

## Doing Business in Bulgaria | Bulgarian Social and Business Culture

### A Bulgarian Culture Overview

**Official Name** – Republic of Bulgaria

**Population** – 7,385,367

**Official Language** - Bulgarian

**Currency** – Lev (BGL)

**Capital city** - Sofia

**GDP** - purchasing power parity: \$71.54 billion (2005 est.)

**GDP per capita** - \$9,600 (2005 est.)



### Overview

A diverse blend of ancient cultures, heritage and religions, Bulgaria has played an important role at the crossroads of Europe, Asia and the Middle East. Once a powerful country, Bulgaria suffered at the hands of the Ottoman Empire but maintained its ability to contribute extensively to art, literature, music and architecture. An agricultural society steeped in tradition, Bulgarians are known for their open and friendly demeanour and their extreme hospitality. Since the end of communist control, Bulgaria has made enormous strides towards becoming a modern industrialised society and became a member of the EU on 1 January 2007. As such, it is increasingly attracting the attention of new foreign business and investments. For those who wish to become involved in this emerging market, it is essential to understand the complexity of Bulgarian culture and business etiquette.

### Key Concepts

**Family and Relationships** – Family is an integral part of Bulgarian culture which strongly influences how people behave and live their daily lives. Loyalty and commitment to family members, both nuclear and extended, is essential. An extremely high importance is placed on relationships in general, so when doing business in Bulgaria, take the time to get to know your Bulgarian counterparts.

**Religion** – The majority of Bulgarians are members of the Bulgarian Orthodox Church. Though their religion was suppressed under communism, it has always played an important role in shaping the way they live. Births, deaths and marriages are all celebrated according to Bulgarian Orthodox traditions.

**Cultural Heritage** – Bulgarians are extremely proud of their rich cultural heritage. Though Bulgaria strives to create a more modern society, Bulgarians place a high importance on tradition and their cultural heritage. This is evident in everyday life in the form of festivities and traditional holidays and in the formality of business culture.

**Hospitality** – Bulgarians are known for their hospitality. Despite the political and economic situations which often prevented Bulgarians from being able to provide for themselves, they will do everything in their power to ensure that others are provided for. Visiting and hosting friends and family is an important part of Bulgarian culture through which relationships are built and cultivated.

## **Doing Business with Bulgarians**

Bulgaria was under communist control from the early 1940s until the late 1980s. The post-war communist era transformed what was traditionally a society dominated by agriculture into an industrial focused nation state. The move from a communist controlled society to a democratic one brought with it years of political and economic unrest. Today Bulgaria is a relatively open and modern society but is faced with the enormous challenge of implementing continued economic, social and political reform to prepare the country for its new role in the EU. This period of reform is paving the way for increased business and investment opportunities, but in order to be successful doing business in Bulgaria, one must first understand Bulgarian business culture and etiquette.

### **Bulgaria business Part 1 - Working in Bulgaria (Pre-departure)**

#### ○ **Working practices in Bulgaria**

- Business appointments are necessary and should be planned two to three weeks in advance and not during the summer or other holiday periods.
- Traditional working hours are 9:00 am to 6.00 pm, Monday to Friday.
- Punctuality is valued. Always apologise and give an explanation if late to an appointment or meeting.
- Meetings tend to be formal and follow a strict routine of introductions, handshakes and an exchange of business cards. Often they will go past the allocated time, so schedule extra time between meetings.

#### ○ **Structure and hierarchy in Bulgarian companies**

- Bulgarian business culture is hierarchical but often the consensus of everyone involved is sought when making decisions.
- Meetings and negotiations are formal in nature. More senior members in the group have the most authority and command a certain level of respect.
- A large gap between the wealthy and poor has further increased distance between Bulgarians, preventing many from improving their place in society.

#### ○ **Working relationships in Bulgaria**

- The formality of Bulgarian business culture is reflected in the importance placed on using the correct titles, even with Bulgarian colleagues of equal status. First names are typically used among close friends or family.
- As a collectivist society that places the group before individuals, relationships are a vital part of Bulgarian business culture. Developing relationships built on trust and mutual understanding are therefore vital but can often take some time.
- Often a meal will follow a business meeting or negotiations. This is an ideal way of getting to know your Bulgarian business counterparts and cultivating relationships which are essential to Bulgarian business culture.

- **Bulgarian business etiquette (Do's and Don'ts)**
  - ✓ DO dress conservatively and formally as Bulgarian business culture respects and appreciates formality.
  - ✓ DO ask what language business will be conducted in. While Bulgarians usually have a good command of English, it might be necessary to bring an interpreter.
  - ✓ DO expect business dealings to take a long time. An extensive system of rules and regulations results in a very bureaucratic society. Patience and good relationships are essential for successful business ventures in Bulgaria.
  - ✗ DON'T expect to be able to do business with Bulgarians during the months of July and August. However, it is not uncommon to find Bulgarians working in the evenings and at weekends any other time of the year.
  - ✗ DON'T underestimate the directness of Bulgarians. Despite their reserved reputation, communication in business situations is more direct and succinct.
  - ✗ DON'T be afraid to use humour to 'break the ice' but be careful not to direct it at anyone in particular.

#### **Bulgarian Culture Quiz – true or false**

1. It is popular custom to celebrate a name day as well as a person's birthday.
2. When toasting, it is customary to say *Naz Drave* ("good health") to the whole group.
3. Bulgarians nod their head up and down to say no.
4. Maintaining eye contact shows interest and respect while too much physical contact should be avoided.
5. Once you have developed a relationship with your Bulgarian business counterparts it is okay to continue communication solely by virtual means.

#### **Bulgarian Culture Quiz – Answers**

1. True.
2. False. While toasting to good health is customary in Bulgaria, it is important to not only say it to the group, but to each person while making eye contact.
3. True.
4. True.
5. False. Virtual communication with Bulgarians is acceptable only if necessary. It is essential to make frequent visits to them in person to maintain the level of trust and understanding the relationship is founded on.

\* Source: CIA The World Factbook 2006

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