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**REPORT ON
BULGARIA'S PARLIAMENTARY ELECTION
VELIKO TURNOVO, GABROVO,
AND SURROUNDING ENVIRONS**

April 19, 1997



**Prepared by the Staff of the
Commission on Security and Cooperation in Europe**

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This report is based on the observations of the Helsinki Commission staff delegation to Bulgaria during parliamentary elections held on April 19, 1997. Commission staff joined the observer delegation of the Parliamentary Assembly of the Organization for Security and Cooperation in Europe (OSCEPA). Commission staff observed the election process in the city of Veliko Turnovo in north-central Bulgaria, then traveled south to the city of Gabrovo, visiting polling stations in towns and villages on the way, including the town of Dryanovo. Staff observed the vote count in Veliko Turnovo.

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Information sources for this report included: meetings in Bulgaria with party leaders and governmental officials, human and religious rights activists, Central Election Commission as well as district and sectional commissions, independent political observers, journalists, and U.S. Embassy staff. Printed source material included: the OSCEPA's Report on Parliamentary Elections in the Republic of Bulgaria, Statement of the OSCE/ODIHR International Observer Mission on the Bulgarian Parliamentary Elections, reports in Bulgarian media as reported in Foreign Broadcast Information Service (FBIS), Radio Free Europe/Radio Liberty (RFE-RL), International Republican Institute April 20, 1997 Preliminary Statement, Reuters, Financial Times and The Washington Post.

EXECUTIVE SUMMARY

- On April 19, 1997, the anti-Communist Union of Democratic Forces (UDF) won a resounding victory in pre-term parliamentary elections, gaining an absolute majority in the Parliament (137 out of 240 seats in the National Assembly). This represents a clear comeback from their defeat in the October 1994 elections.
- Both the election campaign and the vote were free and fair, and only a small number of minor irregularities were noted by observers. The voting process was orderly and well-run. The election, Bulgaria's eighth since the fall of communism (four parliamentary, two presidential and two municipal elections), demonstrated that democracy has put down strong roots in Bulgaria.
- The UDF victory was precipitated by an economic crisis, which led to massive street protests in January 1997 culminating in the fall from power of the ruling Bulgarian Socialist Party (BSP) in February and forcing early elections. The economic crisis, Bulgaria's most severe since the 1989 fall of communism, was the result of Socialist government mismanagement and corruption. The BSP lost much of its power base and, with continuing internal difficulties, could be nearing its eventual political demise.
- In addition to the UDF, which garnered 52.26 percent of the votes cast, four other party coalitions passed the requisite four percent threshold: Democratic Left, previously named the Bulgarian Socialist Party (22.07 percent); Alliance for National Salvation (7.6 percent); Euro-Left coalition (5.5 percent); and the Bulgarian Business Bloc (4.93 percent).
- The new UDF government's greatest challenge will be to improve the bleak economic situation by undertaking strong economic reform measures to rehabilitate and restructure the economy as well as serious efforts to combat corruption. To its credit, the February-May 1997 caretaker government, composed mostly of UDF members, took important steps to bring Bulgaria back from the brink of bankruptcy, and the UDF is committed to reforms.
- A national consensus appears to exist on the need for sweeping reforms, although there are differences in emphasis, with the BSP stressing the social price of economic reform. The reforms will be painful, but the new government displays the political will and determination to see the reforms through.
- Bulgaria will continue to strengthen its pro-European orientation. The UDF government's top foreign policy goal is the country's full membership in the EU and NATO. All other parliamentary parties—to varying degrees—also support integration into Europe, although the Socialists favor a referendum on NATO membership, and other parties are concerned about the possible costs involved.

BACKGROUND

Post-Communist Bulgaria has held three previous parliamentary elections in June 1990, October 1991 and December 1994, as well as two presidential and two municipal elections. While not problem free, all of them, and especially the more recent elections, were regarded to have been generally free and fair.

