

Introductions and Opening remarks

H.E. Boyko Borissov, Prime Minister of the Republic of Bulgaria

Symeon G. Tsomokos, founder of Delphi Economic Forum, Greece

Ivan Krastev, Chairman, Centre for Liberal Strategies

Ivan Totev, Mayor of Plovdiv Municipality, Bulgaria

Mr Symeon Tsomokos welcomed the participants and extended gratitude to Mr. Ivan Krastev and the Centre for Liberal Strategies for the association with the Delphi Economic Forum in organizing the Plovdiv Economic Forum 2018 bringing together distinguished leaders and experts. Mr. Tsomokos emphasized commitment for this project to be continued in Plovdiv which is steadily arising as a cultural and economic centre in Bulgaria. Words of appreciation were extended to the active and moral support of H.E. Prime Minister Boyko Borissov for embracing the Forum in Plovdiv, as well as for his engagement during the Delphi Economic Forum in March 2018. Thanks were extended to the Mayor of Plovdiv Mr. Ivan Totev for his extensive help with organizing the Forum. The support of the following donors was warmly acknowledged: American Chamber of Commerce in Bulgaria, The Hellenic Business Council in Bulgaria, Camera di Commercio Italiana in Bulgaria, Confindustria Bulgaria, Postbank, Stomana Industry, Coca Cola Company, AES Bulgaria.

Mr. Ivan Totev welcomed the participants on behalf of Plovdiv Municipality and himself and complimented the choice of Plovdiv to host the first edition of the Forum. He referred to his administration's commitment to attract investment and raise the quality of life in Plovdiv. Mr. Totev pointed out that Plovdiv is one the fastest developing regions in Europe with an unemployment rate below 5 % and stable demographic indicators. He extended thanks to the government's work for Plovdiv's success. Mr. Totev noted the importance of the city as the European Capital of Culture 2019 as an instrument for regional development of all sectors.

Mr. Ivan Krastev pointed that 'there are moments in history when it is easier to do something that to understand what is going on and Bulgaria assumed the Presidency of the Council of the EU in a time precisely like this'. He emphasised with the Presidency coming to end Bulgaria managed to do something of importance 'not just for itself, but for Europe as a whole – that is to keep the Western Balkans on the European map in a moment when everyone is discussing either the periphery and the centre'. He remarked that in 2003 in Tessaloniki Greece was the one giving Bulgaria a European perspective. He concluded that 'if until now someone was questioning what has Bulgaria done for the countries in the region, now the answer is clear'.

HE Boyko Borissov welcomed ambassadors, ministers, mayors and guests and pointed to the recent cooperation of the Bulgarian government with large Greek investors. He congratulated Prime Minister Alexis Tsipras and Prime Minister Zaev on their great accomplishment with the resolving of a long-standing dispute. Mr. Borissov expressed his gratitude and satisfaction with the Delphi Economic Forum and the developments which led to the organization of the Plovdiv Economic Forum. He put great emphasis on the digital and infrastructural connectivity in the Western Balkans region and the great prospects the states hold for business investors. He was concerned with the import tariffs the US imposed on the EU, the bilateral EU-Russia sanctions and the future of international trade. With regard to Bulgaria, he acknowledged the positive economic development and the upward trends exports, employment and industry. On EU level, Mr. Borrisov stressed the importance of managing the migrant flow and maintaining the deal with

Turkey. He emphasised the importance of guaranteeing security of external EU borders and EU citizens. We can always strive for more justice, betterment and security. Importance of infrastructure in diversification of sources of energy supply.

Rapporteur: Mila Moshelova

EU: Clash of Visions

Ekaterina Zaharieva, Deputy P.M. Judicial Reform & Minister of Foreign Affairs, Bulgaria

Lilyana Pavlova, Minister for the Bulgarian Presidency of the Council of the EU

George Ciamba, Secretary of State for Bilateral & Strategic Affairs within the Euro-Atlantic Area, Romania

Sophie McLoughlin, Director of Public Relations for the Sapiens Institute, France

Loukas Tsoukalis, President ELIAMEP, Greece

Chair: **Ivan Krastev**, Chairman, Centre for Liberal Strategies

Ivan Krastev, Chairman of the Centre for Liberal Strategies brought the focus of the panel towards the EU framework for the next 5 years. He pointed out three significant factors of the Bulgarian Presidency of the Council of the EU 2018: teaching and involving Bulgarian society in EU issues not previously emphasised, Bulgaria being an actor that seeks consensus, and lastly Bulgaria having to introduce 2-3 priorities overlooked by the rest of the Member States. Taking particular interest in people who dare to dream of a bold European vision, Mr. Krastev pointed out one of the panellists' (Sophie McLoughlin) involvement in President Macron's campaign even before it was popular with the public.

Lilyana Pavlova, Minister for the Bulgarian Presidency of the Council of the European Union, remarked that 2018 was a year of re-thinking Europe in three key aspects: future, unity and synergy. The minister emphasized the importance of five topics in EU discourse: youth, visions, resources for accomplishing these visions, security and migration. According to her, populist solutions are equal to egoist solutions and will never work. There is a necessity of unity in issue resolution and wise leadership. Living in the digital era, Mrs. Pavlova believes that Bulgaria has made significant accomplishments in continuation to the Estonian efforts. As for the informal working meeting on migration and asylum issues on the 24th of June and the Council on the 28th, the minister focused on Bulgaria having laid the proper basis for the dialogue on migration prevention and the future budget framework. In addition, the Minister emphasized the change in Bulgaria's image during the Presidency and the build-up of confidence in Bulgarian business leaders.

Ekaterina Zaharieva, Deputy Prime Minister and Minister for Foreign Affairs of Bulgaria remarked that prioritizing the Western Balkans was not an easy discussion neither with the European leaders, nor with the Balkan ones. Perhaps due to doubts in Bulgaria's ability to show tangible results. In her opinion, there must be a clear decision on which borders are part of Europe's

external ones. Her view is that in light of the steep population growth, especially in Africa, Europe must come to a unified long-term automated prevention policy on migration. Minister Zaharieva identified one of the greatest factors of EU division in the migration crisis that started in 2015. She also mentioned that although Europe might be seemingly stagnat in terms of progress, she remains optimistic, however there is still a need for significant reforms in competition and flexible education in terms of up-to-date skills in the digital era. Furthermore, she hopes that detrimental decisions will be taken by pro-European leaders and will be inclusive of all Member States.

George Ciampa, Secretary of State for Bilateral and Strategic Affairs within the Euro-Atlantic Area assessed that so as for Europe to efficiently position itself strategically it should first and foremost recognise the challenges transforming it, which, as he said, help us move to a right and united direction. However Secretary Ciampa emphasised that today, having surpassed the zenith of the crisis when economy monopolised public concerns, to have a common understanding concerning what is wrong seems much more difficult. He also pointed out that mutual understanding and reciprocity is crucial for the European project to move on. More specifically, Secretary Ciampa mentioned that as Romania practically expressed its solidarity to the rest of the Union during the migration crisis, it anticipates the other member states to tangibly express their solidarity toward Romania when it comes to other policy sectors. Last but not least, Secretary Ciampa underscored that in an era when populism and nationalism are increasingly taking ground, speaking to the peoples of Europe about the benefits of EU membership is of great benefit to the cohesion of the very European project.

