

# **THE TRANSFORMATION PROCESS IN BULGARIA**

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The changes that started at the very end of eighties in the former socialist countries concern the total life of society and it is practically imposible, even for a much bigger science work, to give a full picture of the historically unique transition. That's why I have tried to choose the themes in order to make the most full revision of the most characteristic features for Bulgaria during the last 11 years. Thus the separate chapters of the work are unified naturally by the trend to analyse the important events and processes , characteristic for the country transformation.\*

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## **Introduction**

### ***I. THE LEVEL OF TRANSITION IN BULGARIA***

Bulgaria has a long way to go in its transition to the market economy. By January 2001 official data and estimates show that a lot has been done and still more has to be done in the coming years. In 1999 the private sector has produced value added (VA) which is 57.1 % of gross domestic product (GDP) or 65.4 % of gross value added (GVA). Some downward corrections reduce this percentage to 45 % of GDP. These and other numbers are very encouraging as they show the steady change in the economy due to privatisation and new emerging businesses. In 1999 the private sector has employed 61 % of all the employees. At the same time according to the Global Competitiveness Report estimates the economic growth of the country in 2000-2008 (measured by GDP per capita) will average 1.68 % per year which amounts to 18 % more with respect to 1998 but is still just 89 % of 1989 record. According to other estimates in 2000 the gross domestic product per capita (\$) has been \$ 1890, the average gross monthly wage \$ 105, the unemployment rate 17.8 %, and the inflation rate 12.1 %. These and other economic readings mean that the country is behind all other Eastern European countries (EEC) candidates for accession to the EU, with respect to the number of its population, and has registered second highest rate of unemployment.

After a decade of painful efforts and several governments being in power, the country will have its next elections in midsummer. The vote is coming under the following tendencies and current issues:

- The years of transition that have passed (1990-2000) clearly show that the political and institutional reforms have had been leading in front of the economic reform. Usual as it may be, it turned over time into a very serious problem because a sluggish economic reform proved to have a markedly negative impact on the speed and the overall quality of the socio-economic change.

- The political system and the institutions have had begun to gradually lose their connection with the economic reform in that they had being reproducing themselves for the sake of the democratic process with no due impact on the speed of the economic development of the country.
- With respect to the abovementioned, political structures capsulation and bureaucracy have had emerged to such an extent that they have had highly reduced the efficiency of the institutions.
- The lack of democratic tradition and the shortages of qualified and well-trained experts and devoted to their duties new politicians coupled with the lack of political will and due deeds (measures) have had appeared as one of the reasons for the slow run of the Bulgarian economic reform.

That doesn't mean that the country has no good quality records. Bulgarian society has had already achieved a broad consensus on its foreign policy orientation, it is having a financial (under a Currency Board since mid 1997) and a political stability.

Recently Bulgaria is going through a relatively new socio-political situation: As it has been acknowledged, the time of the restrictive stabilization policy has already gone but the time of the new economic growth policy - though generally declared by the government - has not yet come. This, in fact an awkward, transition moment and the disappointment of the electorate makes foretelling this midsummer vote results very difficult.

Whatever the new Bulgarian government, two things are out of question: the European orientation of the country and its decided efforts on the road to the market economy. The future new accents in the economic policy and whether it will be totally liberal are not clear now. What is clear is that the elections and the new cabinet will guarantee the ongoing ethnic model, which proved to be a successful one, and its good bilateral relations with the neighbouring countries.

By now the new economic growth policy has been generally discussed. It is expected it will reckon on selected sectors growth. And this has already been criticized for giving up the total liberal market policy, favouring some branches and ignoring most of the others. The likelihood of following such an approach means that Bulgaria will highly depend on its international economic relations with the European countries - including its

neighbours, Russia and Ukraine - as well as with USA. These several countries prove to be the main import/export partners of the country.

## ***II. POSSIBLE ROLE OF THE INDEPENDENT COUNTRIES IN THE NEW INTERNATIONAL SYSTEM***

The changes of the international system have changed the role of the independent countries. They were an important element in the bi-polar world. Under the new conditions arises the question “neutral towards whom?”

Switzerland is a unique example of an independent country. If the level of independence can be measured, Switzerland for sure is the most independent of the independent countries. It is hard to estimate the role of the independent states in today's system. The bi-polar Yalta system doesn't exist anymore. Now there is one leading military alliance - NATO. And the role of UN has obviously diminished.