In June 1990, the Bulgarian Socialist Party (BSP)—renamed from the Communist Party in March 1990—won a majority of the vote. New elections were held in mid-October 1991, with the Union of Democratic Forces (UDF) receiving a plurality of the vote, narrowly defeating the BSP, with the largely ethnic-Turkish Movement for Rights and Freedoms (MRF) coming in third. In December 1994, following the resignation of a besieged “government of experts” and the October dissolution of Parliament by then-President Zhelyu Zhelev, Bulgaria’s third post-Communist parliamentary elections were held. They resulted in the BSP’s garnering 43.5% of the vote, and 125 of 240 seats in the National Assembly (Parliament), and the UDF’s coming in second with 24.2% of the vote (69 seats). In January 1995, BSP leader Zhan Videnov became prime minister.

Videnov’s rule was marked by a lack of structural economic reforms, mismanagement and corruption, eventually resulting in near economic collapse. (One of the factors in the economic crisis—and one which preceded Videnov, was that many loans granted by Bulgarian banks were illegal—often they were given to friends or associates of bank managers, and were rarely repaid.) There were numerous disagreements with the UDF and even with elements within his own party, as well as with pro-Western then-President Zhelyu Zhelev, especially over foreign policy priorities.

Public confidence in the Socialist-dominated regime’s ability to govern deteriorated as they presided over Bulgaria’s worst economic crisis since the fall of communism. On December 21, 1996, although Socialist Prime Minister Zhan Videnov resigned, the Socialists stubbornly refused to give up power despite massive, daily nationwide protests throughout the month of January and pressure by the Union of Democratic Forces (UDF). On Monday, February 3, the BSP, still ignoring the demonstrations, formed a new cabinet, but backed down after tens of thousands of Bulgarians took to the streets and effectively shut down Sofia. On February 4, the BSP agreed to surrender its mandate for forming a socialist government following 30 days of daily nationwide protests and decided to hold new elections on April 19, nearly 2 years before the expiration of their term.

While largely peaceful, the month-long street demonstrations were marred by a violent incident in Sofia on the night of January 10-11, by a police attack on several hundred peaceful demonstrators. On May 2, Bulgaria’s military prosecutor cleared former Interior Minister Nikolai Dobrev of ordering the attack.

Instrumental in brokering the end of Bulgaria’s political and economic crisis and in forging consensus among the BSP, UDF and other political forces in Bulgaria for holding new elections was Petar Stoyanov of the UDF. Stoyanov won the Bulgarian presidency in November, soundly defeating his Socialist rival as well as George Ganchev of the Bulgarian Business Bloc.

The BSP government’s mishandling of Bulgaria’s economy clearly precipitated its fall. In late 1996, Bulgaria found itself in the midst of a financial catastrophe. According to the Organization for Economic

Cooperation and Development (OECD), the country experienced "... the virtual collapse of the banking system, a significant decline in GDP, rapid devaluation of the lev, double digit monthly inflation, and escalating budgetary crisis and a general loss of confidence and credibility in economic policy." Much of the problem stemmed from 7 years of chaotic policies which encouraged the pilfering, rather than the privatization, of state assets. These policies left the banking system virtually bankrupt.

The country, reeling from the economic troubles resulting from the BSP government's mismanagement and corruption, was ruled by a caretaker government led by Sofia Mayor Stefan Sofiyanski, a leading member of the UDF, from February to May 1997. Bulgaria's Parliament disbanded on February 13 after approving legislation authorizing the caretaker government to negotiate with the IMF and conclude essential loan agreements with lending institutions or other governments. The interim government, also tasked with preparing for new elections, gained support from across Bulgaria's political spectrum as the public realized there was no alternative to serious economic reform. By virtually all accounts, Bulgaria has edged back from the brink of economic collapse and there are indications that the climb to recovery has begun.

