Vitosha Research / Sociological Program

2001 Highlights

In 2001 Vitosha Research implemented 50 social, economic, marketing, media and public opinion projects. This work included quantitative and qualitative surveys: about 16,000 face-to-face interviews, 320 in depth interviews and 19 focus groups. The collected information was summarized in over 40 analytical reports and policy papers and 10 newspaper publications.

- For the forth year Vitosha Research conducted a Global Competitiveness Survey in cooperation with the Center for Economic Development and the World Economic Forum at Davos. On the basis of the survey results and officially published statistical information Bulgaria was included in the official annual Global Competitiveness Report of the World Economic Forum.
- In October 2001 Vitosha Research carried out the second Eurobarometer Survey in a consortium with other agencies from Central and Eastern Europe coordinated by Gallup Hungary.
- The initial results of the implementation of the Regional Corruption Monitoring System of SELDI (Southeast European Legal Development Initiative) were presented in March 2001. The system provides information about the spread of corruption in the region (Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Macedonia, Romania and Yugoslavia); it has become baseline resource for national and international institutions and organizations.
- In 2001 Vitosha Research continued to systematically expand its scope of activities to cover neighboring and other countries. An important project in this respect became the Human Security Survey conducted in the Caucasus region (Armenia, Georgia and Azerbaijan). This survey is part of a regional UNDP effort and is intended in 2002 to cover the region of Central Asia too.

I. Social and Economic Research

The main subjects of the economic research projects included the competitiveness of the Bulgarian economy, corporate governance reform and company performance, conditions for financing SMEs and NGOs in Bulgaria. In the course of the work on these projects, most of which were commissioned by UNDP, the International Center for Notfor-Profit Law and the Center for Economic Development, Vitosha Research conducted about 500 face-to-face interviews, organized 2 focus groups

and 23 in-depth interviews with ministry and state agency officials, representatives of financial institutions, SMEs, businesses and journalists. It also participated in the preparation of three sections of the monthly *Early Warning Report* for Bulgaria. In addition, Vitosha Research carried out four social research projects, commissioned by the World Bank, UNDP, Regional Initiatives Fund, Ministry of Labor and Social Policy - the fieldwork included about 5 400 face-to-face interviews and 120 in-depth interviews.

1. Global Competitiveness Survey

Since 1998 Vitosha Research has been conducting the annual Global Competitiveness Survey in Bulgaria in cooperation with the Center for Economic Development. The survey is part of the efforts of the World Economic Forum at Davos to track major changes in the world economy. The study was based on interviews with managers Bulgarian and foreign companies and provides information on the business climate in the country and the level of competitiveness of the Bulgarian economy. In 2000 Bulgaria was included for the first time in the official annual report of the World Economic Forum "Global Competitiveness Report 1999".

2. Early Warning System in Bulgaria

Work on this UNDP-coordinated project includes the monthly publication of Early Warning Reports (EWR). The reports, which have been published on a continuous basis since 1997 explore the dynamics of the overall economic, social, political, religious and ethnic environment in Bulgaria. In cooperation with analysts from the Department of International Relations Association, BBSS and Club Ekonomika 2000 CSD is responsible for four of the seven sections of the report.

Over the last five years EWR has become a baseline resource on socioeconomic and political development in Bulgaria. Tracking socio-economic changes has made it possible to provide information and early warning signals for possible adverse effects - recommendations made in this respect have been taken into account by policy makers. Thus, EWR has been able to fulfill its main objective: to anticipate and respond to crisis situations before they become too violent or before their effects get to the point of no return. The Bulgarian EWR has become a model for launching similar initiatives in the countries of Southeast Europe.

3. Influence of economic restructuring in Bulgaria on the exports sector

This research project, commissioned by the Center of Economic Development, was aimed at an analysis of the main tendencies in companies' exports and their business environment. Its focus was the relationship between ownership change, enterprise privatization outcomes and the level, the structure and the dynamics of the exports. The data obtained from company managers made it possible to make conclusions about the effectiveness of privatization strategies and their impact on export activities.