Today's world is neither bi-polar, nor hegemonic (though some people may call the USA a hegemon). It resembles most to a multi-polar system, though one of the poles - the USA, has clearly a leading role. The role of the independent states has changed with the change of the system. But maybe it is early to say that their role will diminish. Maybe the new trends will lead to something totally different from anything that we know and we will witness a system in which the change of some values will make the voice of the independent countries sound louder. Obviously the new international order will not be free of conflicts. It will generate opportunities for the independent countries to continue to execute their important structural functions in the insecure world. The international organizations will need the good turn of experts from countries to which they could confide. Their experience and capacity to provide positive impulses in the international relations should not be neglected.



### ***III. BULGARIA IN THE EUROPEAN UNION: BRIDGING THE GAP BETWEEN ASPIRATIONS AND REALITY***

This study is about transition in Bulgaria and its status on the European scene<sup>1</sup>. The complexity and diversity of the matter puts, however, natural limitations to it. On the one hand, providing a comprehensive picture of Bulgaria's transition would require the input of a large body of scientists from all walks of academic life. On the other, in order to clearly see the ways and trends in Bulgaria's reforms and to reduce the uncontrollable number of variables in the process, one would need to focus on powerful generalisations rather than on peculiarities. Research has now past from the domain of general trends and models to more fragmented case studies featuring various aspects of the transition process. Nevertheless, the study revisits the former in the less ambitious attempt to provide the readers with better understanding of where Bulgaria stands today and the environment it offers for safer political and economic integration with its immediate counterparts. Such an approach would increase the unpredictability risks as to the conclusions inferred, but would equip those interested in Bulgaria's recent developments with practical tools to evaluate and judge them.

The hub of this presentation rests in the claim that mass impoverishment of the population underlies transition in Bulgaria. This imminent feature of the country's reform process shapes up its driving forces and potential for re-integration into a common European space, the rules of which are set up by a complex but single and mighty player - the European Union. The main body of the introduction provides a brief overview of the economic and political dimensions of Communist Bulgaria that served as the starting point of transition. It then sums up the transition debate in Bulgaria in the context of the wider international transitology discourse

and suggests insights for better understanding the major factors determining the character and pace of reforms in the country.

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<sup>1</sup> The present Dissertation arose on the threshold of the second millennium during working on a sponsored by the Volkswagen Foundation international project researching EU, WEU and NATO and the Slovak Republic, Bulgaria and Ukraine 1999-2001

## Bulgaria's Communist Legacy - A Difficult Starter for Transition

As in other authoritarian states of the region, transition in Bulgaria, i.e., the fall of communism, started in 1989 to signify that the country had already found itself at the cross-roads of a deepening political and economic crisis. At this point, researchers turn to statistics to make their case. However, it would be either useless or misleading to whatever reliable data on Bulgaria's world standing before 1989. Little was ever known about the economic situation of a country strictly controlled by a small political elite. The membership of the Bulgarian Communist Party (about 10 per cent of the population) provided the 'economic' basis of this leadership. The economy bankruptcy of the regime was delayed by way of accumulating foreign debts kept in secret from the people. The redistribution of wealth was directed to the central and local elites - notably those in hold of government offices. Bad, underdeveloped communications and other distorted public networks secured isolation and fragmentation of the popular discontent and rendered the public opinion easily manipulated.

Since in the communist states there are no real market relations, it is hard to talk about economy in its most classical sense. One of the saddest misunderstandings of past century is the inertia of talking about central economy in free market terms. Being a by-product of an ideological foundation, the former communist economies were heavily dependent on this very foundation. Explaining such a phenomenon in free market categories made things seem totally strange and unintelligible. Let us take for example the annual obligatory gathering of the agricultural crops by secondary school and higher education students which they were to do almost for free. Let us add to that the high numbers of village population at that time. On top of it, we can also add the perfect geographical conditions for farming. In real economic terms the intervention of the students would have meant unfair competition, to say the least compared to the farmers who did not get such aid. But in spite of that, foodstuffs were in great demand all over the country. It suffice to recall the early morning queues for yoghurt, the Bulgarian mundane national food, the lack of toilet paper except in the main central shops in the capital city, the mass buy-outs of potatoes and cabbages in late autumn for storing them in the winter months. This is just the beginning of a long list of awkward happenings. The economic word for

that is ‘inefficiency’ - a category totally misleading and inapplicable for an omnipresent centrally planned production of goods. The other term used by capitalism economists to explain the collapse of the communist system of states is ‘low productivity’ which is also made obscure by the very logic of the communist production methods and by the lack of free market triggers to make sense of it.