According to the World Bank, as a result of measures taken by the interim government—including price liberalization—Bulgaria's inflation has fallen, the lev has regained some of its value, and hard currency reserves have risen since February. Critical food and fuel shortages, the result of corruption and the export of Bulgaria's wheat reserves under the previous government, began to dissipate in March and supplies are now reappearing. The IMF in April approved a \$657 million standby loan and financial package, including a loan to buy grain. The World Bank has approved projects worth nearly \$300 million, but only if Bulgaria introduces a currency board which links Bulgaria's lev to the country's foreign currency reserves soon after the elections. Importantly, a currency board would put an end to the financial cycle that has permitted commercial banks to drain state money through government bailouts. Many countries, including the United States, and non-governmental entities provided humanitarian assistance (food and pharmaceuticals) to Bulgaria during the critical interim period. On April 9, the G-24 group of donor nations and organizations stated that the caretaker government has shown "strong commitment to implementing a bold macroeconomic stabilization and structural reform despite exceptionally difficult circumstances" and agreed to grant loans and credits to cover Bulgaria's foreign financial obligations for 1997-98.

On March 18, leaders of all major political parties pledged support for the IMF standby agreement, which included enterprise restructuring and budgetary discipline. While the interim government's reform efforts have had general support, the Socialists complained of not having been informed of the details of the negotiations, and of having BSP supporters dismissed from management of major industrial plants.

ADMINISTRATION OF ELECTION AND ELECTION CAMPAIGN

Bulgaria's election law was adopted in 1991. Under the law, a variable percentage of Parliament seats are allocated on a proportional basis (the d'Hondt system formula), with a three percent threshold. There are 31 districts with two representational formulas, one for parties and one for independent candidates. Candidates who receive the quota gain representation. The number of seats in each district is based on the population of the district. The Central Election Commission (CEC) establishes the number of seats for each election at least 40 days prior to election day. All citizens at least 18 years old, except those placed under judicial disability or in prison can vote.

The electoral register is compiled from state information (the state's unified citizen number system), with no separate compilation of an electoral register. Voting lists are open for verification by citizens, and voters are informed of their ability to check the lists through various means, including the media. Changes could be made up until 2 days prior to the election, in the appropriate municipality.

There are three basic levels of electoral commissions—the CEC, appointed by the president after consultations with the parties, district commissions, and sectional commissions. Balloting and vote counting is within electoral sections of no more than 1,000 inhabitants. Special electoral sections were set up in hospitals, sanitariums, homes for the aged and similar institutions with at least 30 voters. There is no early voting. February 19 was the deadline for being included on the voting lists. If one moved after February 19 and wanted to vote, the voter had to vote at his/her pre-February residence.

Nomination and Registration of Candidates: Candidates must be over 21 years old and Bulgarian citizens. Those under judicial disability or imprisoned, or men on temporary military service cannot run. Individual (vs. party) candidates must obtain 2,000 voter signatures and candidates may be registered in not more than two multi-member districts. For parties, candidate lists in election districts are proposed for registration by the respective party leadership and coalitions. Candidates are nominated by their parties in any manner they consider appropriate. For this election, the UDF held primaries to determine their candidates. Candidate lists could include an unlimited number of candidates. In Bulgaria, according to the Constitution, ethnic, religious or racially-based parties are not permitted.

Registration began on March 4 and ended on March 19. Of the 38 registered parties and coalitions, 34 fielded candidates in at least one-third of the electoral districts, meeting a condition of the election law required for them to participate. On March 20, the CEC, grouping parties based on representation in the previous Parliament and opinion polls, decided which political parties would be included in either Group A or Group B for the allocation of media air time. Group A included the five top parties and coalitions—United Democratic Forces, Democratic Left (BSP, etc.), Alliance for National Salvation (MRF, etc.), Euro-Left and Bulgarian Business Bloc. The remaining parties were in Group B. A total of 4,443 candidates from 34 parties and coalitions and 10 independent candidates competed.

