaply for the Great Powers. Today, however, the club model is countered by a large number of complex regulatory networks of entities and issues that cut across the hierarchical structures of the old international regimes. See **Reinalda, B.** Rotledge Handbook of International Organizations. Routledge, 2013, p. 512-520.

⁹⁰ North-South dialog in international relations is a negotiation process of individual states and is often used as a synonym for the Conference on International Economic Cooperation. It is born out of tensions between the developed (countries primarily from the Northern Hemisphere, the rich, industrialized countries) and the developing countries (usually understood as countries from the Southern Hemisphere, the Third World), and it remains a topical issue. North-South dialog. United States. Department of State. Bureau of Public Affairs, 1980, p. 14.

⁹¹ Some countries are achieving remarkable growth, while others, due to their inhomogeneous nature, such as the Middle East, are turning out to be “territories with ethnically civilizational divergent populations”, further suggesting regional instability. See Georgieva, B. The imperatives of the Middle Eastern regional order and American diplomacy. - In: Geopolitics and Geostrategy Iss. 6, 2022, c. 102.

⁹² **Weiss, T.** The CUNY Graduate Center, NY, USA. Wilkinson, R. University of Manchester, UK, April. 2009.

⁹³ Guyon, V. OECD - the citadel of intellectual conformism: A study in the Organization for Economic Cooperation and Development. - In: New time: A monthly review of mental and social life. Year. 87, iss. 5-6, 2012, p. 45-53.

its various bodies and initiatives. The OECD draws expertise and analytical resources from countries that are third in terms of their membership.

It is easy to conclude that the OECD is more than an international organization. It can be seen as a transnational phenomenon, transcending the conventional boundaries of the usual permanent inter-state formations.⁹⁴ In this sense, the organization is a network, a platform, and a forum, bringing together processes of interaction that have relevance and influence for the public authorities of the individual countries associated with it, as well as for civil society on a planetary scale.

And while its analytical and methodological documents cover the whole world, the OECD is a relatively closed project, accessible to few deserving countries. This is only natural since it is a prestigious forum of economies with a very high human development index, and the criteria for membership, even outside the political ones, are extremely high. The organization is open only to the 'best' performing countries in economic, governance, and legislative terms. For the best-performing economies with societies that are guided by the ideal of democratic governance and the rule of law.

This is why the OECD accession process is so complex. The procedure itself consists of many steps that can be summarized in three main phases, each of which has its peculiarities. The formation process of the accession procedure has been shaped over decades, drawing on the organization's own experience and, above all, on the international empirics reflected in the complex and dynamic international relations at each stage of the OECD's existence. This has led to a transparent and consolidated model of accession that few international organizations could currently boast. The process is far from superficial - the organization enjoys a multitude of subsidiary bodies in the form of more than 300 committees and working groups, most of which "stand pat" and can be used wherever the OECD sees fit. Importantly, however, the same can be used for methodological assistance and support by the applicant countries, i.e. the process of technical reviews of potential members is bilateral - it is not passive on the part of the organization.

2. Key findings on Bulgaria

The past century has been dynamic and challenging for Bulgaria. It has led Bulgaria to national catastrophes, to a series of international isolations, and the country's economy in some of its periods has been subjected to severe damage that has not allowed it to recover in its entirety, even at present. The years between the two world wars were also politically complex, with rhetoric dominating and Woodrow Wilson's political idealism never being put into practice.⁹⁵ The result of the turbulent first half of the 20th century was that the country did not integrate into the Western liberal model. For complex internal, but mostly external reasons, Bulgaria was given a place in the socialist camp. This situation again held back its development.

It loses the historical opportunity and chance to join the Western democratic world as a progressive political nation and benefit from the innovative reconstruction methodology and capital offered by the Marshall Plan, respectively to join the European Community. Bulgaria's economy externally was mainly based on trade within the closed and cumbersome, progressively underdeveloped market of the COMECON, the negative results of which eventually led to its liquidation in the early 1990s. The interaction model of the socialist system proved ineffective, and Bulgaria again suffered heavily.

⁹⁴ Stone, D., Moloney, K. The Oxford Handbook of Global Policy and Transnational Administration. Oxford Handbooks, 2019, p. 503.

⁹⁵ Gotchev, At. International Relations Theory. UNWE Publishing Complex, 2021, p. 381.

With Mikhail Gorbachev in power as the head of the Soviet Union and the perestroika process, Bulgaria was disregarded to some extent both by its biggest supporter, the USSR⁹⁶ and in general internationally. Bulgaria's international isolation after 1985, which reinforced its image as a problematic entity in Eastern Europe, consolidated the country's economic difficulties and contributed to the coup of November 1989. New social relations and attitudes are emerging, and a taste of the new times is palpable, making it increasingly obvious that Bulgaria needs change.⁹⁷

After the fall of the Berlin Wall and the establishment of the multi-polar system of international relations, the Bulgarian state undertook to rebuild its foreign relations and to come out of the isolation in which it was placed due to its communist past. The new system of international relations after the Cold War bears the characteristics of the multi-lateral approach. Regional international organizations and international non-governmental organizations began to play an increasingly prominent role. Thus, Bulgaria's foreign policy is largely shifting towards the ideology of community and collective action. After the end of communist rule, the country's strategy gradually shifted towards a broader Euro-Atlantic integration. The goals pursued are changing; they are increasingly expressed in the constant search for new international partnerships and upgrading of memberships in international organizations.⁹⁸

The country signed numerous bilateral agreements on economic cooperation with Germany, France, Portugal, Italy, and Spain, as well as on military mutual assistance, to normalize and „warm“ relations with its close neighbors Romania, Greece, and Turkey.⁹⁹ New diplomatic ties have also been established with several other countries. Among the first significant international events marking the break with the totalitarian past was the termination of our country's ties with the organization of the COMECON. At the last 46th session of the organization, held on 28 June 1991 in Budapest, Bulgaria, Hungary, Vietnam, Cuba, Mongolia, Poland, Romania, the USSR, and Czechoslovakia agreed to terminate the existence of the organization within 90 days - on 26 September 1991.