Professor Loukas Tsoukalis, President of the Hellenic Foundation for European and Foreign Policy pointedly remarked that Europe had never in the past experienced so many divisions and fragmentations as today both among member states and in the domestic level, a fact that partly made the EU seem like an “ungovernable post-modern empire”. He also emphasised that in the first place it is positive that Europe managed to remain united despite the multiple crises and divisions. He attributed this reaction on the one hand to the fact that Europeans are afraid of moving alone “in a world that changes fast and size matters” and on the other hand to the fear Europeans have concerning the price of “divorce”. However, Prof. Tsoukalis emphatically stressed that despite remaining united, the extent of political unpleasantness and disruption as well as economic loss was the high price Europe paid for the crisis. Prof. Tsoukalis identified the necessary but not sufficient precondition for European integration to proceed in a new “Franco-German Grand Bargain”. As he said, history teach us that European integration has moved ahead whenever Germans and French managed to agree on fundamentals. Prof. Tsoukalis noted that the possibilities for such an agreement are higher today due to Macron presidency, “the driving force of European integration and reform”.

Sophie McLoughlin, Director of Public Relations of the Sapiens Institute pointed out that the difference between Macron and his predecessors lies to the fact that President Macron was the only politician to present in the first place a concrete vision on the future of both France and Europe, solidifying the idea of change as a main public concern and goal. As Ms. McLoughin noted, Macron was the only politician to educate people, listen to people and shape a common vision along with them before specifically explaining the reforms necessary to achieve and sustain it. Ms. McLoughin also emphasised that the fact that the absence of extended demonstrations dur-

ing Macron's presidency is a manifestation that this strategy has achieved societal unity in France. The Director of Public Relations of the Sapiens Institute supported that Europe is of major importance for French policy while at the same time highlighting that the old right-left divisions are obsolete and that the true dilemma of the modern era is the one between pro-European progressive policy and conservative perceptions. Last but not least, Ms. McLoughin stressed the importance of breakthroughs made in French-Bulgarian relations during the Borissov-Macron premierships, especially when it comes to the sector of investments and education.

Rapporteurs: Tania Lessenska and Vassilis Gavalas

Euro area expansion

Henry Newman, Director Open Europe, UK

Dr Marek Dabrowski, Non-Resident Scholar at Bruegel, Brussels

Chair: Prof. **Georgy Ganev**, Program Director, Centre for Liberal Strategies

Dr. Marek Dabrowski, Non-Resident Scholar at Brussels-based think tank Bruegel commenced his remarks referring to Jean Claude Juncker's 2017 State of the Union dress, where the President of the European Commission noted that all EU member-states are "required and entitled to join the euro once they fulfil all conditions" with the exception of Denmark and the UK. According to Mr. Dabrowski, this was a turning point in the Euro area enlargement process, as previously the EU institutions did not encourage member-states to join the EMU. Mr. Dabrowski pointed out that EMU membership is important for the EU for political and institutional reasons as EMU membership is the most powerful factor in "multi-speed" integration, leading to an increasing degree of internal differentiation between euro "ins" and "outs" and dual economic governance regime within the EU. EMU membership is also important for the EU for economic reasons "because a common currency is an integral component of the single market", as he said. The Bruegel scholar went on to argue that EMU membership is also politically significant for the states out of the euro area, as they will avoid a second class membership status and limited leverage on several aspects of EU decision making. Moreover, Dr. Dabrowski supported that states out of the EMU will see great economic benefits too from a potential EMU Membership as their central banks will have access to ECB economic refinancing facilities, they will move monetary decisions outside domestic political struggle where consensus is many times declined and the lower transaction costs will outweigh potential costs of monetary sovereignty. Last but not least, Dr. Dabrowski clarified that the countries inside the EMU have also long-term interest in promoting a eurozone expansion.

Mr. Henry Newman, Director of the pan-European think tank and campaign group Open Europe emphasised that apart from the economic dimension of eurozone, what is also of utmost importance is the project's political sustainability. Mr. Newman noted that Eurozone was first and foremost a political project, designed to promote European unity and integration and to limit the power of Germany. However, the Director of Open Europe pointed out that the EMU is moving

to the opposite direction, on the one hand exacerbating divisions between the southern and the northern part of the continent and on the other hand amplifying the leverage of Germany in central decision-making. Mr. Newman said that the course of EU and eurozone integration faces two severe obstacles: on the one hand opposition on part of various member states and on the other hand the lack of broad democratic consent across the Union. Mr. Newman concluded stressing that federalism should only proceed in a pace where democratic popular consensus can be guaranteed, otherwise the very democratic nature of the European Project will be in jeopardy.

Rapporteur: Vassilis Gavalas

Euro Banking Union

Georgios Kyrtos, Member of the European Parliament, Greece

Levon Hampartzoumian, CEO & Chairman, Board of UniCredit Bulbank, Bulgaria

Dimitar Shoumarov, Executive Director and Chief Financial Officer of Postbank, Bulgaria

Chair: **Kaloyan Staykov**, Senior Economist, Institute of Market Economy, Bulgaria

The panelists agreed that the EU acts reactively on what happens, including with regards to the economic crisis of 2008-2009 and that the Banking union is a result of this. They discussed the idea that the EU should try to move forward not in a passive, but in a proactive, creative way. The panel discussion focused also on the need of flexibility in a Banking union with stressing the example of Brexit where London, the financial center in Europe, considers the EU overregulated. Flexibility should also be considered when discussing a fiscal union, which the panelists acknowledged as a next logical step, to allow member states to differentiate based on their specific conditions.

Mr. Kyrtos emphasized on the positivity of establishing a move towards a European Banking union after the economic crisis of 2008-2009. It is positive that there the development on this topic as the banking union is a compliment to the economic union, because it suggests abiding by the same rules by the member states. He argued that the advanced economies in the EU hesitate to move into the direction of the Banking union, threatening the target of 2025, which may pose an issue if the next EU Parliament is not as supportive of the concept as the current one. The urgency of the matter is also visible from slower strengthening of the EU banking sector after the crisis compared to the one in the USA.

Mr. Hampartzoumian expressed concern on the possibility of the 2019 EU parliamentary elections affecting the development of the Banking union, because the process will take more than one parliamentary mandate to complete. He suggested that there are two options for the EU – to disintegrate or to take the next step and further integrate. He also pointed out that even if federal-

ization is reached, it should be still expected to have differences of the standard of living in the member states which supports the need of flexibility.

Mr. Shoumarov, as well as the other panelists, considers the Banking union as the necessary step after the political union, and foresees the logical need of a fiscal union in the future. He stressed the need of a mechanism to avoid the risk of governments bailing out failing banks with taxpayers money. He also suggested that the regulations used before the crisis were not enough to help the EU recover. Mr. Shoumarov argued that the Banking union can cut the link between the state governments and the banks so that there won't be a link between collapsing governments and collapsing banks afterwards.

