

## COUNTRY PROFILE



## Bulgaria

GLOBAL RANK: 64th of 104



Bulgaria ranks 75th on Comparative Liveability, but much higher on Economic Competitiveness at 48th, as a result of the country's high levels of education and membership in regional trade agreements. It ranks 64th overall.

## ● BACKGROUND

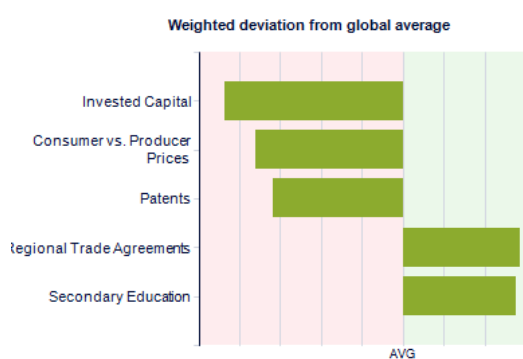
Bulgaria's entry into the EU in 2007 came at the end of a decade of market-based reforms and steady economic growth. However, income levels are still only around one-third of the EU average, and current economic worries include a large current account deficit and high inflation. The government's disappointing progress in the fight against corruption may jeopardise Bulgaria's receipt of an anticipated €11 billion in EU development funds. Bulgaria's 5% Roma minority face pervasive discrimination and limited access to education. Despite recent progress in the fight against human trafficking, many Bulgarian women are still forced into the European sex trade.

## FAST FACTS

<b>Population:</b>	7.26 million (2008 est.)	<b>FDI (net inflow):</b>	6.57% (2006 est.)
<b>Life Today</b>	3.8 (2007 est.)	<b>Exports</b>	47.91% (2006 est.)
<b>GDP (PPP)</b>	\$86.32 billion (2007 est.)	<b>Imports</b>	73.82% (2006 est.)
<b>GDP (Growth)</b>	6.2% (2007 est.)	<b>Unemployment:</b>	7.7% (2007 est.)
<b>GDP (per Capita)</b>	\$11,300 (2007 est.)	<b>Life Expectancy</b>	72.83 years (2008 est.)
<b>Political System:</b>	Parliamentary Democracy		
<b>Foreign Aid:</b>	2.50% (2004 est.)		

## ● KEY SCORE DRIVERS

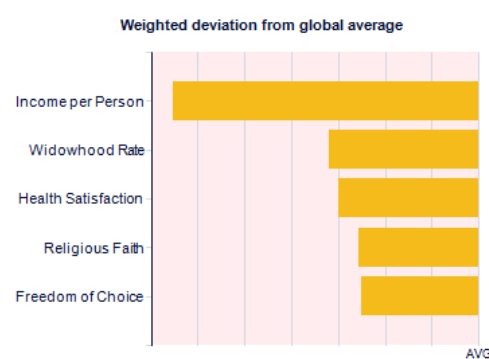
## ECONOMIC COMPETITIVENESS



Bulgaria's Economic Competitiveness scores are overall in line with regional trends. The economy is opening up, and Bulgaria is now party to a number of regional trade agreements, illustrating its increasing integration into the global economy. This is driven by the country's EU accession, which provides ample grounds for optimism. As a result, the volume of foreign trade is high: the sum of foreign trade and foreign investment today reaches almost 130% of the country's GDP.

Mass education levels are high: the combined gross enrolment ratio for primary, secondary and tertiary education is over 80%, and almost all pupils who enter primary enrolment finish secondary

## COMPARATIVE LIVEABILITY



The picture for Comparative Liveability in Bulgaria lags behind the country's fast-rising level of Economic Competitiveness. Bulgaria scores below the regional average on almost every front, showing few positive signs. The lack of satisfaction with freedom of choice is particularly extreme. Only 57%<sup>9</sup> of the population are satisfied with their freedom to decide how to lead their lives. This is very low for a democratic, market-oriented country, and may reflect an adjustment process following the recent dramatic shifts in Bulgaria's politics and economy.