Thus, after the collapse of socialism, realizing its goals of integration with as many external partners as possible, the country signed numerous bilateral agreements on economic cooperation with European countries and pursued memberships in international organizations. Over a period of just 11 years, the country has come a considerable way, becoming a member of the World Trade Organization, NATO, and the EU. Visibly focusing more on its partnership with neighboring countries, along with numerous other integration projects, but the priority objective for Bulgaria remains to deepen integration with its new Western partners and to seek new platforms for economic cooperation and development.

Economically, since the end of the communist regime, Bulgaria has rapidly reoriented its foreign trade towards the OECD and the EC (respectively EU). The transition after the collapse of socialist rule has been difficult. As a consequence of the planned economy, the state maintained a monopoly over its foreign trade, and much of Bulgaria's exports were directed to the former COMECON countries, which, despite their high absorption rates, did not sufficiently motivate Bulgarian producers to achieve more quality¹⁰⁰, respectively to improve their production. The

⁹⁶New time: monthly theoretical organ of the Central Committee of the BRP (K), Volume 78, Issues 7-12. Publishing House of the Bulgarian Workers' Party (Communists), 2003 pp. 129.

⁹⁷ Vachkov, D. Dimitar Ludzhev. The Revolution in Bulgaria 1989-1991. Book 1. Sofia, Publisher "Dr. Ivan Bogorov", 2008. Review. - In: Historical Review, Vol. 65, Bulgarian Historical Society, 2009, p. 231; Todorova, M. Scaling the Balkans: Essays on Eastern European Entanglements. Balkan Studies Library, Brill, 2018, 446.

⁹⁸Petrov, Y. The role of foreign policy in building a positive image of Bulgaria abroad. Youth Vision for Bulgaria's Development, 2012, p. 2. Available at: <https://www.president.bg/docs/1355401074.pdf>.

⁹⁹ Lefebvre, S. Bulgaria's foreign relations in the post-communist era: a general overview and assessment. - In: East European Quarterly 28.4 (1994), pp. 453-471.

¹⁰⁰ Savov, S. The Economics of Transition: Where are we. Stoyadin Savov, Ciela, 1999, p. 276.

COMECOM markets are too unpretentious. This leads to a large part of Bulgarian production proving uncompetitive at the end of the 20th and the beginning of the 21st century. Bulgaria is also struggling to recover from the debt crisis, which started at the end of socialist rule in 1987 and ended in 1994.¹⁰¹ This is a difficult economic period for the country, caused by both external and internal factors. In the 1990s it also lagged far behind in the privatization process¹⁰², 15 banking institutions collapsed, external investor interest was severely limited, the economic sector collapsed, and the state suffered from expanding organized crime. In parallel, its closest trading partner until recently, Russia, was in the throes of a severe financial crisis by 1998. This economic burden severely affected Bulgarian markets as well.¹⁰³

But the country is now on its new path. And if a year after the end of the socialist rule (1990) the Eastern European countries of the former COMECOM received 80% of Bulgarian exports and the OECD countries only 9%, in 1995 the share of the former COMECOM dropped to 33% and that of the OECD rose to almost 50%.¹⁰⁴ Bulgaria is increasingly looking for a way to shift the focus of its trade interests. In 1997 the share of Bulgarian exports was already 57.7% in the OECD area, and after the new millennium, it reached as much as 2/3. Bulgarian imports, reciprocally, in 1997 were 46.6% of OECD countries, while after the new century, it exceeded 60%.¹⁰⁵ It is thanks to this reorientation that the effects of the financial crisis coming from Russia have been mitigated to some extent. However, all these economic problems, together with the uncertain political climate, are having a strong impact on the country's performance and are putting it in a permanent position of catching up.

Despite all the difficulties, the Bulgarian state establishes a liberal, competitive economy, even receiving satisfactory evaluations for it. It is due to the integration efforts with its Western partners that Bulgaria has transformed itself into a truly open economy, according to OECD analytical findings. Trade has been growing strongly since the beginning of the new 21st century thanks to its EU membership.¹⁰⁶ Bulgaria has also been praised for its regulatory policy reforms.¹⁰⁷ Over the last decade, Bulgaria has made progress by consolidating its legal and institutional framework in terms of administrative and judicial reform and by stepping up the fight against corruption and organized crime, upgrading immigration and asylum regulations, and strengthening border controls¹⁰⁸, with several high-level corruption investigations even being indicted in 2020.

3. Key findings on Bulgaria's cooperation with the Organization for Economic Co-operation and Development

For most of the OECD's existence, the state has been in the “opposite corner of the two world systems - socialist and capitalist. The socialist doctrine instilled in Bulgaria the role of being the victor with its indigenous interests, „whose high rates of economic development guarantee the final

¹⁰¹ **Ivanov, M.** The economy of communist Bulgaria (1963 - 1989). - In: History of the People's Republic of Bulgaria: The Regime and Society. Sofia, „Ciela Soft and Publishing“, 2009. ISBN 978-954-28-0588-5. p. 326.

¹⁰² The Privatization Agency was established in 1992, but the privatization process of the many economic sectors is unsatisfactory for the society, which also suffers from rampant organized criminal activity.

¹⁰³ OECD Economic Surveys: Bulgaria 1999, p 9.

¹⁰⁴ Problems of geography. Publishing House of the Bulgarian Academy of Sciences, 1997, pp. 108.

¹⁰⁵ **Iliev, P.** The Hidden Economy in Bulgaria. Center for the Study of Democracy 2004, pp. 99.

¹⁰⁶ Trade is one of the Union's strongest points, in addition to being historically the most fundamental motive for its emergence. It underpins the much-desired economic prosperity and competitiveness among the member states. The EU is a leader in many areas such as agricultural and industrial goods and services. See Trade Policy Review - an open, sustainable, and determined trade policy. European Commission COM/2021/66 final.

¹⁰⁷ A generous assessment that cannot be shared unequivocally, especially in the academic community. See Dimov, T. Five years of regulatory reform - five years of regulatory failure. - In: Society and Law. Edition 10, 2021, p. 4-22.

¹⁰⁸ See **Dragneva, R., Dimitrova, A.** Bulgaria's Road to the European Union: Progress, Problems and Perspectives. - In: Perspectives on the Enlargement of the European Union, (2)1, 2001, pp. 139-165.

victory in the competition with capitalism“.¹⁰⁹ Quite naturally, this proved impossible. The country is lagging behind the OECD economies of this period.

