

IMF Reports: Cronyism & Corruption Hinder Bulgaria's Financial Development
Novinite.com, February 4, 2014¹

The public finance stability of Bulgaria is not enough to increase the Bulgarians' income and living standards, according to the IMF's comments on the country's development.

According to the International Monetary Fund, at the projected average rate of 2% GDP growth, the country will need 40 years to reach the income and living standards in the rich European countries.

In its comments, the financial institution said there is an increasing number of problematic areas, which require reforms, if the government wants to accelerate growth and decrease unemployment. The required reforms, however, would cost the popularity of the politicians who dare to implement them.

The IMF singled out nepotism and corruption as two of the most serious problems, but there are some old ones, which are still unsolved. For 2014 the Fund expects 1.6% GDP growth.²

(The International Monetary Fund (IMF) is an organization of 188 countries, working to foster global monetary cooperation, secure financial stability, facilitate international trade, promote high employment and sustainable economic growth, and reduce poverty around the world.)

¹<http://www.novinite.com/articles/157878/IMF%3A+Bulgaria+Will+Need+40+Years+to+Reach+European+Income+Standards>

² "Progress in addressing institutional and broader structural gaps (including those that contribute to corruption and cronyism) is needed to set the foundation for stronger growth and job creation." IMF, Bulgaria: Staff Report for the 2013 Article IV Consultation, January 30, 2014 (<http://www.imf.org/external/pubs/cat/longres.aspx?sk=41288.0>)