**Bulgarian Big Business (1911-2005): Methodology and Sources**

*Methodology and Benchmark Years*

Drawing on the Thomas David and Gerharda Westerhuis guidelines selected the 100 largest non-financial and the top-25 financial Joint-stock companies according to their total assets at six benchmark years (1911/5, 1929, 1939, 1946, 1994 and 2005). The choice of these benchmark years follows data availability and the major economic cycles in Bulgaria during the 20th century.

1911 was the earliest possible year for which company data could be collected but the lack of 100 non-financials in that year compelled us to extend the duration, so that the data are an average for 1911-1915. 1929 was the year before Bulgaria felt victim of the Great Depression, while 1939 was the last peaceful year before the World War II reached South-east Europe. 1946 was the year before total nationalization of industrial enterprises and banks. The 1947 nationalization, followed swiftly by collectivization of land marked a sharp discontinuity in the personal and structural composition of production-related networks in Bulgaria. Horizontal links between enterprises were not important any more. Rather, emphasis shifted towards vertical linkages, especially linkages between managers of companies and party officials. For that reason, as well as for luck of data, we decided to exclude the communist period from our analysis. Instead, we cover two critical years during Bulgaria’s transition to market economy after 1989. 1994 was as probably the best year before the major economic downturn in 1996/97 while, 2005 was the final year for which data was available at the moment of the research.

*Sources*

No formal centralized records of Bulgarian businesses existed before the late-1990s, so various sources for detecting companies that would meet the requirements of the sampling procedure were used. For the period before 1947 this was disencumbered by the practice for most firms to publish their balance-sheets in *Durzhaven Vestnik* (State Gazette). This source provided an almost complete set of balance-sheets and allowed ranging the companies on the basis of their assets.

To our surprise, data were far less accessible for the early years after 1989. Joint-stock companies are legally required to publish their balance-sheets, but it is up to them how and where publication would be made. As a result most of the data appeared in obscure regional newspapers or web-sites, many of which not active any more. To fill-in the gaps it became necessary to consult many publications by Ministry of Finance, Financial Supervision Commission, National Statistical Institute (NSI), Bulgarian National Bank, etc.

*Directors*

Before 1947 Bulgaria fell within the so called German boards system with well distinguished Managerial (MB) and Supervisory Boards (SB) (Stokman et al., 1986). In addition, some big companies may elect an executive (also called administrative) board among MB members to assist executive-directors in their daily work. It was common to have outsiders appointed as executive-directors. The law required all changes in MB and SB as well as in the management (executive-directors) to be registered with the court. In practice, however, only few of the consulted company dossier contained information on executives.

The lengthy process of data mining included visits to 23 of the 27 regional archives, where company files, credit dossiers, and commercial registers have been consulted. In result we have collected 2,937 individual names of businessmen sitting on the boards of the biggest Bulgarian companies before 1947.

For the post-1989 period, the collection of directors’ names in largest corporations was significantly eased by the existing DAXI database. With its assistance we were able to select 1,388 relevant entries of 1,291 individuals sitting in the MB of the 125 biggest Bulgarian businesses.

*Who is Who?*

Given no *Who is Who?* encyclopedias have ever been published for Bulgaria we were compelled to amass information at both personal and firm level. For the pre-1947 period an additional data set with the names of members of independent professions, politicians, MB members of various NGOs, learned societies, and professional associations, as well as directors of the state-owned Bulgarian National Bank and Bulgarian Agricultural and Co-operative Bank was collected. This additional data set comprised of 14,694 entries with over 10,000 individuals, members of Bulgarian political, cultural, and economic elite. Furthermore, to reconstruct the biographies of selected directors during the transition period (1989–2005) we consulted various encyclopedias, Internet, etc.

On the company level we collected data on firm size, measured by equity; age in years since establishment; ROE and ROA (both in percent), and economic sector. These indicators were then used in regression analysis to explain the high coherence of Bulgarian business elite and the wide spread of interlocking practices in a low-trust society.