Under the pressure of the USSR, the authorities often used data from the organization (often flawed, distorting the truth about the real state of the Bulgarian economic goal), and the Bulgarian government and academia criticized it as a conduit of American imperialism. To go even further, the formation is accused of being “the necessary economic foundation of NATO“.¹¹⁰ Much of the energy of Bulgarian analytical thought and the extremely high potential of Bulgarian academic doctrine in many fields, such as economic theory, international relations, and law, has been wasted in opposing the OECD. But the reality is different, the socialist doctrine is collapsing and the OECD is turning from an enemy and agent of imperialism into *a friend of Bulgaria*. The heavy socialist burden led to the situation that the newly formed Bulgarian market economy would continue to „drag on“ for a long and „painful“ time, quite similar to that of post-war Germany (about which the famous phrase would be uttered that this was a consequence of “those sins which must be written into the account of the remnants of the planned, coercive economy“¹¹¹). It is no coincidence that Bulgaria's membership of the OECD became the vision of some of the country's senior statesmen immediately after the fall of the communist regime¹¹², but the country prioritized European integration. In the 1990s, however, the Bulgarian state gradually established cooperation with the OECD and recognized its place as a reference point in sustainable economic development, both nationally and regionally, and globally. This proved fruitful and extremely useful for the Bulgarian authorities. The cooperation is implemented in a step-by-step process.

In recent years, the country has strongly strengthened its cooperation with the organization. It would not be an exaggeration to say that Bulgaria is on the finishing line of accession and the timing could be very beneficial. According to the OECD philosophy, in the accession process, the organization will work closely with the country, supporting it in adopting long-lasting reforms to align with OECD standards, its best policies, and best practices. Thus, this process can also be successfully used for internal strengthening and improvement of the Bulgarian state, i.e. it can be very beneficial for the country itself.

Technically, for the Council to make an informed decision on Bulgaria's accession and in line with the already constituted procedure for the organization in its process of attracting new members, the country will undergo in-depth reviews by substantive committees of the OECD affecting the following policies, namely:

- structural reform: How to shape the candidate country's structural reform agenda in the most ambitious way possible as a basis for strong, sustainable, green, and inclusive growth;
- *open trade and investment*: How to strengthen the candidate country's open trade and investment regime in the light of the value of open, tradable, competitive, sustainable, and transparent market economies; How to strengthen rules-based international trade. This includes the importance of strengthening the World Trade Organization's rules-based multilateral trading system, countering economic coercion, leveling the playing field of international competition through enhanced competitiveness, better integrating domestic small and medium-sized enterprises into global supply chains, and removing unnecessary barriers to international trade, which should benefit consumers and promote economic growth and innovation;

¹⁰⁹ Yearbook of the Departments of Dialectical and Historical Materialism at Higher Education Institutions. Volumes 6-7, 1972, pp. 166.

¹¹⁰ Vladikova, J. The political integration of imperialism: A Critical Analysis of Contemporary Bourgeois Theories, Science and Art, 1982, pp. 17.

¹¹¹ Erhard, L. Prosperity for all. Center for Economic Theories and Economic Policies at St. Kliment Ohridski University, 2019, p. 51.

¹¹² The New Europe revival from Veselinovo. Available at: <https://www.24chasa.bg/ozhivlenie/article/5341910>

- *inclusive growth*: How to put in place efficient and effective social and equal opportunities policies to contribute to inclusive growth that delivers for all citizens;
- *government*: How to strengthen public governance, integrity, and anti-corruption efforts;
- *environment, biodiversity, and climate*: How to ensure effective protection of the environment and biodiversity and climate change action to meet the Paris Agreement climate change targets. This includes the need for comprehensive economic policy measures consistent with the Paris Agreement objectives, especially the goal of achieving global net zero greenhouse gas emissions by 2050 through deep emission reductions.

A range of significant public and private investments will be needed to implement these policies. This also includes the need for each country to adopt and fully implement public policies consistent with climate targets, halting biodiversity loss and deforestation, including in areas such as:

- *digitalization*: How to advance an inclusive digital economy, including by working together internationally; and
- *infrastructure*: how to invest in quality infrastructure in a transparent, accountable, and inclusive way.

All these issues, as well as Bulgaria's commitment to OECD working methods, will be subject to periodic review by the Council. The accession process will serve to confirm whether and to what extent the country adheres to the general philosophy of the organization's infrastructure. The country and all potential future members are expected to demonstrate consistency in their statements and actions in their relations with the organization and its members. Even the actions of the candidate countries in other international forums, as well as their bilateral international relations, i.e. the country's external activities with third countries, can also be considered with a view to a more consistent assessment of the candidate country's overall readiness to meet the values of multilateral dialog formed within the OECD framework.

4. Key findings on challenges and prospects

Bulgaria also faces several obstacles. Among the country's main external challenges in its integration efforts in Western liberal international projects is that it should invest greater effort in convincing its partners of its readiness for membership. Indicatively, of all the countries involved in the EU's eastward enlargement in 2004-2007, Bulgaria and Romania are the least popular and least supported. While some EU leaders are pushing ahead with the enlargement process for the Central European countries, driven by a sense of historical obligation or faith in the reformist strengths of Poland, Hungary, or Czechoslovakia, few are strong advocates for the two Balkan states.¹¹³ The countries nevertheless achieved membership in the Union and gradually established themselves as functioning open economies, while the OECD itself strengthened its relationship with Bulgaria.

Another of the challenges facing Bulgarian foreign policy is its historical instability and particular hesitancy. An example in this respect is that years passed until only in 2007 it formally submitted its application for membership of the OECD despite having 15 years of joint activity with the organization before that. This, in turn, leads to the fact that many years must again pass until 2022. Bulgaria is sufficiently reformed to receive an invitation for membership.

By the end of that year, the country had learned its lesson and acted more boldly in its external relations - it is now party to many of the OECD legal instruments, accession to which is seen as a mandatory condition in the Framework for the Assessment of Potential Member Countries.