4. Non-profit organizations in Bulgaria

The survey on non-profit organizations in Bulgaria, financed by the International Center for Not-For-Profit Law, was carried out by Vitosha Research in cooperation with the Resource Center Foundation. The data on the activities of the non-profit organizations in Bulgaria helped come up with policy recommendations for the improvement of the tax environment of the NGO sector.

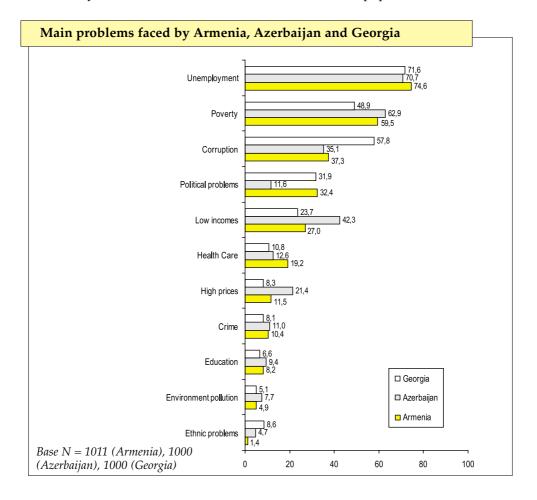
Human Security in the Countries of the Caucasus - Armenia, Azerbaijan, and Georgia

Through this project Vitosha Research extended its activity to include the Armenia, Azerbaijan, and Georgia. Several analytical research methods were used to assess the basic elements of human security (economic security, food security, health security, environmental security, personal and public, and political security) in these three

countries. The project included a qualitative and a quantitative survey in each country.

Research results showed that most of the problems of human security are present in all countries. The citizens generally miss the not too distant socialist past, which they associate with far greater political security, peace and order in general, and on a personal level, with greater financial and emotional well-being. In all three republics of the Caucasus nearly half of those surveyed consider the years of the 1980s as the best period in the overall development of their countries in the 20th century.

In spite of the different extent to which the respondents from these three countries feel personally threatened, unorganized crime seems to be the greatest threat to personal safety – greater than organized crime; people are most afraid of aggression by hooligans and thieves. The most important social problems in all countries are ranked similarly. The list is topped by unemployment followed by poverty, low incomes, and corruption. These problems are typical for all societies in the process of building up new social structure. At the same time, each of these problems has a strong impact in the assessments of living standards revealing the specific dimensions of popular dissatisfaction.



6. Sociological and Beneficiary Assessment of Potential Low-Income Housing Micro-Projects

The main goal of this project, commissioned by the World Bank, was to identify and analyze housing conditions of people (mainly Roma) from socially disadvantaged groups living in segregated neighborhoods with poor access to basic utilities, as well as to make a social assessment of potential housing programs targeting the Roma population. A combination of qualitative and quantitative methods was used for the implementation of this project.

A qualitative survey (in-depth interviews) was also conducted – it involved representatives of the local authorities, local Roma non-governmental organizations, social workers, and local Roma leaders was conducted. The analysis confirmed the preliminary hypothesis that most of the dwellings inhabited by Roma are in bad condition. Information on the relative share of the different types of Roma dwellings for the

11 neighbourhoods was collected through neighbourhood observation and observation of respondents' homes.

One quarter of the respondents live in one-room flats while the majority lives in two-room flats. Over half of the respondents live in houses of up to 30 sq. m., the average floor area of the respondents' homes being 36 sq. m. An important factor for the efficiency of the housing improvement programs in the Roma neighborhoods is the prompt reaction to the problems related to the ownership of the land on which the Roma neighborhoods are built and the planning and zoning maps of the neighborhoods. In the Roma neighborhoods there is a high rate of illegal construction which takes place indiscriminately on state-owned or municipal property as well as on land subject to restitution; in isolated cases it happens on personally-owned land. Except for the capital, all too often Roma neighborhoods are located outside residential zoning districts, in agricultural areas, forests, or zones under a special regime.

