https://doi.org/10.53656/his2025-6s-5-fre

Economic Theory and History

FREEDOM, FAITH AND DEVELOPMENT: REVISITING BULGARIA'S HISTORICAL BACKWARDNESS THROUGH AMARTYA SEN'S CAPABILITY APPROACH

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Abstract. This article reinterprets Bulgaria's historical backwardness through Amartya Sen's concept of development as the expansion of substantive freedoms. The study integrates Sen's capability framework with historical accounts of Bulgarian Orthodoxy and economic culture. Drawing on Amartya Sen, Martha Nussbaum, Daniela Kalkandjieva, Blagoy Kolev, and Venelin Makrides, as well as Max Weber's classical thesis, the article examines how Orthodox cultural and institutional legacies have shaped freedoms in education, political participation, entrepreneurship, transparency, and security. The methodology combines conceptual analysis with historical-institutional reconstruction. Results indicate that Bulgarian backwardness is best understood as a long-term deficit in freedoms, rather than as a mere lag in industrialization. The novelty of the article lies in connecting Sen's capability approach with the specificities of Bulgarian Orthodoxy and economic culture, thereby reframing the religion–economy debate beyond Weberian binaries.

Keywords: Amartya Sen; capabilities; Bulgaria; Orthodoxy; economic culture; backwardness; Max Weber

Introduction

Why did Bulgaria modernize slowly compared to Western Europe? Conventional explanations stress late industrialization, peripheral position, and small markets (Ivanov 2007; Ivanov & Kospidis 2023; European Parlament). Amartya Sen's thesis that development is a process of expanding the fundamental freedoms that people enjoy shifts the focus from income growth to human agency and opportunity. In this framework, Bulgaria's underdevelopment emerges as a deficit in freedoms – political, economic, and social. Historical analyses show that Bulgarian Orthodoxy, while crucial for national survival, did not provide the same ethical legitimation for capitalist accumulation as Protestantism did. Instead, the Bulgarian Orthodox Church was often instrumentalized for national goals, as described by Daniela Kalkandjieva, while Blagoy Kolev documents how economic culture emphasized subsistence, solidarity, and risk aversion. By

situating these cultural-institutional legacies within Sen's framework, this article argues that Bulgaria's backwardness reflects systemic restrictions of capabilities. The study aims to test this hypothesis, and the results confirm that a capability-centered interpretation offers a richer account of Bulgaria's development trajectory.

The Capability Approach as a Development Paradigm

Amartya Sen's capability approach, developed since the 1980s in dialogue with welfare economics, reframes development as the expansion of substantive freedoms rather than as income growth alone (Sen 1988, 1999). The approach distinguishes between *functionings* – the "beings and doings" that people have reason to value – and *capabilities*, defined as the real opportunities to achieve those functionings. This shift addresses well-known limits of utilitarian metrics (adaptive preferences, distorted self-reports) by evaluating what people can actually be and do, given resources, rights, and institutions (Robeyns 2005; Nussbaum 2011). In operational terms, Sen identifies five instrumental freedoms that are both constitutive of, and means to, development: political freedoms, economic facilities, social opportunities, transparency guarantees, and protective security (Sen 1999, pp. 38 – 41). Political liberties refer to the opportunities of citizens to participate in political choice, express dissent, and influence governance. Economic facilities denote the opportunities to use resources through markets, employment, and credit, enabling individuals to pursue productive activities and improve their living standards. Social opportunities encompass the public arrangements for health, education, and community participation that expand people's capabilities and agency. Transparency guarantees signify the freedom to interact under conditions of trust and disclosure, preventing corruption, fraud, and abuse of authority. Finally, protective security covers the safety nets and institutional protections that shield individuals from extreme deprivation and vulnerability. These freedoms are mutually reinforcing: education expands participation and productivity; transparency underwrites trust and exchange; protective security reduces vulnerability and enables long-term planning. The capability approach has informed the human development paradigm and related policy work (Fukuda-Parr 2003; UNDP 2009). In this article, the Sen's framework is adopted to interpret Bulgaria's historical trajectory: to map the five instrumental freedoms onto historical periods (Ottoman era, interwar state-building, socialism, and the post-1989 transition) and assess how Orthodox institutional specificities and economic culture mediated the capability set. This lens allows us to reinterpret "backwardness" as a freedom deficit, explaining why growth spurts without concomitant expansion of freedoms failed to yield sustained development.