¹¹³ **Dimitrova, A.** Understanding Europeanization in Bulgaria and Romania: following broader European trends or still the Balkan exceptions? – In: *European Politics and Society*, 22:2, pp. 295-304.

Bulgaria has advanced considerably by acceding to 7 of the 8 OECD standards. The country has now also joined the Nuclear Energy Agency and the OECD Data Bank, which can be counted as a major achievement and significant progress in the accession process.

The obligations of Bulgaria's membership in the OECD can be seen in two ways - on the one hand they include the adoption and accession under several political and legal acts, which also represents no easy challenge, given that these are inherently regulatory frameworks with which the Bulgarian legal system must also comply. Domestically, precisely because of the need to comply with both normative and all policy decisions of the organization, the state should also pursue reforms in many separate areas. These changes, on the other hand, should be beneficial to Bulgaria's social system, which will be encouraged and supported to adopt policies according to the best practices of the world's leading economies.

At this time, however, a host of global economic shocks are taking place, clearly forming the lesson that challenges are yet to come. According to data from the OECD, the world economy is on the verge of an unpredictable crisis resulting from Russia's military actions in Ukraine. The coronavirus epidemic has abruptly halted several years of steady economic growth. The pandemic has taught the country a very valuable lesson. It also proves once again that economies are interconnected.¹¹⁴

It is not difficult to foresee that the consequences of COVID-19, complemented by the fierce fighting in Ukraine, unseen since World War II on the European continent, will have a lasting adverse effect on economic conditions in Bulgaria and globally for years to come. According to the latest OECD Economic Outlook 2022, Issue 2, it is no coincidence that global GDP stagnated as early as the second quarter of 2022, with sharp output declines in both Ukraine and Russia, and output contractions in both China (reflecting the lock-in due to the zero COVID-19 policy) and the United States. All modern world poles are being severely affected. To address the pandemic and strengthen and respectively restore Bulgaria, difficult changes and continued fiscal support with more public investment are required by the state. The Bulgarian state is forced to take measures to preserve the state of the economy to protect it from the impact of turbulent international economic relations instead of looking toward its growth. Since the spring of 2022, the state has been trying to react by adopting anti-crisis measures with a zero rate of value-added tax on the supply of bread and flour, the use of a compensation (discount) of 25 cents on each liter of fuel for individuals, owners or vehicle users, etc.

Alongside this, the OECD draws our attention to the fact that, in a critical external environment, Bulgaria faces a deepening of its previously unresolved domestic problems, such as the challenge of maintaining and ultimately improving the living standards of its citizens in the face of rising inequality and persistently high poverty. In addition, the country has made many international commitments, such as liberalizing the market for low-voltage electricity consumers and reducing emissions from its generation, with domestic consumers bearing the brunt of the high energy costs caused by the country's electricity production mix by 2025.¹¹⁵

Another factor is overcoming obstacles to business sector growth. The OECD has identified this as fundamental to attracting investment and boosting Bulgaria's manufacturing productivity, effectively making it a safe and sustainable route to improving the economic situation in the country. Bulgaria is, however, a country that should take more focused and bold steps to complete

¹¹⁴ Moraliyska, M. Trade relations of the European Union with Asia. UNWE Publishing Complex, 2022. p. 28.

¹¹⁵ It should be explicitly mentioned that the right to good administration, although very broad, is only one of the rights regulated by the EU Charter of Fundamental Rights. See Peneva, T. Energy poverty in Bulgaria: Dimensions and factors. Bulgarian Academy of Sciences Publishing House „Prof. Marin Drinov“, 2022. p. 93-94

its anti-corruption reform, while the constitutional crisis leaves the effectiveness of the targeted changes in the judiciary in question. High-level corruption continues to be identified as a problem in both Bulgaria and Romania, according to current analyses, their judicial systems suffering from dependency and inefficiency. The rule of law also remains a “foggy concept”, although states have long secured their place among EU¹¹⁶ members, which poses a particular challenge both for individual states and for the EU as a whole. The administrative burden in the country and the transition to digitalization are also pressing issues.¹¹⁷ Bulgaria is lagging in implementing significant economic and social reforms, including better regulation measures. The country is also lagging in establishing a productive investment climate. There are also social problems - the aging population, the brain drain, and the poor integration of national minorities, all of which the OECD has repeatedly warned about.

To overcome many of these challenges, the country also has a unique opportunity to benefit from unprecedented European funding for recovery and sustainability, in return for a commitment to key reforms and an improved regulatory framework. Bulgaria's Recovery and Resilience Plan responds to the urgent need to promote a strong recovery and prepare Bulgaria for the future. The reforms and investments in the plan will help Bulgaria become more sustainable, resilient, and better prepared for the challenges and opportunities of the green and digital transition. To this end, the plan includes 56 investments and 47 reforms. But the unstable political climate in the country hinders the implementation of the planned goals and the rapid adaptation of the country to the new reality. The country thus runs the risk that the funds the EU could allocate to Bulgaria will not be sent.

IV. RESEARCH AND ANALYSIS CONCLUSIONS

While every period of international relations, including the present one, has its endogenous, distinct features, historical antecedents can serve to form a conclusion about the proper conduct of the state, especially in its foreign relations. In cases where the state has been isolated, it has undergone a series of economic crises and catastrophes. Bulgaria is currently pursuing a course of steady peaceful cooperation, both bilaterally and multilaterally. In this sense, membership in the OECD should now be the highest foreign policy priority.

Bulgaria, as the analysis has already pointed out, is a country that is struggling to integrate within the international community, realizing with some delay the need for large-scale inclusion with other countries. It also lags in terms of economic development. The OECD does not provide financial resources in the form of loans, grants, or investment funds. Instead, it provides the best expertise, guidance, support, and recommendations to achieve the highest possible standard in many areas, to improve public policies and good governance, promoting growth and a better quality of life. The OECD promotes effective multilateral dialog by bringing countries together to share their cutting-edge expertise and policy experience and to seek evidence-based community solutions to global problems. By joining the organization, without significantly burdening its budget for membership fees, Bulgaria will emphasize its national identity, while at the same time constituting itself as an integral part of the formation of the most influential economies in the world.

¹¹⁶ **Sotirova, D.** Events in a Frame. Media coverage of the Euro-Atlantic integration of the Western Balkans. University of St. Kliment Ohridski, 2022, pp. 115.