Rapporteur: **Alexandrina Alexandrova**

The Geopolitics of the Region

HE Eric Lebedel, Ambassador of France in Bulgaria

Harry Papatiriu, Director and Chairman of the Board IDIS, Greece

Alkis Courcoulas, journalist correspondent, Turkey

Chair: **Antoinette Primatarova**, Program Director, Centre for Liberal Strategies

HE Eric Lebedel, Ambassador of France to Bulgaria, highlighting the importance of geography in modern politics, pointedly remarked that in the modern world state borders are becoming increasingly mobile and virtual. Amb. Lebedel also argued in his remarks that the feeling that EU border states belong to the periphery is steadily vanishing as many of them, such as Finland or Bulgaria are actually at the heart of major integration initiatives such as the EU's Permanent Structured Cooperation (PESCO). The Ambassador of France in Bulgaria also noted that periphery is becoming increasingly central to the EU, partly because of the migration crisis and the perception of threat by neighbouring countries, mainly Russia and Turkey, which in part indeed corresponds to reality. He continued saying that the EU should respond to challenges facing the border states by reinforcing FRONTEX and creating an EU asylum office, referring also to President Macron's concept of "Europe that Protects" which the latter elaborated on at his seminal Sorbonne speech. Ambassador Lebedel concluded stressing the importance of promoting eastern partnership with concrete projects in various sectors such as connectivity and digital interconnectedness. The Ambassador also praised the Bulgarian Presidency of the EU Council for contributing to the reversal to the periphery perception.

Prof. Harry Papatiriu, Chairman and Director of the Athens-based Institute of International Relations noted in the beginning of his remarks that the main difference between western and eastern nationalism is that the latter involves the element of irredentism, which produces more disruptive outcomes and realities. Prof. Papatiriu identified the major force capable of keeping nationalism curbed in the process of EU and NATO enlargement. He mentioned the recent agreement between Greece and Northern Macedonia as well as the domestic reforms that took place in Turkey before the opposition of Nicholas Sarkozy to the country's bid for EU membership as bright examples of the progressive impact of the prospect of EU accession. However, he highlighted that quick and unconditional EU accession can be disruptive, supporting that what is

most important is the very process of accession, as it provides incentives for candidate states to move towards reforms and europeanisation and against nationalism.

The chair of the session, Antoinetta Primatarova, herself a former Deputy Foreign Minister of Bulgaria and Program Director of the CLS pointed out that geopolitics in the modern era seems to mean something broader than the conventional perceptions as remote countries in terms of geography can now play an active role in the politics of their respective regions and beyond.

Rapporteur: Vassilis Gavalas

European energy union

Opening Statements

Temenuzhka Petkova, Minister of Energy, Bulgaria

Aleksandar Antic, Minister of Mining & Energy, Serbia

Dr Ivan Ivanov, Chairman of KEVR, Bulgaria

Oil and Gas

Nargiz Gurbanova, Ambassador of the Republic of Azerbaijan

Teodora Georgieva, Executive Officer & Board Member, ICGB AD, Bulgaria

Alex Lagakos, Founding Chairman, Greek Energy Forum, Greece

Erol User, President & CEO, User Holding, Turkey

Electricity and Renewables

Olivier Marquette, President, AES Bulgaria

Slavtcho Neykov, Chairman, Energy Management Institute, Bulgaria

Dr. Yolian Ivanov, Executive Director, Southern Europe of “The Collins Group”

Iliya Grozdanov, Dinova Rusev & Partners Law Office, Bulgaria

Chair: Dr. **Ognyan Minchev**, Director, Institute for Regional & International Studies, Bulgaria

The panellists discussed that the three main priorities of the EU regarding energy are security of supplies, sustainability and competitiveness. The majority of them also agreed that connecting infrastructure is key for the energy union to be successful.

Mrs. Teodora Georgieva gave more details into the ICG project considering its economic, financial and strategic functions as well as the operational state. She stressed the strategic importance of the project in diversifying the suppliers of energy and outlined the effects both on the EU and on the region.

Minister Temenuzhka Petkova stressed that the Bulgarian Presidency of the EU worked continuously to turn the EU priorities into reality and that Bulgaria completed all its main goals in the field of energy set out at the beginning of the Presidency. She noted that the negotiations on the renewable sources ratio include the condition that the goals of the Members should vary depending on their economies. Minister Petkova highlighted that Bulgaria is one of the few Member States which achieved the renewable energy sources goal at the end of 2013 and that the country still needs to work on reducing the carbon footprint of the economy. She further focused on the need of collaboration between the countries in the Western Balkans as connectivity is key for progress, outlining instrumental energy projects in the region including Bulgaria-Serbia and Bulgaria-Greece. On the Belene Nuclear Power Plant, she commented that the situation has changed significantly in recent years and that if the project goes on, there should be special conditions from the Bulgarian government and an outlook at the right direction of the future of the energy sector in the country. Minister Petkova also suggested that success in energy includes a dialog with Russia. Asked about the contract with Gazprom, she commented that while diversifying methods and sources of supply to follow the national interest, there should be a dialog with different sources. She also noted that Bulgaria considers Russian natural gas as one of the sources of energy and that Russia will remain a partner.

Dr. Ivan Ivanov seconded the opinion of the Minister on the importance of well-developed infrastructure. He commented on the need of policies around security, trust and efficiency as well as an integrated European energy market and decarbonizing the economy through innovation and modernization. He further stressed the need of better use of resources to establish low-carbon economy because, even though Bulgaria has achieved the 2020 goals, the ones set out to 2030 are higher. Dr Ivanov emphasized on the role of the national regulators in controlling and ensuring a liquid and competitive electricity market.

Ambassador Nargiz Gurbanova noted that the significance of projects such as the Southern gas corridor rests on the need of diversification for consumer, transit and producer countries. She mentioned the success of the pipelines and stressed that Italy, Greece and Bulgaria will have Azerbaijani gas as a result of the projects, which could result in a trickle-down effect on the economy of the region. Ambassador. Gurbanova pointed out the importance of a dedicated infrastructure as a result of the Southern gas corridor.

Mrs. Teodora Georgieva gave economic, financial and operational details of the ICGB project as part of the Southern gas line. She emphasized on the importance of the project and the support it has been receiving due to its key role in the energy security of Bulgaria and the region. She also noted that the project will have a momentary effect on EU and regional level. As part of the diversification, Mrs. Georgieva mentioned the significance of the interconnectors with Serbia and with Romania.

Oil and Gas

On the topic of Oil and Gas, Mr. Alex Lagakos commented on the need to re-orientate the energy system in the region to flow to all direction, not only North to South as a way to improve trade

and security of supply. He also emphasized on the importance of experts and foreign companies with experience in the field and noted that energy security comes with a cost which should be paid. He expressed the opinion that the LNG project gives the opportunity for ensuring more supplier option.

Mr. Erol User stated that the EU imports more than half of the energy it consumes with many countries relying on supply only from Russia. He also discussed the current high level of household energy inefficiency and the need of long-term measurements in improving it. On the topic of oil, Mr. User noted the risk of the EU importing the majority of oil and oil refined products it consumes from a region of instability.