Materials and methods

This is a conceptual-historical study combining normative theory with historical-institutional analysis. Philosophical-cognitive approach and a method of scientific

generalization (synthesis) were also used. Here, Amartya Sen's capability approach is applied to Bulgaria's development path, mapping the five instrumental freedoms (Sen 1999, pp. 38 – 41) – *political freedoms, economic facilities, social opportunities, transparency guarantees, and protective security* – onto historical data.

The primary theoretical basis is Amartya Sen's Development as Freedom and Identity and Violence, and Martha Nussbaum's Creating Capabilities. Historical sources include Daniela Kalkandjieva's analysis of the Bulgarian Orthodox Church, Blagoy Kolev's research on economic culture, and Ivan Hadzhiyski's ethnographic portraits of Bulgarian society. Comparative frameworks were provided by Max Weber's Protestant Ethic thesis and Venelin Makrides' reassessment of Orthodoxy and economic development. Here is also included a key interpretation by Petkan Iliev regarding the 'symphonic concept' of church – state relations in Orthodoxy.

The study identified how institutional and cultural patterns influenced freedoms across four periods: the Ottoman era, interwar Bulgaria, socialism, and post-1989 democracy. Each period was analyzed in terms of how Orthodox institutions, economic culture, and governance structures affected the capability set.

Results

Economic Growth and Its Limits

Bulgaria's modernization trajectory vividly illustrates Sen's critique of equating development with growth. Measured in aggregate output, the country experienced periods of acceleration: during the interwar years, industrial production expanded, while under socialism, extensive industrialisation and collectivisation drove GDP upward. Yet these improvements were only partially reflected in the quality of life. For example, under state socialism, employment was nearly universal, but citizens faced constraints on mobility, consumer choice, and civil liberties. The contradiction between material provision and restricted agency underlines Sen's central argument that development cannot be reduced to income growth alone (Sen 1999). Moreover, as Kolev (2017) documents, economic culture remained strongly marked by subsistence orientations and patriarchal patterns, meaning that even when industrial facilities were established, individuals' broader capability set lagged behind Western Europe.

Education and Social Opportunities

Education represents a crucial functioning and capability. Under Ottoman rule, literacy rates in Bulgarian lands were among the lowest in Europe, with access to education primarily mediated by church-run institutions or local initiatives. After independence in 1878, the new state established a network of schools, but expansion lagged behind that of Western Europe. University education was limited, and many elites still studied abroad, reflecting both ambition and institutional weakness (Kalkandjieva 2010). The socialist era transformed this landscape by institutional-

izing near-universal literacy and offering mass educational opportunities, yet ideological conformity often constrained intellectual freedom. Post-1989, formal access to education widened further under European integration, but quality disparities and social inequalities curtailed the equalization of opportunities. The trajectory confirms Sen's point that social opportunities are essential for expanding human capabilities, and their uneven development constrained Bulgaria's modernization.

Political Freedoms

Political freedoms were fragile and intermittent throughout modern Bulgarian history. Under the Ottoman millet system, Orthodox communities enjoyed communal autonomy but were denied broader political rights. Following independence, parliamentary institutions were established, but frequent coups, authoritarian interludes, and external interference weakened democratic consolidation. During socialism (1944 – 1989), political pluralism was abolished, and the one-party state monopolized public life. Sen (1988) argues that political freedoms are both constitutive and instrumental: they not only embody development but also create conditions for accountability, innovation, and resilience. Their absence in Bulgaria explains much of the historical lag. Even after 1989, while elections became competitive, clientelism, oligarchic influence, and weak rule of law diluted the substance of political freedoms. This uneven history underscores the freedom deficit at the heart of Bulgaria's backwardness.

Economic Culture and Entrepreneurship

Blagoy Kolev (2017) shows that Bulgarian economic culture, shaped by Orthodox traditions and Ottoman institutional legacies, emphasized subsistence, communal solidarity, and risk aversion. Unlike in Protestant societies, where entrepreneurial activity carried religious legitimacy, Bulgarian Orthodoxy did not sacralize economic success. Hadzhiyski's ethnographies confirm this ethos of thrift, suspicion toward speculation, and the moral household economy, where security outweighed profit. Craftsmen and petty bourgeoisie in the nineteenth century measured prestige not by investment or innovation but by land, property, or charitable works (Hadzhiyski 1974). As Daniela Kalkandjieva (2010) highlights, the Orthodox Church was appropriated mainly for national and cultural survival rather than for promoting entrepreneurial values. These patterns limited the expansion of economic facilities, impeded the formation of the capitalist class, and reinforced an egalitarian ethos inconsistent with capitalist dynamism. In Sen's terms, economic facilities as a freedom were structurally constrained, not only by external dependence but also by cultural predispositions.