The threshold for parties to enter the 240-member National Assembly remains at 4 percent as in previous elections. Proposed changes in the electoral law made in February by the outgoing Parliament that included lowering the threshold to 3 percent were vetoed by President Stoyanov, who stated that they could lead to political instability.

The Election Campaign: All in all, the election campaign was relatively quiet and low key. Commission staff did not, for instance, observe a large number of election posters or banners or other normal visible signs of campaigning.

According to the Bulgarian electoral law, candidates, parties and coalitions have equal access to the media, and equal access to the sources of information necessary for the election campaign.

The restrictions on campaigning are straightforward. Campaigning is not permitted in military units or on public transport, and no campaign material is allowed in the polling station. Campaigning must cease 24 hours prior to election day. The campaign must be carried out in the Bulgarian language; trade unions may not campaign, and all campaign materials must bear the mark of the party that produced it.

Campaign finance regulations entitle parties and coalitions to be subsidized by the state and to receive donations from foreign citizens of up to \$500 from individuals and \$2000 from groups, but not from foreign governments or organizations. Candidates could spend no more than the equivalent of \$20 to finance their campaign. After the campaign, the OSCEPA reported that accusations were made that some parties received large amounts in foreign donations, but this was not confirmed. The OSCEPA, as a result, has urged that there be greater transparency in campaign financing and expenditures.

Only one small party reportedly took advantage of campaign financing allowed through the state. The remainder did not. The UDF allowed that they did not find it necessary to fund an expensive campaign, including extensive planned television advertising, because, as one UDF spokesperson stated, “people are already familiar with us.” The UDF’s public line argued that it would have been unfair to take public money to finance their campaign during such difficult economic times, and asserted that they were focusing their resources to help the poor, the old and children rather than to finance a “rich, pompous campaign.” On the other hand, the Alliance for National Salvation (ANS) accused the UDF of using government property (i.e., a helicopter) to drop pro-UDF leaflets. While the UDF line is admirable, there is little doubt that, as the primary actor in the caretaker government, they were in an unavoidably strong position to use the powers of incumbency—coupled with almost daily media access through the state news programs—to reiterate their platform outside of the regulatory mechanisms (i.e., the Group A or Group B media allocation) with which other parties had to abide. Also, several of the leading UDF candidates were active caretaker spokespersons during this period.

Preparations for elections appeared to be without particular difficulties, except for some issues related to campaign financing. By virtually all accounts, the campaign period was relatively quiet and low-key. The heads of national media had requested that coverage of the election campaign and the elections be financed through the national budget, despite the electoral law’s lack of explicit provisions for subsidizing the national media.

The CEC did not escape some criticism, however. According to the March 25 Bulgarian Telegraph Agency (Sofia), Iliya Bozhinov of the Civil Initiative for Free and Democratic Elections (CIFDE) said that democratic principles were violated in the appointment of the CEC and some regional electoral commissions. Despite President Stoyanov’s pledge to ensure that no political force would have a “blocking quota” at the CEC, Bozhinov alleged that the UDF had a “clearly dominant position.” There are 25 CEC members, and 16 (two-thirds needed to make decisions) effectively gave UDF control, as 7 are appointed by the President—who ran on the UDF ticket—and 9 are part of the UDF’s allotment. Bozhinov also alleged

that the UDF dominated five regional electoral commissions. CIFDE also believed that the absence of a second authority to verify the vote count of the official one appointed by the CEC was also a shortcoming.

