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# Introduction

The Center for the Study of Democracy seeks to pioneer difficult reforms and provide vision as to the future challenges facing Bulgaria and Southeast Europe. CSD's strong institutional capacity has opened new avenues and areas where civil society can make a contribution to reforms. Over the years, CSD has taken the lead in advocating key reforms in areas such as the regulatory framework for non-profits, establishment of the ombudsman institution, the introduction of anti-smuggling policies and other areas.

In addition to being the year of NATO membership and completion of EU accession negotiations, 2004 also marked the transition to a new institutional environment in Bulgaria. Some of the key economic reforms have been put place, while others, notably judicial reform and measures against political corruption, are still to be implemented. CSD has taken the lead in 2004 both areas by proving a comprehensive overhaul of institutional and legislative reforms in the field of good governance over the past seven years. The purpose was to take stock of the reforms in place and chart the mid to long term horizon of remaining challenges.

A major CSD achievement in promoting a business-friendly environment and reducing judicial corruption was the progress in business registration reform. The government strategy for establishing a central electronic register of legal persons and an electronic registries center was primarily based on CSD's policy paper on registration reform.

This work was made possible by a combination of research, policy formulation and advocacy capacity which CSD has developed over the years. Having introduced a unique national-level system of measuring corruption, in 2004 CSD began to focus more on developing watchdog instruments which reflect the new institutional environment in the country and the reform priorities of the period. Namely, this meant greater use of targeted tools to identify good governance failures in the area of what the EU identifies as justice and home affairs.

A key characteristic of a think tank is the ability to formulate reform policies. This is particularly relevant in Bulgaria where a volatile political environment and weak civil service undermine the development of medium and long term policy vision, especially in sensitive areas such as corruption. Policy making in Bulgaria, particularly in areas such as anti-corruption, is still a fragmented and haphazard process. The civil service plays a limited role in the process, and the same applies to non-governmental stakeholders. Against this background, CSD plans to boost its policy work in the field of anti-corruption and thus assist the government in adopting advanced policy analysis and formulation techniques, including an interface with international and non-governmental stakeholders.

The ability to bring together public sector and private sector (commercial and non-profit) actors together in the policy process is crucial in advocacy. In this respect it is also important to have a reputation for non-partisanship, which CSD enjoys

almost uniquely in Bulgaria. This was of particular benefit in CSD's work to promote policies to reduce the gray economy, particularly in the labor market.

CSD has always complemented its think tank work with the role of facilitator and resource organization for capacity building. The latter efforts increased in 2004 with CSD's partnership with the World Bank under its Global Development Learning Network (GDLN). GDLN cooperation was particularly appropriate for CSD as it allows it to expand the audiences it could reach in the delivery of its content. CSD also enhanced its role as facilitator and organizer of training for government officials and NGO representatives from the Western Balkan countries. This was made possible through the transformation of CSD's research and policy recommendations output into instructional formats tailored to the needs of specific groups.

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