Relative share of types of dwellings based on the observation of 11 neighborhoods and of the respondents' homes

	Percentage (observation card of the neighborhoods)	Percentage (observation card of the dwellings)	
Primitive housing (dug-outs, cardboard houses, hovels, etc.)	2,64	5,4	
Flimsy structures (wooden			
sheds, adobe houses,	40,27	42,7	
tumbledown houses, etc.) Semi solid one-floor and			
two-floor structures	40,09	31,5	
Solid one-floor, two-floor or higher structures	11,70	9,9	
Concrete panel housing	7,00	8,7	

7. Beneficiary Assessment of the Results of the Micro-Projects Implemented by the Regional Initiatives Fund

The goal of this survey was to analyze the beneficiaries' evaluations of the outcomes of the micro-projects implemented by the Regional Initiatives Fund (RIF) through a combination of quantitative and qualitative methods. The main target groups of respondents in the quantitative survey were local community members who should benefit from the project. Qualitative methods were also used to obtain information from other sources - local authorities, specific groups of direct beneficiaries, RIF staff and reporters from local media.

On the basis of the assessment a general conclusion was made that RIF microprojects have been well accepted by citizens in the respective municipalities. Microproject implementation has created additional employment, but so far it hasn't made a substantial difference in this respect because of the relatively small size and short project duration.

8. Establishing a Model Municipality in Razlog

Vitosha Research conducted a base-line survey in the Razlog municipality which was part of a project entitled *Establishing a Model Municipality in Razlog* financed by UNDP. Information was collected using a combination of qualitative and quantitative methods focusing on the residents of Razlog and also on representatives of the municipal and district administration, businesspeople, journalists and representatives of non-profit organizations. On the basis of this survey several conclusions were made:

1. The most important problem faced by the population of Razlog is unemployment. Next by importance come the

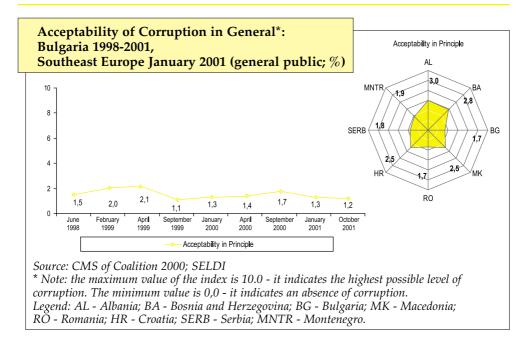
- low standards of living of a large part of the residents of the municipality.
- 2. The general expectations of the people employed in the Razlog municipality on the future prospects of the companies or organizations they work for are largely optimistic. Over two thirds of those interviewed believed their companies would either grow or maintain their present position on the market.
- 3. The three fundamental priorities for the development of the Razlog municipality according to its residents largely match the points of view of the five target groups surveyed: stimulating private business, implementing social programs on the unemployed and socially disadvantaged people and growth of the town of Razlog as an administrative center.

II. Corruption surveys

1. Corruption Monitoring system of Coalition 2000

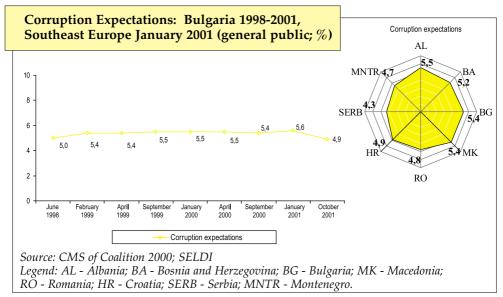
Vitosha Research has been extensively involved in conducting the surveys of the Corruption Monitoring System (CMS) of *Coalition 2000*. This CMS includes a comprehensive set of qualitative and quantitative techniques for different target groups (general public, businesspeople, public officials, professionals, etc.). In 2001 two quantitative surveys were conducted.

The CMS results have been summarized in the Corruption Indexes of *Coalition* 2000 which have been published twice in 2001. The trends observed in 2001 show that public intolerance towards corrupt practices at all levels of authority is growing although not as fast as one would like. Simultaneously the spread of corruption and the reported actual involvement in corrupt practices seem to be stable. This situation has generated



a lot of criticism, especially in the course of the Parliamentary and Presidential election campaign when corruption was one of the major issues discussed.