In the second half of the 80s however, lower living standards and market stagnation pointed to the obvious collapse of political monopoly and central planning. As a group of scholars put it in an ecological context:

Over-centralised bureaucracies, massive inefficient agricultural and industrial enterprise, an ideology that prioritised production over other social goods, and weak civil societies led to poor ecological practices and at times dangerous working and living environments of substantial numbers of people<sup>2</sup>.

In the middle of the 80s, Bulgaria already bore the features of severe economic impoverishment. To epitomise the effects of a rapidly increasing but unknown for the people at large foreign debt, came the 1985 national electricity crisis, the unsuccessful attempts to diversify and improve consumption and foster agricultural production, and the failure to undertake technological renovation in the heavy and light industries to keep pace with world’s trends.

The total economic stagnation, to which a total political diktat corresponded, brought about high levels of disillusionment and dissatisfaction among the population. The communist party ruled the country ‘constitutionally’ in perpetuity to the extent that there was a national constitution allowing for that. Its monopoly was somewhat ‘softened’ by the presence of a satellite remnant of a dwarfed but once powerful farmers’ party. The union of the two, without challenging the leading role of the communist party, epitomised in the same proportion fashion of brotherly relations between the workers and the peasants. It also symbolised the diminishing role of peasants in communist societies and the eventual victory of the working class over what has still remained from the petite

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<sup>2</sup> Pickles, Shapira, Yarnal, Koulov and Paskaleva, 1998

bourgeoisie. Such a model of political monopoly was part of the international set up of states fixed by the post-war realities, the Cold War and the balance of powers between mighty ideological rivals. But in addition to the harsh economic sufferings of the people, the external snowball effects of Russia's 'Perestroika' which challenged the foundations of communism served as triggers to the events of 10 November 1989, when an intra-party coup d'état toppled from power the leader of the ruling Bulgarian communist party - a sure sign that crucial changes affecting deeply people's lives were to begin soon.

#### ***IV. THE BULGARIAN TRANSITION DEBATE***

Never before has the term transition stood for such radical economic and political changes as those initiated in the former communist states of Central and Eastern Europe a dozen or so years ago. 'Transition' replaced 'revolution', which in fact it was. It stood for reconstruction and modernisation to bring back the benefits of private initiative and the free movement of goods, services, capital and people across borders, which it eventually did.

One of the most exciting circumstances about political and economic transition in Central and Eastern Europe is that it came almost unexpectedly. Politicians and academics, people from both ends of the world were taken by surprise. When it came, prophets were not in place to guide them. While a vast body of Marxist literature on 'the road to serfdom' flourished ex-ante and furnished one of the most devastating human experiments of all times - the arrival of authoritarian regimes in the 40s, most academic input on transition to the state of liberty came to the fore ex-post. The 'Washington Consensus' of the first half of the 90s has for the first time clearly associated the success of democratisation with the need for new institution building. Only recent theoretic research has cast more light on the sources impeding or fostering democratic change. Conceptualisation has focused on 'the legacies of the past' as the negative force and 'the imperatives of liberalisation' as the positive one. Others have emphasised 'the immediate context', in which the above perform, mostly the way they have been constrained or

mobilised by new institutions, hegemonic norms and international imperatives<sup>3</sup>. Cases considered to be on the extremes of the continuum have also been studied to expose the forces of constraint and limits of transition success<sup>4</sup>