National television airtime was allocated between Group A—the five major party coalitions receiving a greater allocation of air time available during prime time, and Group B—the smaller parties receiving less time during off-peak hours from 9:00 to around 11:20 p.m. Parties in Group A clearly enjoyed some advantages over those in Group B, including allotment of television time and allocation of the limited amount of state funds. During an interview with a representative of the Bulgarian Association for Fair Elections and Civic Rights (BAFECR) in Veliko Turnovo, Commission staff were told that the campaign period had been calm, peaceful and quiet and no problems had emerged with respect to media allocation. There was, however, an allegation by the Euro-Left that two local papers in Svishtov, a town on the Romanian border, had violated the rule of no campaigning 24 hours before the elections by publishing articles supporting the UDF and condemning the Euro-Left and BSP/Democratic Left. The complaint alleged that local television and radio had also had pro-UDF “propaganda.” The complaint was sent to the district electoral commission and to the CEC.

There was an accusation of political provocations late in the campaign season. On the eve of the elections, four leading officials in the ethnic-Turkish stronghold of Kurdzhali were dismissed on the grounds of corruption—for being linked with alleged local mafia boss Elzhan Rashid, who was also arrested. On April 14 MRF leader Ahmet Dogan canceled an election rally in Kurdzhali to protest police raids against Rashid’s properties, condemning the actions as “provocations against ethnic peace.” Suspicions for the “provocation” were directed against the UDF.

According to representatives of the CEC, there were no serious problems with respect to the organization of the elections and matters ran smoothly, especially since many of its members had been on the preceding Commission. The campaign was described by various observers as very calm and tranquil, and was conducted in a generally tolerant manner. The CEC registered 250 complaints, the majority of which dealt with the composition of electoral commissions, and the registration of candidate lists. According to the CEC, the biggest problems they confronted were: allotted time for media, which was accepted by both the political forces and the media following a “gentleman’s agreement” on how to allocate time; and the process whereby they chose people to count the votes. The CEC adopted rules for the competition for the independent “counters” who were tasked with counting at all levels. Of the 250 complaints, 28 were forwarded to the Supreme Administrative Court.

There were relatively few complaints by parties and coalitions with the work of the CEC and other electoral commissions, in large part due to the fact that all levels of commissions had representatives of parties included. There was, however, considerable dissatisfaction with how colors for ballot papers were allocated. Parties advocate the adoption of a plain white ballot for all parties for future elections.

MAJOR PARTY DESCRIPTIONS/PLATFORMS

At the outset, it is important to note that on the primary issue—the economy—all political forces pledged their support for the reform program (including a currency board) agreed to with the IMF, although the Socialists complained that they were not presented with the details of the negotiations between the interim government and IMF. There was also widespread support for a pro-European orientation, while continuing to develop strong relations with neighbors and with the CIS states.

United Democratic Forces (UDF): The UDF includes Union of Democratic Forces, the People's Union, the Internal Macedonian Revolutionary Organization, and the Bulgarian Social Democratic Party—an anti-Communist coalition of parties that constituted the main opposition to the ex-Communist Bulgarian Socialist Party. In February, the coalition united to form one party to provide a united front against the Socialists. The UDF's primary foreign policy priorities are full membership in the EU and NATO and for rapid accomplishment of these goals. Development of relations with Russia will proceed in a way that does not undermine efforts to join the EU and NATO. Further solidifying relations with Bulgaria's neighbors is also a priority.

The UDF advocates a “social-market economy”—reform of the economy and cessation of governmental control. The UDF favors private ownership of land and promises to return land to its owners by the end of 1997 (those who were landless will be able to obtain land previously owned by municipalities), advocates agricultural reform, open and transparent privatization, complete liberalization of prices, tight tax discipline, and promises to guarantee monetary stability by instituting a currency board. Electricity and fuel prices will be fixed in accordance with prices prevailing in the international market. Foreign investments are a strategic goal. An important priority will be the battle against crime and corruption, including seeking active international cooperation in the combating of organized crime. According to a UDF spokesperson, “During the last 4 years, corruption was part of the institution of government.” The UDF has stated it will seek joint governance with other democratic forces even with its absolute, if narrow, majority in the National Assembly.