The most notable change in corruptionrelated attitudes is an increase of optimism. The values of the "corruption expectations" index were fairly stable over the period June 1998 - January 2001; in October 2001, however, a notable positive change was observed associated with the hope of Bulgarians that the new government will make a difference in curbing corruption.



2. Regional Corruption Monitoring System

The Southeast European Legal Development Initiative (SELDI) was launched in late 1998 as an effort of leading not-forprofit organizations toward establishing public-private partnership for legal development in the transition countries of Southeast Europe. A network of organizations was created within SELDI to monitor the level and scope of corruption in the region on the basis of the Coalition 2000 monitoring methodology. Special surveys were conducted in Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Macedonia, Romania Yugoslavia; in year 2001 the project partners produced a Corruption Monitoring Report for the region.

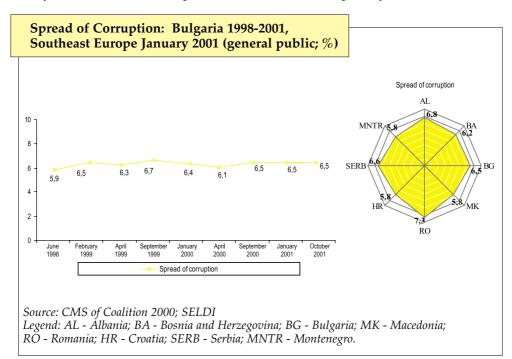
The main goal of this project in the seven countries of the region is to explore the public attitudes and victimization levels related to corruption. The surveys showed that corruption is a

serious problem for all SEE countries: it stands high on the agenda of public priorities; victimization levels are relatively high and the public perceives corrupt practices as endemic to the work of the government administration.

The index of the "spread of corruption" is based on general public assessments of the level of involvement of public sector employees in corrupt practices. Although certain differences between the countries involved exist, the values of the index are fairly high for all countries in general. To the greatest extent this applies to Romania; a little less to Albania, Serbia, Bulgaria, Bosnia and Herzegovina. Although a little lower, the values registered in Macedonia, Croatia, Montenegro also confirm this observation.

III. IT Projects

IT penetration and information society development in Bulgaria have gradually evolved as priority areas for Vitosha



Research. In this respect the projects conducted for the World Bank, BMRB International and the Ministry of Transport and Communications have made it possible to collect valuable baseline data and produce initial analyses of the status of the IT sector in Bulgaria.

1. Assessment of the Development of Information Technology in Bulgaria

The main goal of this project was to assess the current state of the infrastructure and services in the field of information technology in Bulgaria. A specific assessment model was developed for the project to interpret the "e-readiness" - not only by the extent to which Bulgarian society and its economy are ready to benefit from information technology and electronic commerce, but also by identification of the current level of ICT usage and the governmental policies and initiatives for stimulating this sector. The model focuses on basic infrastructure for ICT growth and on the capacity of the society in general to benefit from a wider diffusion of this technology. This is a comprehensive research tool as it combines "e-economy" metrics with "e-society" indicators. The model uses a combination of quantitative and qualitative measurement instruments:

- 1. National sample survey of the population aged 18 and over;
- 2. Qualitative study and statistical analysis;
- Focus group discussions with end users (of Internet services), representatives of computer companies, Internet providers, NGOs and public institutions working on ICT- related projects;
- 4. Desk research.

The main conclusions from the project are that ICT is developing at a relatively high pace (given the status of the Bulgarian economy as a whole). This development, however, is facing a lot of hurdles because of the contending interests of the main stakeholders. State institutions have started responding to the emerging challenges and serious government investment is under consideration now.

2. Analysis and Development of the Technologies and Services of the Information Society in Bulgaria in the Period 2000 - 2001

For a second time Vitosha Research conducted in 2001 a survey on the development of the information society in Bulgaria, financed by the Ministry of Transport and Communications. The goal of this project was to collect, process and analyze information about the current state and trends in information society technologies and services in Bulgaria for the period 2000 - 2001.