Electricity and Renewables

Mr. Olivier Marquette began by noting the difference of electricity and oil markets with the former being much more volatile as electricity is not an “off the shelf” product. He built on this by outlining the importance of the proper market structure to adequate deliveries and signals to producers. Mr. Marquette marked Bulgaria’s progress in regards to the free market, but also highlighted that the country still has a lot to accomplish. He also discussed the importance of coal plants for the Bulgarian economy and stressed the need of making sure they keep running.

Mr. Slavtcho Neykov pointed out two issues when discussing the EU Energy Union – the different speed of member states and non-member Southern Europe countries; and the relationship between EU and Russia which is a long-term partner. Mr. Neykov also discussed that the regional dimension of the energy union should consider electricity as well as gas. He commented on the effect on the market of regulations concerned with political reasoning. He further noted the national perspective on the Energy Union and the need of understanding the cost of the projects.

Dr. Yolian Ivanov focused on the issues concerning energy efficiency and commented the need of establishing regulations to reduce losses. He noted the progress of the country in this aspect in recent years, but highlighted that Bulgaria still reports levels higher than the average of the EU.

Mr. Iliya Grozdanov discussed the need of focus on renewable energy and the importance of integration of hydropower plants on the free market in Bulgaria. He expressed the opinion that export tax is not compatible with the free market. As a second issue, he mentioned the current regulations of the energy system administrators.

Rapporteur: [Alexandrina Alexandrova](#)

[Western Balkans Prospects](#)

George Ciamba, Secretary of State for Bilateral & Strategic Affairs within the Euro-Atlantic Area, Romania

Dimitris Kourkoulas, Deputy Minister of Foreign Affairs 2012-2015, Greece

Dimitris Mardas, Deputy Minister of Foreign Affairs 2015-2016, Greece

Dr Marek Dabrowski, Non-Resident Scholar at Bruegel, Brussels

Andreas Papadopoulos, Adviser Economic Governance, DG NEAR

Dr. Krassen Stanchev, Associate Professor, Sofia University

Chair: **Vessela Tcherneva**, Deputy Director, ECFR, Bulgaria

Vessela Tcherneva, Deputy Director of ECFR, remarked that over the past year, the Commission and the Bulgarian Presidency of the Council of the European Union managed to put the Western Balkans back on the European agenda. But how do we discuss them? Do we discuss them as a region with accession prospects, or do we talk about them as an area of utmost economic, demographic, security importance?

Amb. Dimitris Kourkoulas, Former Deputy Minister for Foreign Affairs of Greece highlighted in the beginning of his remarks the progress and positive effect of the accession of Bulgaria and Romania into the EU, an outcome not obvious at the time of the accession process, as he said. Ambassador Kourkoulas stressed that the Western Balkan states should equally join the European Union. As he stressed, what is of major importance is not the pace and date of accession but however the launch of the accession process. The former Deputy Foreign Minister highlighted that history teaches that once an accession process begins, progressive forces are released, reform is further pushed, more investments are being attracted and nationalism is in decline. Lastly, Amb. Kourkoulas noted that the EU should support and promote regional cooperation initiatives in parallel with the process of enlargement.

Mr. Dimitris Mardas, Former Deputy Minister for Foreign Affairs of Greece talked about the basic instruments of integration of Western Balkans and more specifically about the benefits and the significance of the Stabilisation and Association Agreements (SAAs). Mr. Mardas noted that the most important aspect of SAAs is the creation of Free Trade Areas, as they contribute to enhancement of political dialogue and good neighbourly relations, to fostering of regional cooperation and also because they secure free movement of goods, services and capital. After highlighting the positive results of SAA's implementation referring to previous records, Mr. Mardas marked that EU-Western Balkans countries cooperation will significantly reduce bilateral political tensions and might also reduce nationalisms in favour of peace and prosperity.

Dr. Marek Dabrowski, Non-Resident Scholar at Bruegel Institute pointed out that in his perception EU prospects of the Western Balkan states, fortunately changed for the best. Although suffering greatly with few exceptions from the global financial crisis and the crisis of the Eurozone, conditions have improved during the last year. In his opinion, deadlines such as the 2025 accession plan for Montenegro and Serbia mobilize and discipline. Both 2016 and 2017 returned all countries to growth, although absolute convergence with the rest of Europe is according to him, a lengthy process. Dr. Dabrowski remarked that although EU integration of these states is much higher than it has been for other member states during their accession in the past, a lot remains in the hands of the political process.

Andreas Papadopoulos, Adviser for Economic Governance, DG Near, pointed out that the 2025 prospect is not a promise, but it is however, together with the strategy of enlargement which came out in February, a reinforcement of Juncker's speech in September on the accession perspective. The EC is ready to give additional support, especially in the efforts for reconciliation.

He put particular emphasis on areas such as rule of law, economic governance and institutions. He feels that currently there is better preparation of membership in contrast to previous enlargements, not just for the prospective members but also for the EU itself. The EC is also focusing on coordination on multilateral economic surveillance.

Dr. Krassen Stanchev, Associate Professor at Sofia University pointed out a couple of key events: The unilateral liberalization of trade with the Western Balkans in 2001 after which the exports from the Western Balkans grew about 5 times. Trade openness in the Western Balkans, which is calculated by dividing trade to GDP in average is about a 100%, while the average for EU is 80%. He referred to two specific examples: Bulgaria with a ratio of 125% and Russia with 46%. The average investment to GDP in the Western Balkans is about 90-95 % of GDP mainly because of Montenegro having about 130%. He also mentioned that the banking sector is owned by Europeans in the Western Balkans much more than in the other new members. Foreign ownership in the banks is predominantly Italian, Austrian, German, Greek – around 96%. The Western Balkans non-performing loans are about 3% of the portfolio while extreme poverty rate is half of that in the EU. The terrorist data base is very clear about the Western Balkans, with a higher number of 6 cases per year for all Western Balkans countries. That is ten times less than in Russia for one year. Dr. Stanchev concluded saying that Rule of law is better than in Bulgaria, specially after 2013., measured on independence of judiciary. To support his arguments, he quoted the World Bank measurements.

Rapporteurs: Vassilis Gavalas and Tania Lessenska

In Conversation

Tomislav Donchev, Deputy Prime Minister of Bulgaria

Chair: **Georgi Stoytchev**, Executive Director, Open Society Institute, Bulgaria

During the conversation with Deputy PM Tomislav Donchev, he discussed Bulgaria's application to the Eurozone, the economic growth, the need of educational reforms, the EU-USA trade tension, the link between the rule of law and the Euro funds as well as the Belene Nuclear Power Plant. He suggested that the application to ERM2 should happen as soon as possible, although he did not engage with a specific timeline. Among the reasons for Bulgaria to join the Euro area, he pointed out the trust of the markets and investors and the political factor of not being in the political periphery of Europe after joining. On economic growth, Deputy PM Donchev suggested that the current economic growth in Bulgaria should be twice as much in order to reach the good speed of growth and pointed out administrative and infrastructural issues, and corruption, among others, as factors influencing growth negatively. On education, the minister commented that educational reform is needed to keep young people in the country. As part of the reform, he discussed keeping children in class, professional education, the quality of the education process and the acquirement of digital skills. According to Deputy PM Donchev, there is no outright effect of the EU-USA trade issues on the Bulgarian economy, but that it is important for the outlook of the world economy. Minister Donchev outlined the link between the rule of law and the Euro funds has been a fact for the past several years. In regards to the Belene Nuclear Power

Plant, Mr Donchev commented that: “Nobody can say what the energy market will look like in 20 years.”, and that the decision on the plant is a must, in whichever direction it would go, but that the government should not participate more than it currently does.

