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## Scientific Activities

International Scientific Conference  
60 Years Department "Economics"  
Assoc. Prof. Vera Pirimova, Ph.D.

## Articles

The Bulgarian Business New Cultural Attitudes  
Prof. Blagoy Kolev, Ph.D.  
Assoc. Prof. Temenuga Rakadzhyska, Ph.D.

The article discusses some transformations in the economic culture of the Bulgarian business agents resulting from the integration of the Bulgarian business with the EU business space. In 2006 and 2007 we carried out a survey and its main results are summarized in the article. Our thesis is that the survival of Bulgarian business in a new global culture depends on the capability of Bulgarian companies "to preserve the role of a consumer of the world knowledge" (Bauman) in order to secure for themselves a place in the global commodity market. Yet, the sufficient condition to be met is connected with the ability of the Bulgarian business people to run business effectively by modern business and management practices, which to a high degree are absent from the Bulgarian market space. We conclude that the transformations of the Bulgarian business are spreading unequally and with different pace. The research reveals various and sometimes even contrasting types of cultural behavior among Bulgarian managers and entrepreneurs.

**Key words:** economic culture, cultural axis, traditional and modern business practices, business space.

**JEL:** Z13, M20, M50, O15.

Balances of Payments – Contemporary Problems  
Assoc. Prof. Yordanka Stateva, Ph.D.

The article covers contemporary problems concerning the balances of payments in our dynamic world.

The first problem concerns the economic importance of the information provided by the balance of payments. In principle nowadays a company can choose how to supply foreign markets – either by traditional export or by locating production on foreign countries' territory. For quite a long period of time American companies have been locating production in many foreign countries. By doing this they actually "export" merchandise without it getting registered in the trade balance of the USA as an export. Under these circumstances can the balance on goods trade be considered a measure for national competitiveness?

On the basis of officially used methodology, the problem concerning the American trade deficit, respectively the surpluses of the biggest trade partners of the USA has been analyzed.

A very important question in the context of the global imbalances concerns the period of time they can be sustained. A comparison with the Bretton – Woods system is very useful in this respect.

The analysis of the balances of payments of the emerging markets is an important part of the article and that includes Bulgaria's balance of payments and the impact of the world financial crisis.

**Key words:** balance of payments, current account deficit, global imbalances.

**JEL:** F30, F40.

### Human Emotions in Behavioral Sciences and Management: the Overdue Revolution and its Birthmarks

Assoc. Prof. Marin Paunov, Ph.D.

The recent years are revolutionary for neurophysiology, sociology and for almost all branches of psychology concerning human emotionality and its relationship with the classical cognitive functions and behavior. Economic sciences are increasingly curious about their behavioral colleagues and there is a new and quickly developing scientific sphere called behavioral economics. Organizational behavior and Industrial/Organizational Psychology are to some extent late in reacting to mirror these tendencies in their own research and recommendations. They ought to deal with this challenge and – with no more delay – to provide practical management with both adequate understanding of its subject, and proper pragmatic means for influencing individual and group behavior. Obviously, this can't be done without a new approach towards the affective world of man, but at the same time this new approach should be kept methodologically proof and can by no means be brought down to the popular idea about emotional intelligence.

**Key words:** organizational behavior, I/O psychology, management, emotions, emotional intelligence.

**JEL:** Z110, M590.

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### The Management of Bulgarian Textile and Clothing Companies and Possibilities of Achieving Competitive Growth

Senior Research Fellow Lilia Chankova, Ph.D.

The article is based on the idea that raising the level of management of Bulgarian companies at the present stage of economic development is one of the important pathways towards achieving competitive growth. Another important direction consists in the improvement of the quality of busi-

ness environment. The main thesis of the author of the article is that achieving competitive growth through higher quality of company management in the textile and clothing sector in the present conditions can be accomplished by priority development of its strategic aspects, which is related to the choice of appropriate management approaches, methods and tools. The introduction of quality management systems in compliance with international standards can ensure additional positive effects for competitive growth through a good combination of strategic and day-to-day aspects of management of production and realization processes of textile and clothing companies. The article describes the development stages of textile and clothing production in the country, influenced by the environment during the transition period. The emphasis is placed upon the specific characteristics of management in small and medium enterprises, which are dominant in this sector. The article presents the benefits and disadvantages of the choice and wide scale implementation of production on a cut-and-make-basis. The main problems in Bulgarian textile and clothing companies are defined and the possible pathways for action to overcome the disadvantages and achieve competitiveness are described.

**Key words:** production of textile and clothing in the transition period, specific characteristics of company management in the textile and clothing sector, advantages and negative features of production on a cut-and-make-basis, possibilities for competitive growth.

**JEL:** D21, L23, L67.

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### The Spirit of the Capitalism Doctrine – Max Weber versus Werner Sombart

Senior Research Fellow Alla Kirova, Ph.D.