¹¹⁷ **Kovatcheva, D.** Human rights protection in the European Union: Is the European Ombudsman lagging behind? – In: Papers of BAS, vol. 5, No. 1, 2008, p. 108.

Cooperation with Bulgaria from the perspective of international law is unhindered due to its precise constitutive act.

Another positive is that the OECD stands much closer to civil society than many other international organizations. According to a relatively new study conducted during the period 2017-2020, questions about the democratic accountability of international organizations' lawmaking to the individual will become increasingly important¹¹⁸, and state-centrism is being replaced by a holistic view of the growing importance of informal regulatory networks involving individual non-governmental international organizations, business representatives, civil society platforms and others. Here the OECD enjoys a particular advantage over other organizations. The perception of democracy in international organizations has also proven to be directly correlated with civil society's trust in national public authorities. Thus, a well-established, open, transparent organization such as the OECD would help Bulgaria to recover more fully and more quickly from the domestic political crisis in which it has fallen.

The OECD fits far better into the models of “orchestration”, i.e. indirect international governance and law-making, carried out by informal international organizations such as the G20, for example. The latter is not given as an example by accident. Over the period 2008-2019, the OECD holds second place after the International Monetary Fund, with as much as 15.9%, as a conduit of G20 policy in the areas of finance and economics. Thus, by joining the OECD community, Bulgaria will also provide a channel for direct communication on the decisions of the Group of Twenty.¹¹⁹

The organization's acts are important for Bulgaria. The country-specific recommendations that the OECD makes periodically, especially those on regulatory aspects, are formulated with high precision and fully cover the problems that Bulgaria faces on its reform path. They are, however, relevant for the next stage of development, when regulatory reform is complete and new objectives are pursued to build an improved strategic and institutional framework for regulatory policy. Bulgaria has not completed the reform. The most valuable of these recommendations is the need to reaffirm political resolve at the highest level, from each of the two entities with the power to legislate for quality regulation.¹²⁰ Membership of the OECD will undoubtedly help Bulgaria to achieve its own political goals and improve the lives of its population by overcoming the bottlenecks of its economy, overcoming the current global crises, but most of all by erasing the damage of the „list of sins“ against the market economy, as the free market troubadour Ludwig Erhard described them.¹²¹ Bulgaria's accession will act as a catalyst for even deeper and more meaningful domestic reforms. The accession process will support the country's domestic agenda for change and can help it move more quickly toward realizing its policy priorities: Maximizing trade and investment, promoting innovation, reducing unemployment and inequality, fighting corruption, improving the tax system, increasing the efficiency of education and administration, and improving health and labor markets.

The benefits for Bulgaria as an OECD member will be countless and long-term. Bulgaria will improve its investment climate, increase its trade, and create jobs by providing more markets and

¹¹⁸ **Won Lee, H., Lim, S.** Making sense of citizens' desire for IO democracy: an analysis across 44 countries. – In: *European Journal of International Relations* 2022, vol. 22, pp. 471-494.

¹¹⁹ See more: **Downie, C.** How do informal international organizations govern? The G20 and orchestration. – In: *International Affairs*. Vol. 98, Number 3, May 2022, Oxford, pp. 957-963.

¹²⁰ Center for Impact Assessment: OECD: SCANNING REGULATORY POLICY IN BULGARIA. <https://ria.bg/?p=826>.

¹²¹ Erhard, L. Prosperity for all. Center for Economic Theories and Economic Policies at St. Kliment Ochridski University, 2019

competitiveness for Bulgarian producers and exporters, ensuring economic growth and employment. The country will improve its trade relations and benefit from the opportunity to establish deeper and more effective economic ties with the world's most prosperous countries while preserving its strategic autonomy, namely the ability to make its own choices and shape its policy according to its interests and values.

The country will also improve its image as an open economy, while at the same time committing to combat climate change, which requires, above all, joint, global action. The OECD will thus provide Bulgaria with an opportunity to consolidate its geopolitical interest, the key elements of which are the development and preservation of multilateral cooperation, on the foundations of which both international trade and security are maintained.

The positive scenario, which we find plausible enough, is that over time, once Bulgaria joins the organization, alongside its internal transformation, it will not only eliminate all the consequences of its international isolation and economic underdevelopment as a result of socialist rule, it will be able to benefit from the help and support of the best performing and innovative economies on a global scale, but it will also build sufficient capacity to become an indispensable and influential regional factor contributing to the development and wellbeing of the Balkans, following the example of post-communist Baltic countries like Estonia, Lithuania, Latvia.

By joining the OECD, the country will be able to directly influence the policy analysis and diagnostic toolkit, which is widely used by the organization's international partners, the composition of which includes not only individual countries but also international organizations as well as the EU itself. The country will be included in all OECD analytical materials and flagship publications, such as the Economic Outlook, and the Employment Outlook. Bulgaria's admission to the "First Number One Club", which has unequivocally overcome the obstacles of time and outlasted the imperfect socialist inter-state projects, will strengthen the positive long-term prospects for the country.

But all this depends on Bulgaria's performance on its path to membership and beyond. Its accession to the OECD will represent a sort of semaphore for the country's socio-political direction. The procedure is a complex, multi-step process, much of which Bulgaria, albeit hesitantly, has gone through. There are many elements to be implemented, unfortunately, in the face of deepening global and domestic crises. But these developments cannot, and should not, be seen as a reason or excuse for the country not to act to its full potential in the direction of integration into the community of the most advanced industrial countries.

Our accession to the OECD could be seen as an opportunity for our country to find a place and establish itself among the leaders in world economic relations. The strategic external objective is the lasting and sustainable integration of the country as a competitive player in international finance and trade, which would ensure prosperity and social justice for Bulgarian society.

Last but not least, the organization itself could benefit from Bulgaria's presence. Our country's accession would further strengthen efforts to transform the OECD into a more diverse, democratic, representative, and inclusive organization. Within the organization, each country brings its unique experience, enriching international communication and helping to identify the best solutions to achieve its collective policy objectives and Bulgaria can undoubtedly play a positive role.