Rapporteur: Alexandrina Alexandrova

The Challenge of an inclusive Growth

Dr. Arup Banerji, Regional Director, World Bank Group, Brussels

Chair: **Dr. Georgy Ganev**, Centre for Liberal Strategies

The main question Dr. Arup Banerji, Regional Director for EU countries of the World Bank Group posed was whether Europe’s people and firms could continue to grow united. Presenting research conclusions of the World Bank about growth, Dr. Banerji argued that the European Union has been the greatest convergence machine in modern history, with every country, especially new EU member states having been growing significantly close to the European average. However, as the World Bank Group Regional Director noted, there are growing divides in outcome both in the regional level and in many states domestically.

Dr. Banerji also supported that technological change and digital transformation is a major and long-term trend which disrupts and revolutionises product and labor markets which in turn slows the old convergence machine and creates opportunity gaps. According to Dr. Banerji, technology offers ever-richer opportunities for well-skilled workers and firms adapting to new technologies, while low-skilled workers and less productive firms are in jeopardy of falling behind and becoming less competitive. As a result, countries and regions that provide fewer educational opportunities for people to build relevant skills and a less supportive environment for firms to thrive are losing ground.

Dr. Banerji highlighted that the new convergence machine, in order to remain sustainable and effective should focus on the convergence of opportunities for people and firms across the Union, supporting the capabilities of people (skills) and firms (innovation) and providing a level playing field for people and firms through “flexicure” labor markets and an empowering business environment.

As the World Bank Group Regional Director supported, an upgraded convergence machine that works inclusively for all firms and individuals will need to provide them equal opportunities to survive and thrive in the markets. As he said, European workers need to have fundamental level of skills and a labor market that facilitates easy and secure transition from one job to another as demands change and routine intensive occupations will be increasingly substituted by artificial intelligence algorithms. Dr. Banerji concluded that for firms, a friendly playing-field in terms of regulation and competition and a business environment encouraging innovation and technology adoption is necessary.

Rapporteur: Vassilis Gavalas

Keynote Address

Emil Karanikolov, Minister of Economy, Bulgaria

Chair: **Dr. Daniel Smilov**, Centre for Liberal Strategies

As part of the Keynote address, Minister Karanikolov commented that recently there are more investments in the less developed regions in the country, which could bring benefits to the disbalance between the regions in the country. He pointed out that digitalization is key to the development of the industry, not only in Bulgaria, but also in the EU as competitiveness is very important for sustainable growth. Further, Minister Karanikolov discussed the importance of higher integration of the EU market to sustainable economic growth. The year 2018 is expected to be among the best years for global growth after the economic crisis of 2008. He also highlighted that the economic growth of Bulgaria is currently above the average of the EU and that the business environment in the country has been improving. As priorities, he discussed foreign investments for qualified labour and the investment conditions for development of the less developed regions.

Stamen Yanev pinpointed business clustering as a priority and discussed a memorandum for clustering of the Thrace Economic zone. The aforementioned memorandum was signed by the Thrace Economic zone and Investbulgaria Agency at the Plovdiv Economic Forum. He also announced that two new industrial projects will start in that region in the upcoming weeks. Mr Yanev also suggested the need of working partnerships between the Public and the Private sectors.

Rapporteur: **Alexandrina Alexandrova**

Keynote address

Nikolina Angelkova, Minister of Tourism, Bulgaria

Chair: **Daniel Stefanov**, Programme Coordinator for the Sofia Office, European Council on Foreign Relations

In the beginning of her remarks, Nikolina Angelkova, Minister of Tourism of Bulgaria underscored the importance of tourism to the overall efficiency of Bulgarian economy. As she mentioned, the fact that tourism is a key pillar of Bulgarian economy is indicated by the fact that more than 8.9 million foreign tourists as well as 9 million Bulgarians use the country's tourist facilities every year, which results in 6 million BGN budget revenue from foreign tourists and 15% share in Bulgaria's GDP.

Minister Angelkova noted that one of the the foremost goals and strategic priorities of the Bulgarian Government is to sustain the country as a high-end tourist destination. To achieve this ambitious goal, the Minister argued that efforts are to be made jointly with other ministries and government agencies. She added that special attention should be paid to building the necessary

infrastructure facilities, to develop qualified workforce and to tackle environmental challenges such as sea pollution.

Minister Angelkova also marked the importance of cooperation between the central government, local authorities and the private sector as well as the crucial role of the media who present the overall progress and positive outcomes made by the government in the sector of tourism

The Bulgarian Minister for Tourism remarked that Bulgarian tourism should focus on two directions: one the one hand to propose legislation which facilitates to offer and promote high quality tourist products, reducing administrative burdens, bureaucracy and introducing e-services while on the other hand to develop along with other states of the balkan region, common cultural routes and create a uniform tourist product attractive even for distant markets, such as China and Japan.

Minister Angelkova highlighted that Bulgaria should design a very diverse portfolio of tourist products, combining summer and winter tourism and further focusing on different types of experiences.

She concluded stating that it is required for Bulgaria to improve its reputation and promote a positive strategic narrative, which is of major importance especially with regard with high-class tourism, as she noted.

Rapporteur: Vassilis Gavalas

Green Growth and Circular Economy

George Kremlis, Honorary Director, European Commission, in charge of Circular Economy, Brussels

Chair: **Dr. Daniel Smilov**, Centre for Liberal Strategies

Mr Kremlis opened the panel with the EU's outlook for circular economy as a new model due to the effects of climate change. He also pointed the need of changing the culture, utilizing resources and reducing the environmental footprint of the production process both within Bulgaria and the EU. Mr Kremlis spoke also about the UN's goals for sustainable development in terms of reducing food waste by 50% by 2030 and the significance of reducing water waste. He stated that: "Bulgaria has no installation for dangerous waste and exports them", which in his opinion is an additional cost to the country. He also added that the recycling in Bulgaria is less than 25% with a target of 50% by 2020. "Eco-innovation can provide solutions on how you can manage products and generate secondary products". Mr Kremlis emphasized the significance of raising awareness within the society on the benefits of circular economy and stressed the importance of Bulgaria developing a strategy in circular economy. Currently, Bulgaria is managing its waste by driving it out to landfills which is the most basic level of waste management.

Rapporteur: Alexandrina Alexandrova

Bulgaria's capital formation and developments in FDI

Stamen Yanev, Executive Director, Investbulgaria Agency, Bulgaria

Petar Ivanov, Executive Director, American Chamber of Commerce in Bulgaria

Marco Montecchi, President, Italian Chamber of Commerce in Bulgaria

Stamatios Theodoropoulos, Chairman, Hellenic Business Council in Bulgaria

Andrey Novakov, Member of the European Parliament, Bulgaria

Chair: **Dr. Evgeni Kanev**, Managing partner, Maconis LLC, Bulgaria

Mr. Stamen Yanev, Executive Director of Investbulgaria Agency remarked in his speech that special focus should be given to different type of investors with different types of interests. He highlighted the geographic importance of Bulgaria as a potential connector of Europe to crucial foreign markets, while he emphasised that the most important aspect of the Bulgarian Presidency of the EU Council is the promotion of regional integration, which paves the way to create common framework and allows different states of the region to take common concrete measures to attract investments and enhance economic opportunity. He also underscored the value of innovation and technology investments.