Literature on Bulgaria's transition has developed in close relation to this debate but is somewhat less theorising. The Bulgarian debate on transition is represented by a faculty of researchers of various academic backgrounds - political scientists, economists, sociologists and historians, among others. While recognising the complexity of the transition process in comparison to previous ones, they clearly differentiate between political and economic transition both in terms of timing and accomplishments. For example, Dainov<sup>5</sup> considers the successful end of political transition in Bulgaria the decision of the National Assembly, in May 1999, to provide an air corridor to NATO for bombing Yugoslavia in during the Kosovo crisis. He bases his argument on the assumption that by this act the alternative political tendency - "some Russophile neosocialism" - has eventually been marginalised. A. Todorov<sup>6</sup>, on the other hand, relates the end of Bulgaria's political transition to the results of the last parliamentary elections, in June 2001, in which the "communism - anti-communism" paradigm has finally lost its role in the public debate and as a driving force in Bulgarian politics. Stanchev<sup>7</sup> reviews post-communist reforms in the country and helps to look at the transition as a series of more or less successful reforms leading to new political and economic equilibria and institutions<sup>8</sup>.

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<sup>3</sup> Crawford and Lijphart, 1997

<sup>4</sup> Borinski, Phillip, Double Enlargement: NATO Policy towards Eastern Europe, in: OSTEUPABUCH (Part 1), pp.48-97

<sup>5</sup> Dainov, Evgenii The Bulgarian Transition - a Prehistory, *Democraticheski pregled* magazine 1, 1999

<sup>6</sup> Todorov, Antonii The End of Transition, in *Democraticheski pregled* magazine Summer 1, 2001

<sup>7</sup> Stanchev, Krassen "Plunder and Informality in the Bulgarian Economy", in *The Grey Economy* in Bulgaria, Centre for Social Practices, 2002

<sup>8</sup> For the actual state of the Bulgarian debate on transition see also: *A Critique of the Transition to Democracy*, in: *Politicheski Izsledvania* bulletin, 3/1995; Antonii Todorov, *The end of Transition*, in: *Democraticheski pregled* magazine, Summer/2001; Dimitar Ialnazov, *Economic Transition in Bulgaria from an evolutionary Perspective: The Currency Board and the Prospect of EU Accession*, March 2002; Dobrin Kanev, *On the Prospects for Consolidation of Democracy in Bulgaria*, in: *Politicheski Izsledvania* bulletin, 3/1995; Evgenii Dainov, *The Bulgarian Transition – a Prehistory*, in: *Democraticheski pregled* magazine, 1/1999; Georgi Ganev, *Corruption and the Quality of the Bulgarian Economic Environment*, Paper, October 1998; *Ikonomika I institutsii na promiana pri prehoda kam realno funktsionirashata pazarna ikonomika (Economy and Institutions of Change in the Transition to Real Functioning Market Economy)*, Universitetsko Izdatelstvo "Stopanstvo", 2002; *In Search of Growth: Bulgaria's Lessons and Policy*

A number of Bulgarian authors, either individually or in co-operation with interested centres of excellence and international institutions (EU, WB, UNDP, among others), have provided scholarly input in understanding transition in the country. Some tend to accept the role of the immediate context in the play of various factors for speeding up or slowing down Bulgarian transition. For example, bad performance has been attributed to the ‘lack of political consensus and weak (or undermined) institutions’<sup>9</sup>. The incessant normative changes in Bulgarian legislation are also considered to have undermined the stability of transition, in particular the rules necessary for the normal functioning of enterprises<sup>10</sup>. The ‘role of institutions, openness, transparency, free movement of ideas and dialogue’ are viewed as prime factors in the success of democratic reforms<sup>11</sup>. Others put the blame for the delay on past egalitarian and paternalistic values and the priority of personal, family and corporate interests of politicians resulting in the lack of state care in excess of bureaucratic state<sup>12</sup>. More complex models have also been developed stressing the need for a lesser state in terms of intervention in one’s initiatives and a stronger civil society as opposed to emerging mafia-like structures<sup>13</sup>. According to another study, transition has been grossly affected by the collision of the “late nomenklatura value system” with the new liberal and democratic one, thus leading to ambiguities dominating the behaviour of the major Bulgarian political parties<sup>14</sup>.