V. PROPOSALS AND RECOMMENDATIONS ON THE ACCESSION PROCESS

As Bulgaria is facing numerous challenges both domestically and externally, the country should adhere to the course of continuous reform and improvement. It may benefit from the

opportunity to be advised and supported to act according to the highest standards and best practices of the OECD, which don't have an analog on a global scale. The organization's governing body, the Council, has the power to adopt legal instruments, commonly referred to as “OECD Acts”. These legal instruments are the result of the substantial work carried out by the Organization's committees. They are based on an in-depth analysis by the Secretariat and cover a wide range of areas. Thus, as the country joins the organization, provided that Bulgaria makes the most of the environment to which it is gradually being admitted and does not take a formalistic or nihilistic approach, the effect could be extremely beneficial.

It is no coincidence that the main types of OECD acts are decisions and recommendations.¹²² As the term itself suggests, recommendations do not fall within the scope of legally binding international instruments. They belong to the category of soft law (flexible law). However, they are characterized by a particularly high impact on all members and associated states, and even on third countries. This is exemplified by the organization's recommendations on the environment, which have become so influential that they have found their way into the legislation of member states and have also shaped environmental standards in other areas with non-OECD countries. It is no exaggeration to say that the OECD is setting the rules with them even globally.¹²³

Below, in the form of suggestions and recommendations, are set out the main conclusions on the steps in methodological terms that need to be taken for our country to move successfully toward OECD membership.

Bulgaria should make every effort to speed up submitting the necessary information and adoption of changes in line with the recommendations made by the OECD.

The implementation timetable for the technical reviews is heavily dependent on the pace at which Bulgaria provides information to the Committees and the rate at which the country takes appropriate action in response to recommendations for changes in legislation, policy, and government practice. The Council's expectation, shared by civil society, is that Bulgaria will meet all the requirements of the accession process within a reasonable timeframe. Therefore, the highest possible operational effectiveness should be assigned to the Inter-Ministerial Coordination Mechanism, encouraging, including through incentives for the participating countries, immediate action on the tasks undertaken in the country's accession process. Appropriate opportunities should also be provided for those involved in the body to upgrade their skills and capacities, and to be provided with relevant material and analytical resources as and when required.¹²⁴

Information on Bulgaria's interaction with the Organization for Economic Co-operation and Development should be widely available, in the native language, and research into its nature should be encouraged, including in academic institutions.

The activities of the Inter-Ministerial Coordination Mechanism, when they do not concern confidential information, should be published on a single information portal, so that Bulgarian citizens and interested parties can get an idea of the progress of the state bodies. Official translations of the organization's founding documents, as well as the main analytical material on Bulgaria, could

¹²² Other international legal instruments such as declarations, treaties, and international agreements are also developed within the organization.

¹²³ See **Friedrich, J.** International Environmental “soft law” The Functions and Limits of Nonbinding Instruments in International Environmental Governance and Law. Springer, 2013, p. 42.

¹²⁴ In any event, it should not be overlooked that the Bulgarian government's website contains a banner at the bottom about the OECD, with a link to a page on the Ministry of Foreign Affairs website explaining Bulgaria's membership. However, it would be much more appropriate for information on the country's accession to be placed on a separate web portal.

also be included. This is also important for the general awareness of the population about the benefits of membership in the organization, which are not widely known at present.

In the European literature, much more attention is traditionally drawn to the international bodies of the UN family, as well as to the EU. Our knowledge of the OECD comes more or less from the mainstream media, and on the rarer occasions when a major event is discussed. Even in academia, the role of the organization in the global architecture of international legal entities is far less studied than that of, for example, the World Bank, the International Monetary Fund, the GATT, or the World Trade Organization, which is an important reason to encourage the Bulgarian academic community to pay more attention to the organization.

Given the current international situation, the Bulgarian state must ensure that a sufficiently reliable and secure infrastructure is established for the communication, storage, and processing of information on our accession to the Organization for Economic Cooperation and Development.

As a matter of principle, the accession negotiations between the OECD and Bulgaria are conducted confidentially to preserve space for open and frank discussions between the OECD members and Bulgaria. At the same time, to inform on the results of the intra-organizational talks and to boost reforms in Bulgaria, the OECD may agree to disclose certain information.¹²⁵ The Bulgarian state should take all necessary measures, including drawing on the experience of its Western partners, including NATO, on the means and methods necessary to protect the information brought to its attention.

Bulgaria should seriously promote deepening of its relations with the Development Assistance Committee, respectively strive for the relevant membership of the country in the body.¹²⁶

According to item 31 of the roadmap, the body will engage in a structured dialog with Bulgaria during the process of the country's accession to the OECD, in order to discuss the possibility and feasibility of the country's accession to the committee. The main objective of the Committee for the period 2018-2022 is to promote development cooperation and other relevant policies, so as to contribute to the implementation of the 2030 Agenda for Sustainable Development, including inclusive economic growth, poverty eradication, improvement of living standard in developing countries and towards a future where no country is dependent on aid. Candidate countries are evaluated according to the following criteria: availability of appropriate strategies, policies, and institutional frameworks that ensure the capacity to implement a development cooperation program; adopted measure of effort; and the existence of a performance monitoring and evaluation system. Among the newest members of the OECD, we can point out Lithuania, which also acquires committee membership, taking advantage of the opportunity to participate in a kind of international forum of the biggest promoters of development and providers of humanitarian aid. In the same way, the Bulgarian state should definitely carry out a serious analysis and preparation and accordingly be encouraged to take the necessary steps to ensure its membership in the body.

¹²⁵ In this regard, background reports prepared by the secretariat in support of accession reviews may be published before the end of the accession process under the authority of the Secretary-General.

¹²⁶ The committee was established by a ministerial resolution of 23 July 1960 and consists of 31 members, including the EU.

Bulgaria should establish more channels for reciprocity and cooperation with Romania for experience and knowledge exchange on its path to the Organization for Economic Cooperation and Development.

Although Bulgaria is moving about a month ahead in terms of the actual accession process, which has been unnecessarily emphasized by the public authorities in the country, instead of encouraging some kind of competition or comparison, the central government authorities should look deep into the culture of the OECD and to show reciprocity with their colleagues from the Balkan Peninsula. From an integration point of view, it would be appropriate for Bulgaria to maintain its cooperation with Romania on its path to OECD membership by establishing more platforms for dialog between public authorities, at all levels, and forums for the exchange of knowledge and experience of civil society and the academic community.