The poor scores for community life indicators are another feature common to many post-communist countries. Communist states

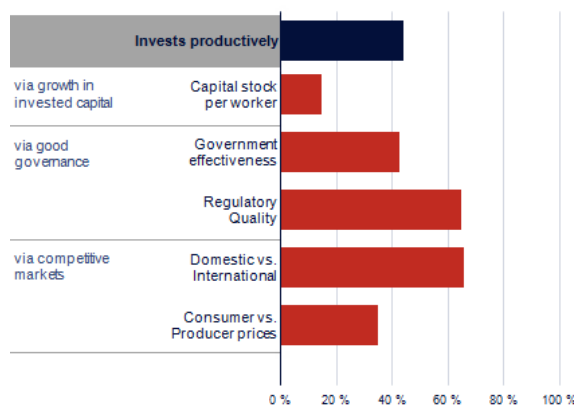
school. The average worker has over three years of secondary education, and the share of tertiary students in science, engineering, manufacturing and construction is almost 30%. However, it can be difficult to accurately assess the value of education and skills gained under non-market systems.

Justifying these concerns, despite the robust education system, Bulgaria performs rather poorly in commercialising innovation. A mere 0.5% of GDP is spent on research and development, and few patents are granted to residents. Foreign direct investment is concentrated in the petroleum and metal industries, which require little local research, and high-tech exports account for less than 1% of GDP. The negative effects of this are compounded by the lack of capital investment, hindering productivity increases. Furthermore, the movements in the ratio of consumer and wholesale prices suggest a relatively low level of competitiveness present in domestic markets.

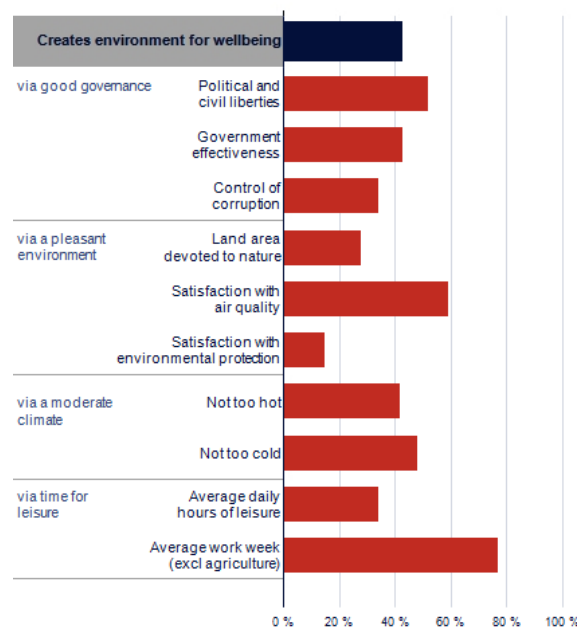
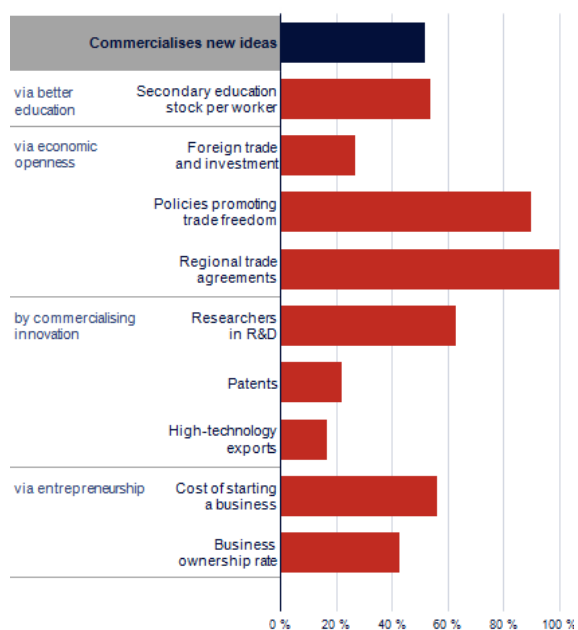
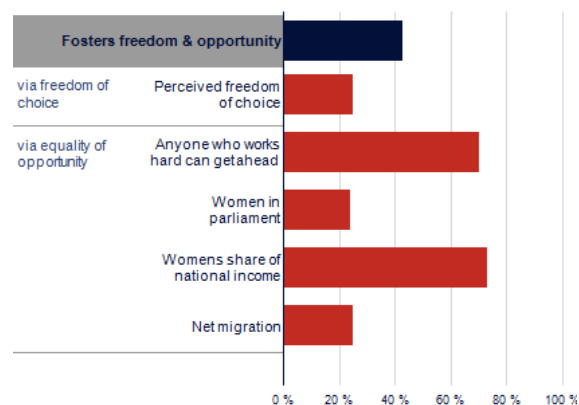
typically used 'community' organisations as a means of surveillance and controlling the populace, and in many formerly Communist countries a suspicion of civil society persists to this day. Bulgaria's difficulties are evidenced by very low levels of community involvement, as reported on the World Values Survey. Charitable giving is also low in Bulgaria, as reported on the Gallup World Poll, and family life is negatively affected by high levels of widowhood (11.7%<sup>9</sup>). When taken with the lack of religious faith, these factors point together to a lack of social support against times of trouble.

