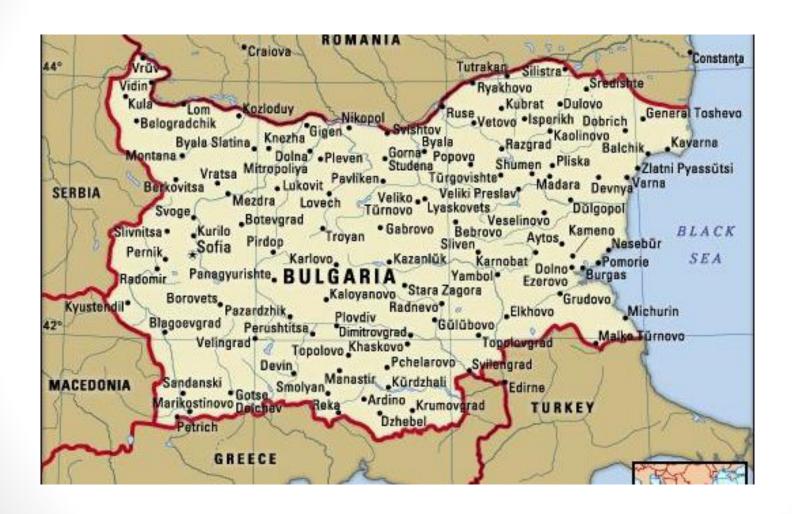
Personal Connections in Bulgaria

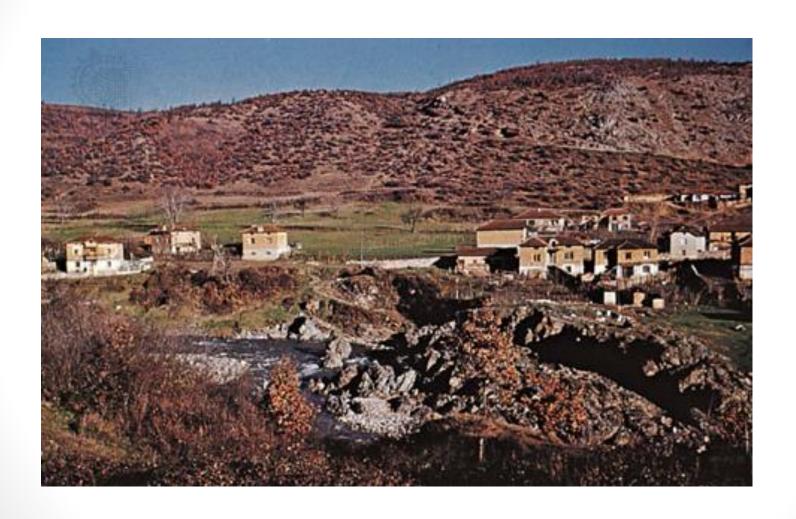
Legha Momtazian, Colin Williams Grey Marie Curie project Vitosha Research



The historical context



♦ The land reforms- 1946 onwards



♦ The Transition since 1989



♦ Joining the European Union in 2007



Undeclared economy

GDP in 2015: \$48.953 billion

Population in 2015: 7,180,000

⇒GDP per capita: \$6,818

(World Bank)

Undeclared economy amounts for 30% of the GDP ~ \$14.686 billion

(Schneider, 2015), (Williams, Franic and Dzhekova, 2014)

Personal Connections

- Blat (in post-Soviet spaces)
- Guanxi (in China)
- Pulling String (in English-speaking countries)
- Wasta (in Arab world)



Reasons for existence of Blat

- Culturally embedded
- Rooted in kinship, Confucianism and the culture of gift-giving in China (Ledeneva, 2008)
- Reaction to state centralized system in Russia (Ledeneva, 2008)
- Rooted in the culture of gift-giving in Ukraine and thus widely accepted. (Stepurko et al., 2015)



Recent blat practices:

Market oriented practices, moving away from satisfying personal needs to corruption, benefitting official-business classes and harming the majority (Ledeneva, 2008)

Nepotism in Bulgaria





- Face-to-face in people's homes in Bulgarian language, in September 2015
- Only 4% of the respondents did not cooperate
- Sample stratification by districts (NUTS3) according to the current published data of National statistical institute of Bulgaria (NSI 2014), and next by the type of settlement(district cities; small towns and villages)
- Sample is distributed in 202 randomly selected sampling points, each designed with 10 respondents
- In each household the respondent is selected at random
- 2815 addresses visited, 2480 of them been contacted, 2005 successful interviews

Significance of blat in achieving goals

Very important	33.20%
Important	41.30%
Rather important	20.5%

Reasons for Asking for/Receiving favours – % answering NO!

Asking for/Providing Favours - No	For Medical services: Skipping queues, etc.	For Solving problem with enforcement	For Finding a job	For finding a job	In education – Getting a degree, etc.	For Legal services and courts	Daily services with better quality /Price	For Repairs (Home, Car, etc.)	Tickets for event s, etc.	For Hobby and recreation	For Consumer goods (ex. Food)	For Communicating with local authorities	For Food products	For Speeding up the bureaucratic	Mean
Α	87.1	96.6	88.5	97.5	97.4	93.6	92.4	98.8	97.5	96.2	98	96	97.1	99.1	95.4
Р	97.1	99	94.4	98.4	99	96.9	95.6	99.3	98.7	98	99.2	96.9	98.6	99.8	97.9

Spheres of practice – Over 5%

	% Receiving Blat	% Supplying Blat
Medical services: skipping queue, getting better examination, surgery	12.9%	2.9%
Finding a job	11.5%	5.5%
Everyday services at better quality or better price (bank services, hairdressers)	6.3%	3.1%
Repairs (housing, garages, car)	7.6%	4.4%

Rewards

Rewards	Cash	Cash Gift		Just "thank you"	Other	
Received	13.46 %	14.11 %	23.81 %	43.84 %	4.78 %	
Given	28.36 %	15.78 %	18.96 %	36.70 %	0.20 %	

Questions

What forms of personal connections do we observe the most today? Friendly favours or market oriented?

❖ Is the 'thank you' enough or does it mean

return on favour in future?

Who Loses?