The UDF has gained considerable strength over the last few years. In October 1991 parliamentary elections, the UDF won by a narrow margin, but the UDF government, led by Prime Minister Philip Dimitrov (now Bulgaria's Ambassador to the United Nations), fell in a vote of no confidence in December 1992, and was succeeded by a non-party government. For a variety of reasons, the UDF suffered damaging splits within its ranks, and weakened dramatically. In the October 1994 elections, the UDF was able to garner only 24 percent of the vote. After the 1994 elections, the UDF made a change in tactics and strategy towards a more democratic system, opening up its membership and decentralizing its decision making by giving more authority to “local clubs.” Another major boost for the UDF was the resounding victory of their candidate, Petar Stoyanov, in the November 1996 presidential elections, in effect creating a “new majority” which participated in the January street protests that brought the Socialist government down.

Democratic Left: The ex-Communist Bulgaria Socialist Party (BSP), which was the dominant political force in Bulgaria for the 2 years ending February 1997, constitutes by far the largest political force within the Democratic Left, along with a smaller party Ekoglasnost. The BSP was clearly demoralized following its fall from power though it understood that an election victory was near-impossible. The party was divided between supporters of the new Socialist leader, Georgi Purvanov, and those who support former Prime Minister Zhan Videnov. Similar to the UDF, the primary stated goal for the Democratic Left was to overcome the economic crisis. According to many observers, the BSP platform does not differ dramatically from the UDF platform and there is, in fact, broad consensus with the UDF on structural reforms and more rapid privatization. The Democratic Left, too, asserts its support for the introduction of a currency board, financial stabilization, slowing inflation, speedy privatization and the creation of a favorable climate for foreign investment. Even with respect to land reform, the BSP and UDF positions differ in principle only in that the UDF advocates the restitution of forests. The BSP places strong emphasis on certain social safeguards, especially for the poorest sectors of society. In contrast to the UDF, the BSP

does not favor the complete liberalization of prices, and expresses concern about the “disparity between incomes and prices.”

The Democratic Left stresses that the crisis can only be overcome with genuine cooperation among all parties, and not only with one party. With respect to law and order, a Democratic Left spokesperson, former Foreign Minister Georgi Pirinski, argued that laws since 1989 have “gone largely unapplied” and that the BSP will insist on a more effective judiciary.

On foreign policy, although the BSP advocates accession to the EU, they are opposed to Bulgaria’s recent, UDF-led application to join NATO, arguing that military neutrality is the only true guarantee for the country’s security. The Democratic Left support the idea of a referendum on NATO membership for Bulgaria. Relations with Russia and the CIS countries are a top priority.

Alliance for National Salvation (ANS): A hastily-formed coalition made up of the largely ethnic-Turkish Movement for Rights and Freedoms (MRF) along with several smaller parties, including the monarchists, the Green Party, the Agrarian Party (Nikola Petkov) and the Party for a Democratic Center. In the past, the MRF has been largely centrist and in previous parliaments has constituted a swing vote—at times supporting the UDF and at other times, the BSP—thus often holding the balance of power in parliament, out of proportion to actual its strength. The MRF’s withdrawal of support for the 1992 UDF government led to its downfall.

The ANS aims to form a “strong center” in the new Parliament. It is oriented toward the West and “integration into the European structures,” including NATO. The coalition favors ethnic tolerance, stresses maintaining close relations with Bulgarians abroad, and claims that its economic platform is the most liberal, favoring a drastic reduction in taxes. However, there is skepticism toward the currency board and some bitter feelings toward the UDF, which the ANS accuses of trying to “monopolize the democrats.” The ANS also favors a new constitution, which would strengthen the state by giving more powers to the head of state, and favors a referendum on the monarchy.