Mr. Andrey Novakov, Member of the European Parliament said that the European Union is the state structure that provides the more public funds and grants supporting business and innovation in the global level, stating as examples the various instruments of the European Investment Bank and the Horizon2020 program. However, he noted that the common criticism of the business community concerning the tough and long bureaucratic procedures of EU funding mechanisms indeed corresponds to reality. He strongly argued that these procedures should be lighter, more understandable and more simplified so as to allow especially young entrepreneurs and middle-sized firms to harness the benefits of EU programs.

Mr. Petar Ivanov, Executive Director of the American Chamber of Commerce in Bulgaria analysed during his remarks the scale and value of Transatlantic Economy. He mentioned that the Transatlantic Economy accounts for the 50% of global GDP while creating about 15.000.000 job positions on both sides of the Atlantic. Mr. Ivanov mentioned that the US investments in Europe reach the amount of 2 trillion dollars per annum while 54% of the global investments in the USA comes from Europe. These are, according to him, the reasons why a trade war between the US and the EU could have unpredictably detrimental outcomes. The Executive Director of the American Chamber also remarked that Bulgaria can be a top investment destination as it is a sustainable economic and business environment, it has well-developed human capital and the rule of law and law enforcement is can benefit investment process and results.

The Chairman of the Hellenic Business Council of Bulgaria, Mr. Stamatios Theodoropoulos emphasised that the number of Greek and Cypriot companies operating in Bulgaria is indicative of the links and commonalities of the three countries. He mentioned that the rapid increase of Greek firms registered in Bulgaria during the last years does not only reflect the appropriateness of the architecture of Bulgarian business environment but is also attributed to the instability and unpre-

dictability Greece experienced during the capital controls period. Mr. Theodoropoulos concluded his speech stressing the fact that Bulgaria and Greece share “identical interests” in both the economic and the geopolitical and thus further bilateral cooperation remains imperative.

The representative of the Italian Chamber of Commerce in Bulgaria stressed the importance of taking measures to support small and middle-sized enterprises. She emphasised that Italy and Bulgaria, because their economies are largely based on middle-sized companies and due to their close commercial cooperation, tend to have quite few commonalities when it comes to their approach to investments and markets, which allows for further and even more robust progress. Lastly, she underscored the importance of adapting education and training to the new market demands for the sustainability of business environments in the years ahead

Rapporteur: Vassilis Gavalas

Regional development and economic clusters in Bulgaria

Dobrina Prodanova, President Plovdiv Chamber of Commerce & Industry

Giuseppe De Francesco, Vice President, Confindustria Bulgaria

Andreas Beikos, Head, European Investment Bank, Bulgaria

Larisa Manastirli, Director EBRD, Sofia Resident Office, Bulgaria

Dr. Yolian Ivanov, Executive Director, Southern Europe of “The Collins Group”

Plamen Panchev, Chairman of the Board, TEZ, Bulgaria

Andrey Novakov, Member of the European Parliament, Bulgaria

Chair: **Petar Ganev**, Senior Research Fellow, Institute for Market Economy

All panellists discussed infrastructure as key to regional development. They focused on educational improvement to develop the human capital. They also agreed on the success of Plovdiv and the advancement of the Thrace Economic Zone.

Mrs Prodanova highlighted the declaration of entrepreneurial rights as a success for business. She focused on policies which can help Plovdiv and the region, as well as Bulgaria as a whole, in regards to the rights of entrepreneurs, including more liberal regulations on hiring employees from other countries. Mrs Prodanova suggested a need of some protectionist policies in lights of Bulgaria being the 4th most liberal country in terms of foreign trade. She also focused on the need of the EU to transfer more promptly positive policies from the West to the East, including digitalization, in order to ease the business conditions.

Mr De Francesco stressed on the importance of the Italian-Bulgarian relationship and the attraction of Italian investors in the majority of the regions in the country. HE further pointed that creating positive relationships between the involved parties are key to a successful clustering model. Mr De Francesco suggested the need of developing an entrepreneurial culture which focuses on smart entrepreneurship in order to develop the regions.

Deputy Minister Valentin Yovev spoke about the importance of the policies on regional development and the fact that from socio-economical perspective, most regions in the country are not well developed. In regards to this, he focused on the undertaken measures to develop the region, including additional financing. Deputy Minister Yovev highlighted the socio-economic analysis of the regions, which is already being developed, which aims at acting as a basis for the preparation of an adequate plan for regional development.

Andrey Novakov refuted the myths around the EU grants disappearing in 2020 and stressed on the significance of the allocation of the funds. He outlined creating and sustaining a prosperous business environment as a key task for the Bulgarian government. Mr Novakov commented further on the need of the business of better infrastructure and mentioned the importance of the Ten-T Network in connecting Europe.

Andreas Beikos spoke about the role of EIB in improving the competitiveness and the standard of living both in the EU and out of it through many funding initiatives which continue to flow. He also mentioned the focus on small and medium enterprises as instrumental to regional development. Mr Beikos pointed out that EIB works to not only lend money, but also provide advisory support to improve lending to the regions. He highlighted two important instruments on regional development – project JASPERS and the establishment of European Investment Hub. New programs now allow for all private sector companies to approach EIB for advisory assistance.

Larisa Manastirli argued that regional disparities contribute to the gap in regional conversion. She gave Plovdiv and the region as a good example of regional development through adequate local government strategies. Mrs Manastirli also highlighted that Bulgaria competes on a global level with the internal competition being at high levels as well requiring the country to improve the investors' climate through stable policies and infrastructure. She emphasized the need of an integrated approach to support foreign investors and sustainably develop local business by pointing out EBRD's mechanism on closing regional gaps.

Dr Yolian Ivanov stressed the need of working together in order to reach mutual opportunities and benefits of various projects. He also commented on modernization of the production process and the necessity of developing the human capital.

Plamen Panchev discussed the improvements on integration of Roma groups in Bulgaria and focused on the need of awareness in the society of successful integration programs. He pointed out that the process is far from finished and there is much more to be done in order to reach a wider, continuously working process.

Corruption & State Capture

Dr. **Anna Damaskou**, Chair, Board of Transparency International, Greece

Dr. **Ognyan Minchev**, Director, Institute Regional & International Studies, Bulgaria

Diana Valkova, Dinova Rusev & Partners Law Office, Bulgaria

Chair: **Dr. Georgy Ganev**, Centre for Liberal Strategies

Ms. Anna Damaskou, Chair of the Board of Transparency International Greece argued in the beginning of her remarks that Greece, despite having been a developed country integrated in the most important structures of the Western World, such as NATO and EU, was the only state that did not manage to overcome the financial crisis and get out of the bailout programmes of the previous years. Ms. Damaskou attributed this reality to the lack of social capital and civil education in the country while, as she remarked, the interplay among business, the executive branch, the judiciary and the media, combined with the lack of checks and balances in public administration, created a “state of corrupt legality”. She concluded her speech supporting that development is primarily connected with the state of institutions and secondarily with economy.