Transparency and Accountability

Institutional weakness and limited accountability characterized governance from the Ottoman period through socialism and the post-transition years. Under

Ottoman rule, local notables (bulgarian „*chorbadzhii*“) collected taxes but often abused their positions, undermining trust in institutions. In the interwar era, fragile legal frameworks and pervasive clientelism obstructed transparent economic relations. Socialist Bulgaria was marked by opacity, censorship, and the dominance of the secret police, leaving little room for accountability. Post-1989 reforms, particularly during the 1990s and early 2000s, introduced new transparency norms through democratization and EU accession requirements. Yet corruption and oligarchic capture became central features of the transition, evident in the privatization wave of the mid-1990s and the consolidation of business–political networks in the 2000s. Sen identifies transparency guarantees as essential for preventing abuses of power and fostering trust (1999). Their persistent weakness in Bulgaria curtailed not only institutional credibility but also individuals' ability to exercise capabilities without fear of exploitation.

Protective Security

Protective security is the freedom from extreme deprivation and vulnerability was underdeveloped until the twentieth century. During Ottoman rule, communal charity and the Church provided limited support, but no systemic welfare existed. The interwar Bulgarian state began to introduce rudimentary social policies, yet coverage was narrow and resources scarce (Kalkandjieva 2010). Under socialism, protective security expanded dramatically: employment, housing, and healthcare were guaranteed, though access was conditional on political loyalty. This linkage of welfare to compliance limited its emancipatory potential. After 1989, welfare institutions were eroded during structural adjustment, creating new groups of vulnerable citizens, especially pensioners, minorities, and unemployed youth. The uneven provision of protective security illustrates Sen's claim that without protection from extreme deprivation, people cannot pursue other freedoms.

Post-1989 Transition and the Freedom Deficit

The post-1989 transition deserves special attention as both a moment of liberation and a reproduction of backwardness in new forms. On the one hand, political pluralism, freedom of speech, and European integration dramatically expanded formal freedoms. On the other hand, economic restructuring, mass privatization, and the collapse of former industries generated new insecurities and sharpened inequality. Emigration emerged as both an escape and a strategy of empowerment, but also as a symptom of institutional weakness and limited domestic opportunities (Bonfanti 2014). The Orthodox Church, discredited by collaboration with the communist regime (Kalkandjieva 2007), failed to offer moral guidance or a unifying ethic. As a result, the capabilities of Bulgarian citizens remained restricted: political freedoms were often hollowed out by corruption, economic opportunities captured by oligarchs, social opportunities uneven, transparency guarantees fragile,

and protective security incomplete. The post-1989 period thus confirms the central argument: Bulgaria's development path reflects not a lack of growth, but a deficit in freedoms across time. Contemporary statistical indicators reinforce this interpretation. According to the Human Development Index (UNDP, 2024), Bulgaria ranks 55th out of 193 countries, with an HDI of 0.816, placing it in the "very high human development" category, though still below the EU average. The Index of Economic Freedom (Heritage Foundation, 2024) gives Bulgaria a score of 68.8, classifying it as a *"moderately free"* economy constrained by weak judicial independence and persistent corruption. The Transparency International Corruption Perceptions Index (2023) assigns Bulgaria 45 points and a rank of 67th among 180 countries, making it the lowest-ranked EU member. In terms of media environment, the World Press Freedom Index (Reporters Without Borders, 2024) ranks Bulgaria 59th of 180, citing high ownership concentration and continued political influence. Although these indicators reflect the current situation rather than historical periods, they empirically support the article's argument that the exercise of freedoms – political, economic, social, and informational – remains incomplete, sustaining the long-term pattern of constrained capabilities identified in this study.

