
CASE SCENARIO

BULGARIA: TAX REFORM

The Bulgarian government decided to unify and modernize its tax collection facilities by combining the revenue-collection function (NSSI) and the General Tax Directorate (GTD) into a new, single tax authority: the National Revenue Agency (NRA). The need for change was enormous. Bulgaria's tax system deterred foreign investors and citizen-taxpayers alike.

Initially, technocratic and bureaucratic reluctance to internal and external communication was high. To address this challenge, the NRA devised an internal communication strategy. In a span of three months, the NRA held 25 half-day meetings, each with 100 to 300 participants from NSSI and GTD. All local agency employees were invited to the meetings. Senior NRA officials, together with participants from the two merging agencies, made presentations summarizing public opinion survey data on attitudes about taxes, discussed the need for enhanced revenue collection, and sketched out how the government planned to unite the two agencies. Time was also spent discussing opportunities for career advancement and benefits for the small number of employees who would lose their jobs in the merger. New procedures for answering employee questions via the newly created NRA Intranet were also announced. Follow-up letters were sent to all 8,000 employees of both agencies, recapping information disseminated during the meetings, highlighting issues raised by employees, and restating the intranet system through which queries would be answered. Internal transparency and dialogue have been credited for building support among the people on whom rigorous and unfamiliar demands would soon be placed.

–Odugbemi, S. and Jacobson T. eds,
Governance Reform Under Real-World Conditions (2008)