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*Options*, A Report by the Institute for Market Economics, October 1999; Krassen Stanchev, *Plunder and Informality in the Bulgarian Economy*, in: The Grey Economy in Bulgaria, Center for Social Practices, 2002; Krassen Stanchev, *Minorities, Economic Reforms and Property Rights Subject to Restitution*, in: Politicheski Izsledvania bulletin, 3/1995; L.Christov, *A Role for Independent Central Bank in Transition. The Case of Bulgaria*, in: D. Jones and J. Miller, eds., The Bulgarian Economy: Lessons from Reform during Early Transition, Ashgate, 1997; Nikolai Valkov, *Place of the Bulgarian Model in the Theory of Transitions*, in: Politicheski Izsledvania bulletin, 4/1996; Stati Statev, *Macroeconomic Imbalances of Transition*, in: Banki, Investitsii, Pari, 2/2002; Zhelio Georgiev, *Democratic “Ethos” in Post-Communist Bulgaria*, in: Politicheski Izsledvania bulletin, 4/1996.

<sup>9</sup> Institute for Market Economics In Search of Growth: Bulgaria’s Lessons and Policy Options, October report, 1999

<sup>10</sup> Stefanov, Svetlin The Economic Transition in Bulgaria, Nie11, 2000

<sup>11</sup> Minev, Duhomir Civil Society, Political Democracy and Economic Transformation, New Publicity, 2000

<sup>12</sup> Borissov, Yurii The Bulgarian Transition, Novo Vreme, 2001

<sup>13</sup> Todorov, Antonii Dilemmas of Civil Society: A Critique of the Transition to Democracy, Politicheski izsledvania bulletin 3, 1995

<sup>14</sup> Georgiev, Zhelio Democratic “Ethos” in Post-Communist Bulgaria, Politicheski izsledvania bulletin 4, 1996

But probably one of the most intriguing moments of Bulgarian transition to full-fledged democracy is that the country's 'reform goals have never been publicly announced as part of any of the political setting. Moreover, they have never been included in a written government statement'<sup>15</sup>. The absence of written commitments to the transition process has given politicians a leeway for manoeuvring which gave them the impetus to attempt 'a sort of second edition of central planning' during the second socialist government (1994-1997)<sup>16</sup>. Indeed, only smaller or marginal parties addressed the issue in a more straightforward manner by pointing to the implantation of peculiar redistributive mechanisms of corporate character in the body of transition. They also turn the attention to the corruption at all levels of state administration and the non-economic logic of newly accumulated wealth in the hands of politicians and statesmen<sup>17</sup>.

An awkward illusion about transition was that it could be fully rationalised. In the beginning it seemed logical: the advantages of free market economy over central planning were incontestable; the liberal model was there - well established and well-fared, serving citizens at its best. Why not copy it then? But while boldly pasting the ready-made model, the states of transition have enhanced the shortcomings before installing its essentials. Results were poor and costs went unexpectedly high<sup>18</sup>.

The question who paid the cost of transition to modernity is a central one. An historical comparison would be useful. Private owners and the rich paid the costs of turnover to the communist states in the post-war period. It was a zero-sum game of winners and losers.

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<sup>15</sup> Institute for Market Economics In Search of Growth: Bulgaria's Lessons and Policy Options, October report, 1999

<sup>16</sup> Institute for Market Economics In Search of Growth: Bulgaria's Lessons and Policy Options, October report, 1999

<sup>17</sup> Political Programme of the Bulgarian Euroleft Party

<sup>18</sup> Copying ready-made models of the past has led to underestimation of the need for unique transition models of the present. Indeed, blueprints such as the transition to full-fledged democracy in Spain, Portugal and Greece were there but to a much lesser extent. From today's perspective, this was transition of another kind. The ideological, military and political Cold War divisions in Europe at that time accelerated the transition process in the above countries by way of swiftly integrating them in the existing European and Euro-Atlantic structures. There is no such geopolitical set up today: the political and economic criteria for membership of the Central and Eastern European states into the European Union are much higher than in previous decades. Though the reasons for that are complex, it could be certainly stated that today's transition is not fear-driven.

On the contrary, in Bulgaria the poor paid the cost of transition to the liberal state en masse. It was to be a positive-sum game but again it was not. Being poor-driven, transition was economically limited and half or less successful. By successful I assume a Pareto optimal transition as a minimum, i.e., such a change that will leave nobody worse off than before with others being better off. From this point of view, none of the transitions were successful - most went bad and others worse off. This claim deserves explanation with regards to end results.

