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PASKAL ZHELEV: BULGARIA IN THE GLOBAL ECONOMY – DYNAMICS, CHALLENGES, AND OPPORTUNITIES

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The recently published monograph *Bulgaria in the Global Economy: Dynamics, Challenges, and Opportunities* by Paskal Zhelev offers a timely, data-rich, and policy-oriented assessment of how a small, open EU economy, Bulgaria, has navigated successive waves of globalisation, regional economic integration, and technological change. It explores Bulgaria's evolving role in the global economy through the lens of structural transformation, foreign economic relations, and institutional capacity.

The book is part of the *Societies and Political Orders in Transition* series, published by Springer, which is recognized for its analytically rigorous studies on post-socialist transformations. Zhelev's monograph aligns perfectly with this mission, offering a data-driven and policy-relevant analysis that will appeal to economists, political economists, and scholars of international economic relations and European integration.

The book's structure is coherent and logical, divided into fourteen chapters that cover Bulgaria's historical economic evolution, macroeconomic stability, EU integration, trade and investment patterns, regional cooperation in the Black Sea region, participation in the global value chain (GVC), technological transformation, and sustainability efforts. Chapters are meticulously researched, drawing on both qualitative analysis and an impressive body of empirical data, including figures, tables, and comparative indices that

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illustrate key economic trends, particularly over the past decade, across various sectors and policy domains.

A notable strength of the book is its historical contextualization. Chapter 2, for example, provides a detailed exploration of Bulgaria's path-dependent economic trajectory – from the post-Ottoman agrarian economy to socialist industrialization and post-1990 liberalization. Zhelev is particularly effective in demonstrating how Bulgaria's alignment with dominant external economic partners – Germany, the Soviet Union, and later the European Union – has shaped both its opportunities and vulnerabilities.

The analysis of Bulgaria's macroeconomic fundamentals (Chapter 3) and its integration into the EU (Chapter 4) stands out for its clarity and breadth. Chapter 3 traces the country's macroeconomic trajectory since the introduction of the Currency Board Arrangement (CBA) in 1997 and also assesses Bulgaria's readiness for Eurozone accession through the lens of Optimum Currency Area (OCA) theory. It maintains that beyond meeting the Maastricht criteria, structural alignment, economic flexibility, and long-term policy credibility will be essential for sustainable participation in the common currency area. Chapter 4 critically examines the outcomes of EU integration, focusing on the limits of convergence within the Union's framework. While accession has facilitated market access and capital inflows, Zhelev argues that it has not produced a durable shift toward innovation-driven, high-value-added growth. This analysis reinforces the volume's broader message that convergence within the EU context is not automatic, and that Bulgaria's long-term trajectory depends on domestic institutional reform and strategic upgrading.

Chapters 5 and 6 broaden the external dimension of Bulgaria's economic integration by examining its regional and global partnerships. Chapter 5 focuses on the Black Sea region, framing it as both a geopolitical flashpoint and a potential platform for economic cooperation. Zhelev assesses Bulgaria's participation in initiatives such as the Black Sea Economic Cooperation (BSEC) and the EU's Black Sea Synergy, noting that despite institutional weaknesses, the region holds underutilized potential for connectivity, energy coordination, and trade diversification. Chapter 6 examines Bulgaria's bilateral foreign economic relations with the EU, the United States, and China, highlighting asymmetries in trade and investment, and underscoring the need for a more strategic and balanced foreign economic policy.

This outward-looking perspective sets the stage for the following chapters, which delve into the structure and dynamics of Bulgaria's international trade in goods and services (Chapters 7 and 8), and participation in global value chains (Chapter 9). The author highlights the persistent structural dependence of Bulgaria's economy on low-value-added activities, coupled with limited domestic upgrading and innovation. These findings reflect broader patterns observed among small, post-socialist EU economies and their ongoing struggle to move up the value chain, thereby contributing to comparative

political economy debates on structural dependency and developmental asymmetries within the EU periphery.

Chapters 10 and 11 examine the international movement of capital and labour—two critical dimensions of Bulgaria’s external economic profile. Chapter 10 analyses the structure of foreign direct investment, highlighting its concentration in low-cost, efficiency-seeking sectors with limited spillovers for domestic upgrading. Chapter 11 turns to labour mobility, focusing on emigration, remittances, and the long-term implications of human capital outflows. While outward migration has supported household incomes and external balances, it has also intensified demographic pressures. Together, these chapters reveal the structural vulnerabilities linked to Bulgaria’s reliance on mobile production factors without a corresponding strategy for endogenous development.

The latter chapters – particularly those on digital transformation (Chapter 12) and green transition (Chapter 13) – provide a forward-looking perspective. Zhelev evaluates Bulgaria’s preparedness for the dual transitions currently shaping European economies: digitalization and decarbonization. His conclusion is cautious but not pessimistic; while structural and institutional deficits remain, strategic investments in technology, skills, and innovation ecosystems could enable Bulgaria to reposition itself more favorably in the next phase of global economic restructuring.

One of the book’s key strengths lies in its interdisciplinary approach, blending economic analysis with institutional, geopolitical, and historical insights. The writing is clear and accessible, supported by extensive citations and data visualizations. The work is also remarkably timely, as it contributes to contemporary policy debates, including the EU industrial strategy, supply chain resilience, and the role of small states in an increasingly fragmented global economy.

That said, a more explicit comparative dimension – perhaps drawing on examples from other Southeast European countries – could have further enhanced the book’s generalizability. But the book serves as an important case study relevant for all countries in the region of Southeast East Europe. Although the analysis implicitly engages with themes of dependency and upgrading, it stops short of fully embedding these within established theoretical frameworks such as dependent market economies or the middle-income trap. Nevertheless, the depth of empirical evidence and the clarity of the author’s arguments more than compensate for these limitations.

The book “Bulgaria in the Global Economy” presents a comprehensive and carefully documented portrait of a country navigating twenty-first-century globalization. It is a valuable and original contribution to the literature on small-state economic development, EU integration, and international political economy. Its insights hold relevance for a broader class of emerging economies facing the dual pressures of structural adjustment and global repositioning. University libraries across the region will find it a worthwhile addition, as a supplementary literature for students and instructors

can readily assign individual chapters in courses related to international economics and European integration.