The results of the surveys can be summarized as follows:

- 1. The total number of people those using the resources of the Internet is still quite small. The share of those using the Internet barely reaches 10.4% of the population. Nevertheless, if the present tendency continues this number should increase substantially over the next a few years;
- The Internet is typically used at the office and at specialized venues. Home Internet users and those accessing the Web at educational establishments are much fewer;
- 3. Internet use is a priority mainly among young people. Half of those having access to a computer and the Internet are aged between 18 and 30;
- 4. The large part of the people having access to the Web are concentrated in large cities;
- 5. The total number of websites of public institutions and organizations shows a remarkable growth. The virtual presence of educational establishments is expanding most rapidly to keep up with the world trends in providing up-to-date online information;

How often do you use the Internet? (%)

	April 2000	September 2000	June 2001	October 2001
Several times a day	0,4	0,9	0,9	1,4
At least once a day	1,0	1,4	2,5	1,8
At least once a week	2,2	1,6	3,2	3,8
At least once a month	0,9	0,8	1,0	1,1
Less often	1,0	2,1	0,7	2,3
Total	5,5	6,8	8,3	10,4

3. Internet Services in Bulgaria

IT development is being tracked on a regular basis through quarterly VR omnibus surveys. The main objective of IT monitoring is to track the evolution of the information society in the country and to accumulate information about existing trends. The basic subject areas included in the quarterly monitoring are the following: access to computers; access to the Internet; development of Internet services

in Bulgaria; use of mobile phones; use of e-mail, chat and etc. It has been made possible to reach the following conclusions:

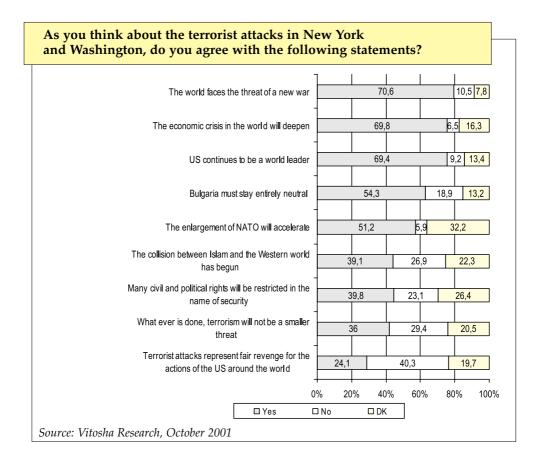
1. At present regular Internet users in Bulgaria have at their disposal a wide array of resources available through the worldwide web, including access to all national media as well as a number of local media offering reviews and analyses online;

How often do you use e-mail (%)				
	April 2000	September 2000	June 2001	October 2001
Several times a day	0,7	1,0	0,8	1,0
At least once a day	1,1	1,4	1,3	1,7
At least once a week	2,0	1,8	2,3	3,0
At least once a month	0,3	0,5	1,0	0,7
Less often	1,2	1,3	1,4	2,4
Total	5,3	6,0	6,8	8,8
Base	1161	1158	1066	958

- 2. As a whole, there seems to be a relatively high level of user satisfaction in terms of how prices relate to certain minimum requirements for quality services. Yet, the share of those who are disappointed with the quality/price correlation is also considerable;
- 3. The daily use of the Internet essentially includes visits to Bulgarian portals/search engines as well as entertainment sites;
- The Internet is typically used as a means of gathering information for personal or professional use /everyday work or leisure/;
- 5. Bulgarians still do not seem to take advantage of the advanced uses of the Internet such as electronic banking, personal activity planning and organization, etc.