Ms. Diana Valkova, Partner of the Dinova Rusev and Partners Law Firm devoted much of her remarks to the new legislation regulating money laundering in Bulgaria. As she noted, money laundering regulations are of major importance to a great number of stakeholders, from NGOs and insurance companies to notaries and municipalities participating in public procurement. Ms. Valkova concluded that the overall problem of money laundering goes right to the heart of the function of the financial markets, it is lied to their credibility and, as mentioned, the various financial institutions have to comply with the respective laws so as for stability and clearness in the market to be achieved, especially in a digitally disrupted era.

Dr. Ognyan Minchev, Director of the Institute of Regional and International Studies of Bulgaria defined corruption as the “ deviation of the rules of behaviour in a public institutional system”. He observed that despite the fact that new bodies and agencies are continuously being created to tackle and restrict corruption in Bulgaria, corruption is actually constantly growing. Dr. Minchev argued that corruption is a manifestation of the way the overall system is structured. The Director of the Institute of Regional and International Studies of Bulgaria remarked that after the transition to democracy in early 1990’s, an oligarchic system was established by self-appointed new capitalist elites. And as Dr. Minchev noted, public structures were fragile and consequently a system of non legitimate relation between economy and politics was solidified surrounding and abusing the institutions, hidden however behind the facade of democracy.

Prof. Georgy Ganev, chair of the session emphasised that the rule of law as the American founding fathers perceived it, has been in decline while in Bulgaria governance by rules has been replaced by governance by people.

Rapporteur: **Vassilis Gavalas**

Demography: threats and opportunities

Claus Haugaard Sorensen, Special Representative at the Danish Representation to the EU

Alkis Courcoulas, journalist correspondent, Turkey

Dr. Elitsa Dimitrova, Associate Professor, Bulgarian Academy of Sciences

Chair: **Louisa Slavkova**, Director of Sofia Platform

Claus Haugaard Sorensen, Special Representative at the Danish Representation to the EU put particular emphasis on the fact that the continent of Europe, in terms broader than just the EU itself has suffered a net loss of about 90 million people. Trends are currently going in the direction of a shrinkage within the productive segment of our population. According to him, currently there are 40 million people living outside their country of origin which means that migration is here to stay. As an example of how to retain native youth within a state, as well as integrate migrants, he points out the integration measures introduced in the Austrian Federal Government's [National Action Plan](#) adopted in 2010. Additionally, migration of young people can be diminished via good governance, and assuring a stable and predictable future.

Dr. Elitsa Dimitrova, Associate Professor, Bulgarian Academy of Sciences focused more on the demographic trends in the EU and made comparisons to Bulgaria. Key indicators she looked into were the process of population aging, changing trends and fertility indicators. She sees that within the EU, but especially in Bulgaria trends are moving in favour of the decrease in number of children and young people and aging population. This is further exacerbated by a longer life expectancy, growing especially fast for men. According to her data shows that the mean age of child birth varies within the EU, with Bulgaria having the youngest age of child birth and fertility close to the average level of the EU countries.

Rapporteur: **Tania Lessenska**

Improving the Education output

Krasimir Valchev, Minister of Education and Science, Bulgaria

Vesselina Dimitrova, Representative of Multiversity S.p.a. Italia

Dr. Momchil Metodiev, Programme Coordinator, Comunitas Foundation; Editor-in-Chief of Christianity and Culture magazine

Boyan Zahariev, Open Society Institute Sofia

Latchezar Bogdanov, Industry Watch, Bulgaria

Chair: **Dr. Milla Mineva**, Centre for Liberal Strategies

Krasimir Valchev, Minister of Education and Science of Bulgaria focused on the challenges of functional illiteracy, digital skills, entrepreneurship, vocational training, creativity. However, he acknowledged that the primary step should be to make sure that all children are within the system. Currently, the ministry has put more resources into schools that deal with children from lower income families and are at risk of not being a part of the system. According to him, the relationship between the education market and the labour market is an important one. His assessment is that irrational search of higher education is diminishing the labour force in vocations. The ministry has focused on increasing the number of dual education participants and institutions. Another one of the goals of the ministry is to open up the discussion around the autonomy of state universities. Furthermore, they are developing a cloud data base with educational resources. The minister is looking to make sure that acquiring digital skills will be obligatory for everyone, stressing the importance of having not just people able to use technology but also to create it.

Vesselina Dimitrova, Representative of Multiversity S.p.a. Italia, analysed how the digital world is increasingly penetrating the educational systems. According to her, changes required in educational systems must correspond to the change within technologies. She emphasized that technology makes education more efficient and accessible and that E-learning systems provide students with a more personalized study experience. She also pointed out that E-learning reduces learning and development costs.

Boyan Zahariev, Open Society Institute Sofia began with answering whether or not there is an increase in inequality within the educational system in Bulgaria. According to him, by using indicators such as how many children are involved in education and finish an educational degree, the answer would be “yes”. In regard to digital skills, he assesses that:” The big challenge is not within [training] technology users, but in developing one’s logic (such as in programming), and the more complex sections of mathematics.” He also stressed that education should not become completely reliant on technologies.

According to Latchezar Bogdanov from the Industry Watch, Bulgaria, “It is very hard to motivate young people to go into vocations, since they instinctively know that the job might no longer be on the market in a couple of years”. He reminded that there is no country which has industrialized with those in the industry getting paid less than those who offer services. He pointed out that there is a five time increase in the last couple of years of Bulgarians under 18 years of age receiving legal working permits. He emphasized that the environment will demand one be able to learn how to do things without explicitly having to be shown how to do them.

In his opening statement, Dr. Momchil Metodiev Programme Coordinator of Comunitas Foundation pointed out that after having given civil education lessons in history for the past couple of years, Dr. Metodiev began noticing that there are many authoritarian ideologies peeking around the corner. Furthermore, according to him civil education in history has an impact on the political decisions we all make. By quoting Timothy Snyder, that: “History education is like a shopping mall- people go inside and pick out whatever they like” he emphasized that it is becoming increasingly hard to have a dialogue on different explanations within history in the face of alter-

native facts. He also focused on how knowledge fragmentation together with alternative facts create conspiracies. In his opinion, the right course of action is taking small steps- such as civil education.

Rapporteur: Tania Lessenska

Rule of law – security of property rights and contract enforcement

Teodor Marinov, Member of the Management Board of UBB, Executive Director Legacy of UBB

Denis Galligan, Emeritus Professor of Socio-Legal Studies, Professorial Fellow of Wolfson College Oxford, UK

Dr. Ekaterina Mihaylova, Emeritus Professor, New Bulgarian University

Dr. Atanas Slavov, Professor of Public Law, Sofia University

Chair: **Dr. Daniel Smilov**, Centre for Liberal Strategies

The panel discussion noted the potential of poor performance in the area rule of law to affect growth negatively, and Bulgaria was given as an example. Functionality problems of the judicial system are now seen in a number of EU countries, pointed Prof. Ekaterina Mihaylova. She reminded pointedly that the principles of the rule of law are ingrained in the Treaties of the EU, the practice of the Court of Human Rights and the work of the Venice Commission. These require the law to be prepared in a transparent, democratic way with judicial security and predictability. Thus, any arguments that the EU requirements for judicial independence are illegitimate interference are insufficient as these principles stand at the core of the EU project.