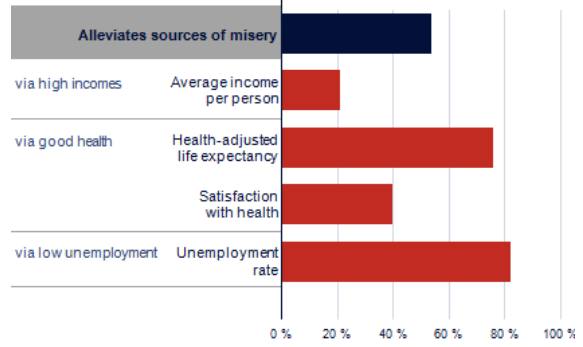
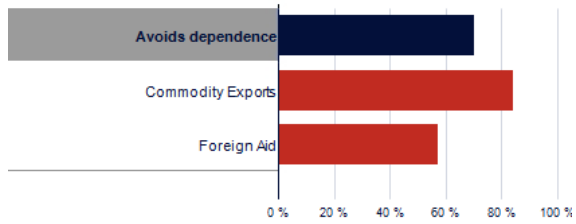
Apart from the unfavourable climate conditions, and low levels of environmental preservation, unsatisfactory health conditions are a further problem for Bulgaria. 32%<sup>9</sup> of the population is dissatisfied with their personal health conditions, which is underlined by the poor quality of public healthcare. Almost 10% of Bulgarians are undernourished, over 30% smoke, and the population is decreasing by almost 1% annually. A healthcare reform was initiated in 2003, and healthcare deregulation remains a political priority.

## ECONOMIC COMPETITIVENESS: SCORECARD

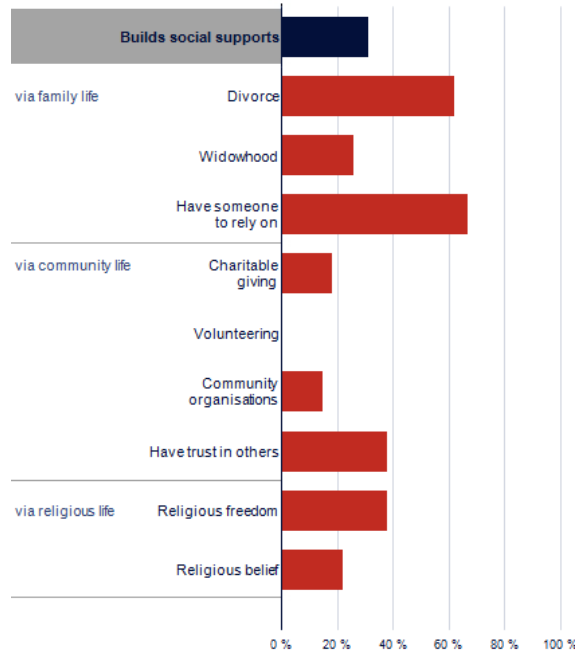


## COMPARATIVE LIVEABILITY: SCORECARD





All subindicator scores in the Index are shown unweighted, expressed as a percentage of the score for the best-performing country in the Index. Indicator scores (in dark blue) are derived from the weighted average of relevant subindicators. For more information on how the subindicator scores are weighted to produce indicator scores and an overall Index score and ranking, see Chapter Two of this report.



**References:**

<sup>9, w</sup> See [www.prosperity.com/references.aspx](http://www.prosperity.com/references.aspx) for further details including date of survey, sample size, and margin of error.