IV. Public Opinion, Media and Market Research

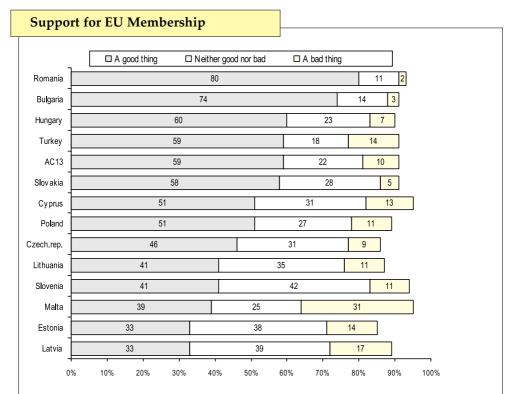
Ten public opinion research projects were implemented in year 2001. The basic topics included in this research were: public opinion about politics and the economy; NATO and the European Union; attitudes toward US policy against terrorism, the sustainable development initiatives in Bulgaria; the health reform in Bulgaria, etc. The projects were commissioned by the Office of Research, US Department of State; Gallup Hungary, the Capacity 21 Program, the Democracy Network Program, the National Health Insurance Fund, Barents Group of KPMG Consulting, and the International Institute for Democracy and Electoral Assistance.



1. Eurobarometer

Vitosha Research is part of a consortium of research institutions from Central and Eastern Europe which has been conducting the Eurobarometer survey since January 2000. The project is carried out in thirteen countries applying for EU membership. The main objective of the October 2001 survey was to collect information about public expectations on the living standards, the general attitudes towards the EU as well as to study the public opinion and the assessments of the process of European integration of Bulgaria.

On average, nearly 6 in 10 people (59%) in the accession countries feel that EU membership would be a 'good thing' for their country with support for EU enlargement ranging from 33% in Estonia and Latvia to 80% in Romania. Support levels tend to be significantly higher in the accession countries than they are in the EU where the average support level is 49%.



Source: Accession Countries Eurobarometer 2001, Public Opinion in the Countries Applying for European Union Membership, Result Summary, European Commission The Eurobarometer Website: http://europa.eu.int/comm/public_opinion

AC13 - Accession countries as a whole

Question: Generally speaking, do you think that (COUNTRY)'s membership of the European Union would be...?

(% "Don't know" and "No answer" not shown)

2. Southeast Europe and Stability Pact: New Means of Regional Analysis

This survey was part of the international project "Southeast Europe and Stability Pact: New Means of Regional Analysis" conducted in Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Kosovo, Macedonia, Montenegro, Rumania and Serbia. The project is coordinated by the International Institute for Democracy and Electoral Assistance (IDEA). The survey includes two main components: quantitative and qualitative monitoring of the public agenda as perceived by representatives of different groups. Data on the following issues was obtained:

- Progress of the national and international dialogue on the perspectives for the democratic development of the region;
- Role of the local elite representatives in the process of political decision making;
- Citizens` and elite representatives` views on the main problems of the country and the priorities in the work toward solving them;
- Progress of the democratization in each country.

3. Assessment of Sustainable Development in Bulgaria

The main objective of this assignment was to conduct a comprehensive indepth analysis of the country's progress toward sustainable development in the context of the *Rio+10* process. The methodology includes quantitative and qualitative surveys aimed at assessing the stakeholders' opinion on the impact of sustainable development initiatives.

The basic target groups of respondents for the qualitative survey were representatives of the government (national, regional and local), NGOs and private business. The research component of the project included a review of the content and a summary of the findings of the existing recent information sources - publications, research reports and surveys. Desk research on specific laws, policies, strategies, programs and plans concerning sustainable development issues was also carried out.

4. Promoting Philanthropy in Bulgaria: Strategic and Sustainable Partnership with NGOs

This research project was commissioned by the Democracy Network Program and its initial objective was to identify and analyze the successful patterns and mechanisms in philanthropy for the benefit of Bulgarian non-government organizations. The survey included 15 typical cases studies from Bulgaria and showed that philanthropic activities since 1997-1998 have decreased. Both the number of donations and the amounts donated have grown lower. The following reasons for this situation were identified:

- 1. The existing regulation of philanthropic activities which does not provide adequate financial incentives for donors;
- There is an evident shortage of philanthropic culture in the country;
- The NGO sector both lacks sufficient absorption capacity and the potential to apply adequate fund raising techniques.