Euro-Left: The Euro-Left, led by Aleksandur Tomov, consists primarily of former BSP members with a more reformist orientation, who split with the party earlier this year. The party aligns itself with the principles of European social democracy, and believes that its presence in the new Parliament can help end what it refers to as the “bipolar model” (i.e., UDF and BSP) of the last seven years. The Euro-Left supports radical reforms in agriculture and industrial production, giving priority to industrial and farm cooperatives, and small and medium-sized businesses. Social protection for those hit hardest by the economic crisis is stressed. The Euro-Left supports a gradual transition to a volunteer army and has a decidedly pro-Western approach, favoring EU and NATO membership. “United Bulgaria in a united Europe” was one of its slogans.

Bulgarian Business Bloc (BBB): Led by businessman George Ganchev, the Bulgarian Business Bloc presents itself as an alternative to both the UDF and the BSP. The BBB broke the 4 percent threshold in the 1994 Parliamentary elections. Ganchev, reflecting his populist appeal, came in third in both the 1992 and 1996 presidential elections. The BBB claims to be centrist, advocates many elements of a reformist position, and favors integration into European structures. However, entry into NATO appears to be conditioned on no deployment of nuclear weapons nor foreign military bases on Bulgarian territory, and the party draws careful attention to the financial commitments related to the accession.

VOTING

By all accounts the voting in the 12,691 polling stations was free and fair, despite a few reports of irregularities, none of which could affect the credibility of the results. The voting process was well-organized and carried out in an efficient and professional manner. Each party or coalition had its own registered colors or color patterns, the most prominent of which were the blue of the UDF and the red of the ex-Communist Democratic Left.

Commission staff, as part of the Parliamentary Assembly of the Organization for Security and Cooperation in Europe's (OSCEPA) delegation, observed voting in the Veliko Turnovo and Gabrovo regions in north-central Bulgaria, visiting 15 polling stations within and between these two cities. Staff observed the opening of a polling station in Veliko Turnovo and witnessed no problems with the exception of a 10-minute late start (polling stations opened at 6:00 a.m.). Voting at all polling stations was smooth, orderly and well-organized. Voters presented their domestic passports. Section commission officials compared the passport with the voter registry list. The voter, with envelope and ballot in hand, marked the ballot (choosing one of the 35 candidates available) in the voting booth. The envelope added another measure of secrecy when it, filled with the ballot, was dropped in the ballot box. Voters then signed opposite their name in the corresponding registry. The only irregularity observed by Commission staff with respect to these procedures was that in one polling station, several voters failed to sign their names in the registries.

Each party or coalition was identified on the ballot by a color scheme. Samples of ballot papers of all candidate tickets registered to participate in the election were posted on boards outside the polling station.

There were relatively few party observers in polling stations visited by staff. However, major party coalitions, especially the UDF and BSP, were represented in every commission, reducing the need for party observers, and assuring a sufficient system of checks to ensure an accurate vote count and prevent fraud or abuse.

Commission staff observed the count at a polling station in Veliko Turnovo, and noted no problems or irregularities. The counting took place in an orderly and efficient manner. Notably, there were very few invalid ballots, reflecting the trend across the country (less than one percent of all ballots were deemed invalid).

Turnout stood at 3,964,624 of the 6.8 million Bulgarians eligible to vote (62 percent). Balloting took place in 64 countries outside of Bulgaria, including in 23 polling stations in the United States, as well as in Turkey, Germany and other European countries. In the United States, 2256 Bulgarian citizens voted, with 91 percent casting their ballots for the UDF.

About 200 international observers monitored the elections inside Bulgaria, including the OSCE PA, OSCE Office for Democratic Institutions and Human Rights (ODIHR), the European Parliament, The European Commission and the Parliamentary Assembly of the Council of Europe. NGOs included the Washington-based International Republican Institute (IRI).

RESULTS

Five parties, having crossed the 4 percent threshold, will be represented in Parliament. The UDF won 52.2 percent of the vote; 22.07 percent for the Democratic Left; 7.6 percent for the Alliance for National Salvation (ANS); 5.5 percent for the Euro-Left; and 4.93 percent for the Bulgarian Business Bloc.