This will also have a strategic effect, guaranteeing Bulgaria the position of a proactive, initiative, open, and transparent regional player, which will accumulate sufficient capacity in its role as a potential leader in a regional aspect and which could encourage neighboring countries towards political, academic and cultural integrity similar to that established by the Scandinavian countries. With these actions, the two neighboring countries will undoubtedly contribute to realization of the shared values, vision, and priorities of the OECD. Subsequently, after their adoption, the partnership between the two countries could develop into a permanent mechanism for coordination and communication, through which the regional policy agenda can be determined and all key issues that directly or indirectly affect the development of the Balkan Peninsula can be considered and discussed.

Bulgaria, above all, must rationally follow the recommendations of the Organization for Economic Cooperation and Development with the commitment to always build on what has been achieved.

Following the example of Western democracies, the model of formalistic or nihilistic authoritarian management behavior should be avoided as much as possible, and the state should operate decisively, boldly, and ambitiously. It is of fundamental, to fit into this new community, to join the OECD, for every public body in its activity (which also applies to private entities to a large extent) to be as active as possible, seeking the maximum added value of its activities.

Among the most important actions indicated by the OECD in the three scanning documents Center of Government Scan of Bulgaria, Regulatory Policy Scan of Bulgaria, and Public Integrity Scan of Bulgaria, as well as in the economic survey Bulgaria 2021 OECD Economic Survey Overview, to which we find that the state should be irrevocably adhered to, given the conclusions of the analysis carried out so far, are:

1. Recovery measures from the severe economic consequences of the COVID-19 pandemic

Economically, the OECD promotes fiscal and financial policy to mitigate the impact of COVID-19 by recommending the extension of fiscal support measures for households and businesses and their extension, respectively, in the event of a possible resumption of the pandemic. Bulgaria should ensure and benefit effectively and quickly from the available EU funding to support recovery.

Once recovery is underway, the OECD recommends moving towards a balanced government budget by increasing revenue and improving spending efficiency, with a view to greater long-term fiscal sustainability. Recommendations were also made for the provision of additional compensation, new employment programs, deepening of liquid support for enterprises and households from the state budget if the situation requires it. The OECD also encourages taking

appropriate measures to improve the business environment by increasing controls against cartels and companies abusing monopoly or market dominance.

2. Reforms in the education system

The state should ensure and improve access to primary education, including in early childhood. Measures should be taken in the direction of increasing the qualification of teachers in secondary education for teaching persons with special needs, deepening the role of on-the-job training in vocational education. Bulgaria is also looking to introduce a policy for more investment in the labor market.

3. Promoting policies to decarbonize the economy

Action is also recommended to ensure the green transition and decarbonization of the economy by phasing out fossil fuel support and aligning carbon prices for sectors outside the EU Emissions Trading System (ETS) while ensuring support for vulnerable groups and poor households. The retraining and relocation of displaced workers in coal regions, the renovation of the housing stock with a focus on low-income groups are encouraged. Measures are recommended to raise public awareness of the benefits of investments in energy-saving devices for households.

4. Promoting regional development and improving social inclusion

The OECD recommends paying more attention to issues of regional development and social inclusion by improving the connection of remote regions to national and international supply chains through investments in transport infrastructure and digital connectivity. It is recommended to take appropriate measures to improve the inter-municipal cooperation system by reducing regulatory barriers and administrative burdens and strengthening fiscal incentives to improve the efficiency of transactions between public bodies. Consideration should be given to reducing the tax burden on lower-income earners in the medium to long term, easing eligibility criteria, and increasing social benefits. In turn, benefits should not only be increased but also rationalized and simplified, especially for families with children. Concerning social inclusion, the OECD recommends improving the management and capacity of the National Council for Cooperation on Ethnic and Integration Issues at the Council of Ministers and the inclusion of all stakeholders in the dialog on the implementation of policies and strategies in the field. The aim is to provide technical, legal, and financial support to municipalities and Roma households to resolve their property rights.

5. Health Care Reforms

Bulgaria should increase the efficiency of public health spending, improve health care coverage and reduce payments by low-income and vulnerable groups. A gradual consolidation of the hospital sector and a shift of focus to outpatient care is recommended.

6. Improving regulatory oversight

Optimizing the institutional structure for regulatory oversight to improve the quality of regulatory management tools, for which several options should be reviewed, including the creation of an “independent oversight body” to control quality.

7. Approve the institution of the ex-ante impact assessment

Promoting the effective implementation of the preliminary impact assessment in practice by introducing measures to strengthen the analytical capacity, expanding the scope of the impact

assessment to include the acts issued by the ministers, as well as reviewing the targeting of the impact assessment itself.

8. Promoting transparency in the legislative process

Increasing stakeholder access to the rule-making process and improving mechanisms for conducting public and stakeholder consultations.

9. Approval of the institute of ex-post impact assessment

Putting systematic ex-post evaluation into practice is recommended, which is crucial, accompanied by strengthening analytical capacity and introducing regulatory oversight of ex-post evaluation.

10. The development of a comprehensive regulatory strategy

According to the recommendations at the political-strategic level, Bulgaria should develop and publish a clear, official, and binding government-wide strategy for regulatory policy as an independent high-level public document in the form of a government decision, which confirms the political dedication and commitment to creating high-quality regulation.

11. Fight against corruption and more transparency in the state administration and the media

Among the responsible tasks, according to the OECD, are ensuring the integrity of anti-corruption institutions and providing them with sufficient resources necessary for the purposes of their work, responsibilities, coordination mechanisms. The state should proceed with the implementation of effective measures for reforms in the judicial system, such as the establishment of a transparent accountability mechanism for the Prosecutor General, following international standards, strengthening the independence of the court during the probationary period, reforms in the requirements regarding the judicial composition and this of the Supreme Judicial Council.

An important innovation is a recommendation to introduce legal regulation of lobbying, including through the adoption of a code of conduct for lobbyists' engagement with members of parliament. The OECD recommends ensuring the independence of the media to ensure the integrity of public decision-making processes. It is also recommended to implement the EU Whistleblower Directive and launch a campaign to increase public awareness of the need for whistle-blowing.