Discussion

The Bulgarian case contributes to broader debates on religion, culture, and economic development by offering a critical counterpoint to Max Weber's classical thesis. Weber's *Protestant Ethic and the Spirit of Capitalism* (1905/2002) famously argued that the ascetic discipline of Calvinism and related Protestant denominations generated a cultural predisposition toward rationalization, systematic work, and entrepreneurial accumulation. In Weber's interpretation, Orthodoxy lacked these attributes, being oriented instead toward ritual, communal solidarity, and a more otherworldly spirituality. Later scholars took up this line of reasoning as an explanatory framework for the perceived economic "backwardness" of Eastern and Southeastern Europe.

Yet as Venelin Makrides (2019) cautions, such broad generalizations risk obscuring significant variation within Orthodox societies. His survey of Orthodox Christianity and economic development demonstrates that outcomes differ across time and place: Orthodoxy has been compatible with entrepreneurial milieus in specific historical moments, while in other contexts it was subordinated to political agendas or remained institutionally weak. Rather than being inherently anti-developmental, Orthodoxy interacts with political economy, institutional design, and social structures in complex ways. In this respect, Bulgaria illustrates how Orthodoxy can be appropriated for national and political purposes, which, as Daniela Kalkandjieva (2010) argues, limited its capacity to serve as an independent source of moral legitimation for capitalist accumulation. The Bulgarian Orthodox Church was nationalized through the Exarchate and repeatedly subordinated to

state control-first under Ottoman suzerainty, later within the national state, during socialism, and even in post-1989 struggles over property and legitimacy. These patterns diverted the Church from doctrinal renewal and from developing an ethic conducive to entrepreneurial freedom.

Blagoy Kolev (2017) provides further insight by emphasizing the embeddedness of economic behavior in a specific cultural repertoire. Bulgarian economic culture, shaped by Orthodox values and Ottoman institutions, emphasized subsistence, communal solidarity, and risk aversion. This orientation did not sanctify profit or accumulation, but rather valorized survival and continuity of the household. Such traits were observed already in Ivan Hadzhiyski's classic ethnographic portraits of Bulgarian society, which depict peasants and artisans as thrifty, suspicious of speculation, and oriented toward a patriarchal moral economy. Hadzhiyski highlights how municipal ordinances in the nineteenth century tried to discipline consumption and suppress "wasteful" practices, showing an early rationalization of life, yet one still embedded in traditionalist values rather than in capitalist accumulation. Together, Kolev and Hadzhiyski's work reveal a hybrid ethos: partially rationalizing, but largely risk-averse and bound by communal solidarity.

In terms of Sen's capability approach, these cultural and institutional patterns constrained the expansion of several instrumental freedoms. Political freedoms were curtailed not only by authoritarian regimes but also by the Church's subordination to state and nationalist projects. Economic facilities were limited because entrepreneurship was not morally valorized, while institutional weakness and clientelism further undermined opportunities. Social opportunities, especially education, lagged as the Church prioritized cultural survival over mass schooling. Transparency guarantees were undermined by governance practices that fostered corruption and informal patronage. Protective security remained insufficient, whether due to reliance on charity under Ottoman rule, conditionality under socialism, or fragility during the post-socialist transition.

The novelty of this article lies in integrating Sen's framework with this body of scholarship. Rather than attributing Bulgarian backwardness to an "essence" of Orthodoxy, we argue that underdevelopment stemmed from the restriction of freedoms produced by the interaction of Orthodoxy with nationalist, statist, and communal structures. Weber's insight about the role of religion in shaping economic orientations remains valuable, but in the Bulgarian case the decisive issue was not the absence of a Protestant-style ethic. It was the historical configuration of Orthodoxy-its institutional weakness, its subordination to political power, and its embedding in a risk-averse moral economy that shaped the trajectory of development. By connecting these dynamics to Sen's emphasis on expanding substantive freedoms, we reframe backwardness as a deficit in capabilities rather than as a mere lag in industrialization or as a cultural determinism.

Conclusions

Bulgaria's historical backwardness is best understood as a long-term deficit of freedoms. Orthodox institutions shaped by nationalism and state control, coupled with a risk-averse economic culture, constrained capabilities across education, participation, transparency, and security. Orthodoxy was not inherently anti-developmental, as Makrides stresses, but in the Bulgarian context, it failed to provide the ethical framework for capitalist entrepreneurship. The capability approach illuminates how these constraints operated and why growth without freedoms was unsustainable. Policy implications today point to freedom multipliers – quality education, accountable institutions, plural participation, and culturally legible reforms. These measures address backwardness not as income lag but as freedom deficit, aligning with Sen's vision of development as freedom.

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