The distribution of seats in Parliament is, as follows: 137 seats for the UDF, 58 for the Democratic Left, 19 for the ANS, 14 for the European Left and 12 for the BBB.

The 62 percent turnout was relatively low by Bulgarian post-Communist standards.

The election campaign and the elections themselves represented, according to political analyst Ognyan Minchev, a form of procedural completion of the massive street protests that had swept the Socialist government from office in February.

CONCLUSIONS

Having gone to the brink of economic collapse, Bulgaria faces major challenges. The April 19 election victory puts the UDF in a strong position to undertake necessary reform efforts in the economic arena.

Bulgaria's economic situation remains difficult and, given the extent to which the country was pilfered, will continue to be problematic for a while. In order to complete the transition to a market economy, the new government will need to press for the rapid privatization of the huge, state-owned industrial companies (opening them up to foreign investors), close the economically unviable, restructure the collapsed banking system, and reform the currency. To its credit, the caretaker government, composed of mostly UDF members, took some important steps—signing an agreement with the IMF, reducing the rate of hyperinflation and liberalizing prices, including food prices, except for a few staples such as bread and milk.

These economic reforms will have social costs initially, but the costs will be lower than they would be in the absence of such reform. Privatization, together with the closing of major loss-making enterprises, will cost an estimated 200,000 jobs. With this in mind, the UDF, while having an absolute majority in Parliament, wants as wide as possible a consensus for what will undoubtedly be painful remedies.

The first tasks of the new Parliament will be to pass a 1997 budget, a package of banking laws needed to implement a currency board (which will peg the money supply to the level of Bulgaria's hard currency reserves), part of the March 1997 IMF agreement which conditioned the \$657 million loan package. A new legal structure to support the economic reforms and to combat the explosion of crime and corruption in the last 7 years is badly needed.

The priorities of the new government, as articulated by the likely new Prime Minister, UDF leader Ivan Kostov, are: carrying out the IMF-agreed reforms, combatting organized crime and corruption (the Bulgarian Interior Ministry is preparing draft laws to criminalize racketeering and tax evasion), opening secret police files on public figures, and working actively to bring Bulgaria into NATO and the EU. There appears to be consensus in principle, if not on the details, of these priorities, with the exception of opening

up Communist-era secret police files, which could become an explosive issue. Indeed, Kostov has stated that the new government will have a “coalition character” and will rely on a reformist majority in Parliament, which will hopefully ensure the support of other Parliamentary groupings.

Bulgaria still faces challenges in its encouraging progress toward becoming a full-fledged democratic state. While Bulgaria’s human rights track record is generally good, unresolved problems exist. The new government will be tested in its commitment to complete not only the economic post-Communist transition, but the democratic one as well. Human rights violations include police abuse, especially against members of the Roma community, societal discrimination and mistreatment of Roma, and the obstruction of activities by both the government and individual citizens of some non-Eastern Orthodox religious groups. A number of religious groups have had a difficult time operating freely, as they have been denied registration. Denial of registration has meant that the group is not a “juridical person”, hence, cannot own property, open a bank account, rent a building in which to hold meetings, and create structures to conduct charitable activities. Representatives of Protestant Evangelical churches have had discussions with the UDF leadership, and there are some indications that improvements could follow the UDF election victory.

This most recent transition was peaceful and democratic, in sharp contrast to Bulgaria’s Balkan neighbors, Serbia and Albania, who have endured more violent turmoil during the same period. While the situation during the street protests in January grew increasingly more tense, and violence broke out on the night of January 10 near the Parliament, by and large the protests were peaceful, as were the election campaign and the elections themselves. In this extremely difficult period, the Bulgarian people have demonstrated increased political maturity. With patience—and the will and determination to follow the path of reform—Bulgaria could well become a surprising success in the near future.