5. Assessment of the Health Reform in Bulgaria

This project was financed by the National Health Insurance Fund and its main objective of the survey was to explore the opinion of the population on the newly introduced health-insurance system in Bulgaria and formulate policy

recommendations. The project included a national representative survey of the adult population in Bulgaria and an analysis of the current situation in the healthcare system in Bulgaria at the level of popular attitudes, normative assessments and practical experience of the Bulgarian citizens; "the breaking points" between doctors and patients were identified as well as the possibilities for settlement of existing latent conflicts.

6. Perceptions, Inclinations and Expectations Concerning the Health Insurance System and the Voluntary Health Insurance Funds in Bulgaria

Barents Group of KPMG Consulting asked Vitosha Research to explore the advantages and disadvantages of the health insurance system in Bulgaria and to evaluate the structure of social attitudes and the expectations from voluntary health insurance. Data on following issues was collected:

- 1. Individual attitudes toward the health insurance system in Bulgaria;
- Degree of match of the attitudes towards the health insurance system in Bulgaria and the existing practices; identification of the major problems in the mechanisms and practices within the existing system;
- 3. Needs and expectations regarding the health insurance system;
- 4. General attitude toward the idea of voluntary health insurance;
- Attitudes toward the various schemes of voluntary health insurance and their prospects as well as evaluation of the different packages of services;
- Conditions determining the likelihood of purchasing voluntary health insurance and circumstances which could provoke a negative attitude;
- Motives and preferences in the choice of specific voluntary health insurance funds.

In 2001 media research focused on evaluation of foreign radio station programming. A total of 1 quantitative, 2 radio monitoring projects and 5 assessments of radio advertisements were conducted though face-to-face interviews and desk research. These projects were commissioned by the InterMedia Survey Institute and the Applied Research and Communication Fund. The main objectives of the media surveys were to throw light on the following issues:

- 1. Assessment and trust in the mass media by the Bulgarian public;
- Opinions and attitudes about international and domestic TV and radio channels;
- 3. Role, image and relevance of international and domestic radio broadcasters in Bulgaria;
- 4. Opinions and attitudes of Bulgarian listeners towards the programs of the RFE, DW, BBC and VOA.

Vitosha Research also conducted 11 quantitative market surveys in 2001. The main topics of the research were:

- Drug advertising;
- Drug market;
- Alcoholic drink consumption and brand tracking;
- Consumption of cappuccino;
- Use of detergents;
- Use and attitudes towards the consumption of goods at OMV petrol-stations;
- Assessment of advertising design.

V. Publications

Research findings have been widely disseminated in the press. More than 10 articles were published in newspapers with national circulation; about 40 analytical reports and policy papers were prepared by Vitosha Research experts. Here is a list of the most important of these reports:

- 1) Community-Based Philanthropy in Bulgaria: Assessment and Pilot Program Design, January 2001.
- 2) Problems of the Health Reform in Bulgaria, March 2001.
- 3) Corruption Indexes, Regional Corruption Monitoring in Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Macedonia, Romania, and Yugoslavia, March 2001.
- Assessment of the Social and Economic Development of Razlog Municipality - Present State, Problems and Prospects, May 2001.
- 5) Conditions for Financing Small and Medium-Size Enterprises in Bulgaria, May 2001.
- 6) Non-Profit Organizations in Bulgaria, June 2001.
- 7) Sociological and Beneficiary Assessment of Potential Low-Income Housing Micro-Projects, June 2001.

- 8) Human Security in the Countries of the Caucasus: Armenia, Azerbaijan, and Georgia. A Comparative Study, August 2001.
- 9) Basic Concepts On the Impact of Restructuring of the Economy upon the Export Activities of Bulgarian companies, July 2001.
- 10) Perceptions, Inclinations and Expectations Concerning the Health Insurance System and Voluntary Health Insurance Funds in Bulgaria, September 2001.
- 11) Beneficiary Assessment of the Results of Microprojects Implemented by the Regional Initiatives Fund, September 2001.
- 12) Corruption Indexes of *Coalition* 2000, November 2001.