In light of recent developments around Europe, Prof. Galligan stressed expressed opinion that the constitutional consensus of postwar Europe is threatened of collapse and he emphasized his hope for more EU intervention in the sphere of the rule of law. The main threats to the legal and constitutional infrastructure of Europe are social movements (populists, regionalists), increasing corruption (impeding governance in some countries) and organized crime. Prof. Galligan called for the need to better understand these political and constitutional challenges in order to approach the question of how can they be ameliorated and then review whether the traditional constitutional order remains relevant.

From a business perspective Teodor Marinov pointed the progress in the areas of owner-ships and protection rights but more measures are necessary. As one of the largest lenders in the country OBB is facing the challenging legacy of pre-crisis loans. In Bulgaria, the problem is not just about contract enforcement but also in the way interests are respected and in the general environment of how civil rights are treated. He gave an example of how Bulgaria is one of the not so many countries where a mortgaged property can be sold without the consent of the lender. He concluded that when the property and contract rights are sufficiently protected by the judicial system, the business is more competitive and this has solid benefits to the economy.

Prof. Atanas Slavov asserted the country is stepping back from reforms in the judiciary. He reminded that Bulgaria is still under monitoring by the Council of Europe and referred to a moment of significant constitutional changes in the country three years ago which concerned the independence of the courts. He warned against a powerful State Prosecution in the private sector as a violation of the rule of law. As main risks Bulgaria is facing he pointed the lack of independence and public perception of independence of the judiciary with no steps taken in this direction. He asserted that legal certainty is not guaranteed in the legislative process. He concluded that new state agency in charge of combating corruption is selective in its work, targets opposition actors and the fight against corruption can be instrumentalised to silence opposition voices in the country.

Rapporteur: Mila Moshelova

The future is here: open data, artificial intelligence, robots

Opening Statements

Lord Maude of Horsham, Member, House of Lords; Minister of State, Trade and Investment (2015-2016), UK

Anna Diamantopoulou, President, DIKTIO Network for Reform in Greece and Europe; former EU Commissioner, Greece

Comments

Todor Tagarev, Institute of ICT, Co-President of the Atlantic Council of Bulgaria and ELN member

Maria Lazarimou, Communications Director, Hellenic Production, Greece

Ivaylo Slavov, Member of the Board, American Chamber of Commerce in Bulgaria

Iva Todorova, Government and Regulatory Affairs Executive IBM, Bulgaria

Chair: **Dr. Ruzha Smilova**, Centre for Liberal Strategies

Opening Statements

Lord Maude of Horsham, former Minister of State, Trade and Investment of the United Kingdom identified the “raw material” of the Fourth Industrial Revolution in data whose large amount have significant impact on many domains such as national security, trade and public governance. Lord Maude highlighted that data is held primarily by governments which in turn should make it available, promoting also transparency and accountability. He also referred to the challenges of Artificial Intelligence which, as he said, although it cannot be controlled by governments, there are measures to be adopted so as to prevent misuse of AI applications. He concluded mentioning that some of the major issues to be further discussed are the way AI can be used for public services, the management of educational transition in the digital era, investments in R&D as well as the ethical framework which AI will be placed within.

Anna Diamantopoulou, President of DIKTIO Network for Reform in Greece and Europe and former EU Commissioner remarked that the Fourth Industrial Revolution is already having profound and transformative impact, significantly disrupting labour markets, social cohesion and political stability in the global level. Ms. Diamantopoulou noted that inequality in the future will be primarily among states and secondarily in the domestic level, as the extent of harnessing AI technologies will be determinant for a state's overall position in the international environment. Ms. Diamantopoulou also pointed out that the notion and nature of employer-investor is undergoing radical change, as there is a conflict between investment capital structures and entities which just manage it (such as Uber), something that reverses prior taxation and property policies. She also highlighted that the nature of the necessary safety nets for people who might lose their jobs due to automation, the adaptation of education to modern demands as well as the redefinition of human rights are some major issues to be addressed by governments so as for the transition to realities ahead to be smooth.

Comments

Mr. Todor Tagarev, Co-President of the Atlantic Council of Bulgaria warns that modern developments in remotely controlled technologies in weapon systems, especially drones are now able to communicate with each other, jam radar systems and carry warheads, however AI also present significant vulnerabilities in. In his opinion, first steps are being made with the EU already having set up a high-level expert group on AI. Mr. Tagarev emphasized the importance of resolving issues related to the reliance on public investment and the need of involving a network of private and public actors. He underscored the importance of keeping in mind that according to the World Economic Forum, by 2020, we will have over 20 billion devices connected to the internet and probably up to 60 million, according to other estimations. However a major question still remains to answer: "What happens when so many devices depend on one system?"

Ms. Maria Lazarimou, Communications Director of the Hellenic Production remarked that robots are not anymore isolated in factory floors but omnipresent in all sectors of human experience, learning multiple tasks and in many cases substituting human beings. Ms. Lazarimou highlighted that the Fourth Industrial Revolution can be of great benefit to small countries like Bulgaria and Greece, allowing them to participate to the democratised global value chains, creating jobs and advancing their overall position. According to Ms. Lazarimou, a right and modern mindset, high quality infrastructure and well-developed digital skills are reconditions for states to harness technology and AI.

Mr. Ivaylo Slavov, Member of the Board of the American Chamber of Commerce in Bulgaria remarked that there is an increase of the quantity of data due to connectivity and the incapability of governments to manage it. In his view, a private-public partnership is the only path of tackling the challenge. According to Mr. Slavov, corporations are too large to handle while governments remain too slow in dealing with the problems of the digital era. As he mentioned, enterprises such as Amazon, Google and Microsoft are already investing more than 3 times than governments in AI. In the conclusion of his remarks, Mr. Slavov tellingly noted that "Nothing prevents you from implementing your ideas globally. The difference will not be between big and small states, but good and bad ideas."

Supporting the observations made by the rest of the speakers, Ms. Iva Todorova, Government and Regulatory Affairs Executive at IBM Bulgaria remarked that collaboration between governments and the private sector will be the driving force of the rising era. In her opinion, data, people and AI need to be the three basic pillars of future policies, also stressing the fact that current data quantity can only be managed by AI assistance. Ms. Todorova foresaw that in the near future, competitiveness will be inextricably linked to the level and extent of people's learning capabilities. She also strongly endorsed actions such as the EC's high-level group on AI as well as President Macron's strategy on AI. She concluded noting that "the purpose is to augment human capabilities, not to replaced them. They [Artificial Intelligence] need to be under our control and transparent in terms of who feeds them data and who trains them. Companies will thrive if they have the trust of the public."

Rapporteurs: Vassilis Gavalas and Tania Lessenska