12. Reforms in administrative justice

Administrative penalties are an important means of enforcement to ensure compliance with legal instruments and regulations. They can be applied in many areas of public administration, including public procurement, environment, real estate, competition law, market regulation (energy, financial services, transport), and consumer protection. However, the entire process of enforcing laws and regulations through administrative penalties is subject to risks. Corrupt behavior by those involved in the enforcement process can be encouraged or discouraged by various factors, including the extent to which the legal framework is clear, homogeneous, comprehensive, coherent, and objective. It is no coincidence that the reform of the administrative-penal regulatory framework is part of Bulgaria's anti-corruption program. Recent efforts and reforms have significantly improved the legal framework, but challenges remain. The problems come from legal technicalities at the legislative level. Legal regulation in this area is fragmented and lacks consistency, creating risks of corrupt practices in its implementation and generally endangering the rule of law and the capacity of the administration to perform its functions effectively.

13. Other topical reforms

Reducing regulatory barriers and red tape, modernizing competition policy, and improving the governance of state-owned enterprises would help stimulate business dynamism in an economy where nearly a third of public procurement contracts are awarded without an invitation to tender. A faster insolvency framework would also reduce the incidence of non-viable firms holding back resources and bank credit. The recovery should also be used to accelerate the transition to a lower carbon economy, including by mobilizing EU funds.

14. Encourage regular functional reviews of the administration of the Council of Ministers

Based on the conclusions of the review, regular evaluations of the CM administration and the bodies responsible for its functions should be encouraged to assess the scope of activities to further improve the performance and coordination between public authorities.

15. Eliminating the existing gaps in the responsibility and functions of the units of the center of state administration

The institutional responsibility for coordinating the preparation process and approval of draft framework positions of Bulgaria on matters considered by the European Council, the Council of the European Union and its subsidiary bodies should be clarified, as well as, the consolidation of responsibility for the implementation of investment programs and projects. The OECD also recommends revising the institutional structure for regulatory oversight and strengthening the quality control of regulatory governance tools, including consolidating various bodies into a single body.

16. Establishing a common vision for management development in a single document

A results-oriented document should be prepared to articulate a unified vision and establish institutional leadership within the country's governance center. The instrument should describe the set of shared objectives and desired outcomes for the country. In addition to a shared vision and a description of activities, the document should present how the government seeks to achieve its goals and what functions of the administration are needed, in a single, operational strategic act, respectively identifying the body that will be responsible for these activities.

17. Improving horizontal coordination between public authorities

Appropriate measures should be taken to facilitate and improve the functioning and effectiveness of the existing standing councils, committees, and joint working groups between administrative bodies, both methodologically and by equipping them with adequate resources, staff, expertise, and technical support to coordinate policy development.

18. Improve the capacity of staff in the administration

The OECD recommends that more use of formal coordination mechanisms in the CM administration, including through human resource management tools, be encouraged.¹²⁷ The

¹²⁷ HR tools are polyvalent and can be used successfully in our understanding of and dealing with many contemporary administrative problems, including the fight against corruption. Businesses rely upon, respectively invest much more in the development of human resource management systems, unlike public authorities, especially in Bulgaria. This is one of the main reasons why the Bulgarian administration is an unpopular place for a career among young specialists. One of the few 'white birds' that recognize this problem at a central level is the Institute of Public Administration, which has published recent relevant studies. The Institute also hosts the annual meeting of human resources specialists in the Bulgarian administration. See the Mexican experience in combating corruption with human resources tools, proving that they can be useful in assessing and studying corruption, even at the micro level in: **Morales**,

establishment of training courses in conjunction with the Institute of Public Administration should be explored to build coordination capacity for increased policy coherence across central government departments.

19. Improving the decision-making process

The role of the Council of Ministers' units in the preparation of its weekly meetings should be reinforced, by considering and reviewing the framework for quality checks in the CM administration by ensuring sufficient levels of experience and expertise in the center of government bodies involved in quality checks for all items submitted to the CM.

20. Effective information management and monitoring

Existing challenges should be assessed with the availability of sufficient information and data for decision-making at the center of governance in line with the latest trends in governance¹²⁸ and promote discovery and regular sharing of relevant information and key documents between the units of the CM Administration and respective ministries. The OECD recommends that a clear monitoring and evaluation system for all government policies should also be established to ensure that information is managed most effectively and efficiently.

21. Policy and institutional framework

To ensure that appropriate measures are taken to bring existing strategic documents in line with the center of government and relevant ministries and other government bodies. Institutional responsibility within the center of government should also be clarified while streamlining and simplifying the architecture by strengthening horizontal coordination practices and strategic planning mechanisms.

22. Improving the actual strategic planning process

The OECD encourages the establishment of a clear strategic planning framework that defines the strategy development process and regulates the relevant quality criteria. To be more democratic and transparent, detailed guidelines and tools should be established to integrate stakeholder engagement and citizen participation within the planning cycle.

23. Improving the quality of strategic planning

These mechanisms should be adopted to lead to a continuous improvement in the quality of strategic planning across the civil service, as well as to create an instrument to ensure knowledge sharing within it, to create greater expertise for strategic foresight in relevant ministries, and to further institutionalize strategic foresight practices in Bulgaria's planning system.

24. Structural reforms:

Reforms to boost investment in infrastructure and digitalization, administrative burden reduction, and energy security are encouraged.¹²⁹

F., Rios, V. Human Resource Management As a Tool to Control Corruption: Evidence From Mexican Municipal Governments. – In: Public Administration. An International Quarterly. Wiley. Vol. 100, Number 4, 2022, pp. 1019-1037.

¹²⁸ With the so-called „monitoring and evaluation“ system, the Commission has been able to ensure that the system is used in the most efficient way. Data-driven decision-making.

¹²⁹ OECD Economic Outlook, Volume 2022 Issue 2 Bulgaria. Available at: https://www.oecd-ilibrary.org/sites/f6da2159-en/1/3/2/6/index.html?itemId=/content/publication/f6da2159en&_csp_=761d023775ff288a22ebcaaa183fbd6c&itemIGO=oecd&itemContentType=book

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