The article is devoted to the analysis in comparative aspect of the concepts of the formation of the spirit of the capitalism by the famous German

scientists from the first half of the previous century Max Weber and Werner Sombart. In the history of economic thought, they are one of the first investigators of the specific interrelation between economy and religion. The latter is performed as a self-dependent active force, which determines through its own distinctive economic ethic and religious moral the rise and the development of the capitalism in Western Europe. But the common features stop here, because according to Weber the spirit of the capitalism is a consequence mainly of the dissemination of the Protestantism, while Sombart underlines the plurality of the reasons, led to the rise of the capitalist spirit, as one of them is the role of Jews and Judaism for the development of the European capitalism. Both of the theories are object of many years contradictory criticism through the scientific community, but they continue to arouse interest as well to provoke the comprehension of the global problem about the future of the world capitalism and its social conditionality.

**Key words:** German Historical School, Max Weber, Werner Sombart, genesis of capitalism, business (capitalist) spirit.

**JEL:** B10, B15, B31.

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Local Government in Rural Areas: Potential and Challenges in Terms of the New Paradigm of Development

Assoc. Prof. Yuliana Blagoeva-Yarkova, Ph.D.  
Rumyana Grozeva, Ph.D. student  
Mladen Hainboazki, Ph.D. student

The Local Government in its responsibilities, priorities, possibilities, choices for making and implementation of policies is a central factor in rural development. The purpose of this article is studying of the place and role of local authorities in socio-economic processes taking place in Bulgarian villages in terms of actual membership in the European Union and prepare recommendations

aimed at more fully using the capacity of local government and increased role for integrated and sustainable development of villages.

Presented development is part of a wider study related challenges to development in terms of actual membership of Bulgaria in the European Union. It is based on an inquiry study using a questionnaire addressed to administrative structures in the municipalities and town halls included in the representative surveillance studies region.

The main issues which were established as results of the survey relate to failure in: interest and responsibility of the municipal administration to the development of villages, horizontal and vertical coordination between mayoralities and city hall, technical expertise and absorption capacity of funding programs, partnerships to address economic and social problems of villages, etc.

**Key words:** Local Government, Local Administration, rural areas, development, European Union.

**JEL:** R19.

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Diagnostics and Measurement the Strength of Distribution Conflicts – Methodical Guidelines for Implementation of World Experience in Bulgaria  
Chief Assist. Prof. Hristo Katrandzhiev, Ph.D.

The article presents methodical guidelines in two directions – diagnostics and measurement of distribution conflicts. The author describes the basic achievements of world experience in this sphere and illustrates their implementation in Bulgarian conditions. He “steps” on ideas (concerning distribution conflict measurement) published in specialized editions as European Journal of Marketing, Journal of Marketing Research, Journal of Marketing, etc. On the basis of marketing research arsenal an easy-to-use method for measuring the strength of distribution conflicts is adapted and illustrated in the text. This method could be applied by big Bulgarian or-

ganizations as well as smaller ones. The article offers also an analysis of the link between the strength of the distribution conflict from one side and the distribution effectiveness from the other.

**Key words:** distribution conflict, conflict index, Likert's scale, conflict frequency, distribution effectiveness, conflict diagnostics, possibilities for implementation in Bulgaria.

**JEL:** M30, C81, D74.

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### Opportunities for Application of Common Approach for the Infrastructure Charging in Railway Transport

Chief Assist. Prof. Hristina Nikolova, Ph.D.

The application of marginal social costs pricing is a starting point in establishing infrastructure charging system in transport sector. These principles are used in the process of development of common approach for infrastructure charging in different modes of transport. The main stages in applying this approach are connected with the determination of the particular tariff elements, with the characteristics of different infrastructure objects and their sensitiveness to environmental pollution, accidents and congestions.

The main task in studying the opportunities for applying such an approach is giving economic base of the level of access charges per vehicle as well as researching the tendencies for their changes. The subject is to improve infrastructure costs planning and conducting. With regard to this it is necessary to suggest an approach for determining the share of marginal costs and to define an approach for improving infrastructure charging system in railway transport.

**Key words:** marginal social costs, pricing approaches, transport infrastructure, infrastructure charges.

**JEL:** D42, L92.

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### Main Aspects of Enterprise Architecture Concept

Chief Assist. Prof. Petya Dankova, Ph.D.

Business today is facing the challenge of surviving in an increasingly dynamic environment which requires the management to be flexible and to have a clear view over the organization as a whole as well as over its particular components and their interrelations. The significant importance of IT for the successful development of the business is a generally recognized fact. The present article discusses the concept of enterprise architecture defined as (an approach for developing) a generalized conceptual plan which describes the enterprise structure with all its components and the relations between them; formulates principles and rules for designing and functioning of the organizational structure, the processes and the IT in the enterprise; and aligns the enterprise's IT with its business goals and processes. Described are the structural elements of the enterprise architecture. A cycle for enterprise architecture development is presented as well as the Zachman framework as a popular approach for enterprise architecture description.

**Key words:** business economics, business management, enterprise architecture, information technologies.

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### Review

Social-Network Analysis and the Management of Organizational Change  
Boris Hadzhipetkov, Ph.D. Student

### Contents and Article Summaries

### Guide for Authors