In the economic field, restructuring with privatisation was the crux of transition to free market economy. But existing state monopolies reinforcing the dominant role of the state over private initiative hampered the process of market liberalisation. Legislation was neither enforced nor its instruments in place to guarantee competition and fair distribution among market players. High taxes favoured redistribution to the detriment of small enterprises and purchasing power of citizens while the expected 'public goods' from collecting them did not happen. Combined with incredibly high rates of corruption, the tax-driven and market-hampering transition transferred the wealth of the state into the private hands of a few who took advantage of their political position, disabling public procurement rules while delaying the introduction of proper legislation. Privatisation, ironically called manager/employees privatisation, served artificial schemes in favour of political elites and their cronies.

A striking example of the above is the compensatory bonds scheme developed to compensate individuals for their expropriated property during the communist regime. For various reasons many of them sold their bonds on the market at a price four to six times less than their nominal value. But for those who were in the exclusive position to buy out the bonds, their nominal value remained unchanged the final result being that others than the victims of the previous regime profited in excess from the compensatory regime. Many of those who lost their property in the communist era lost it once again during the transition period. No doubt this would have happened anywhere had not a rule of law been adequately established.



Economic restructuring and privatisation as major instruments of transition were at the heart of the efforts managed by a number of international institutions. Initially, such organisations as the World Bank and the European Union, among others, invested heavily to this end. Different approaches were tried affecting Bulgaria's transition in one way or another. As some critics have put it, one of the reasons for the paralyses of the economic policy of the country is hidden in the gap between the recipes of the IMF as an advocate and executor of a policy based on the principles of reform, on the one hand, and the imperatives to adapt to the common policies of the EU, on the other. International pressures and incentives are indeed important for the reform process. The 'possibility of membership in a Western organisation like the EU or NATO could provide a powerful incentive for the adoption of domestic political institutions that would be in harmony with those in the West'<sup>19</sup>. It is not by chance that the accession-driven Phare Programme of the EU in Central and Eastern Europe is fully meant for democratic institution building and norms enforcement in the region. As straightly put, alignment 'of legislation to that of the EU and preparation for EU enlargement have the potential to bring about significant economic benefit to the countries'<sup>20</sup>. Now that accession deadlines are coming closer, it can be inferred that while entry into NATO will fully legitimise Bulgaria in the democratic and political community, entry into the EU will signal the achievement of a certain high level of democracy and functional market economy. A recognition by membership may also foster a chain reaction to speed Bulgarian international integration.

Despite the various cleavages dividing the political forces and opening gaps between politicians and citizens, the orientation towards European integration, viewed mainly as a membership into the EU, is a unifying national factor of success in Bulgaria's transition. Though being in essence a foreign policy factor, the drive towards European integration greatly affects the sectoral structure of the country's economy. Those who negotiate Bulgaria's accession into the EU have to project their negotiating positions in accord with

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<sup>19</sup> Shugart as quoted in Crawford, Beverly and Lijphart, Arend, *Old Legacies, New Institutions: Explaining Political and Economic Trajectories in Post-Communist Regimes*, Internet based source, 1997:33.

<sup>20</sup> The World Bank *The Dual Challenge of Transition and EU Accession*, Country Economic Memorandum, 2001

the EU strategy and common policies, i. e., to find the country's place in the single economic area of division of labour of the Community in the context of the objectives it pursues with regard to the new international system.

But being outside-driven, there is still not enough evidence that the economic transition will be seen by state officials and political players controlling foreign aids as a chance to turn citizens into utility maximisers, rather than as a way to push economic output and stabilisation in general, regardless of who pays the cost. The ownership of who really makes the transition, the grant giver or the beneficiary, is thus challenged. Outside institutions are important but domestic policies are a powerful modifier as well. Moreover, one could detect lost opportunities for millions of citizens because of the persisting macro approach.

Then comes institution building: economic restructuring with no relevant legislation, enforcement mechanisms and institutions proved to be inefficient and misleading. Administrative capacity building, enhanced by foreign grants, mainly from the EU, was to help accelerate the way to free market and fair competition. But an administrative reform is an area where strong political will is needed. A successful reform would not have been employing just the 'right' persons in the 'right' positions but such a set up of state institutions that would guarantee a minimum collectivisation of people's activities. A lesser state against an expanded former bureaucracy involved in each and every trend of human activity would have been a good recipe for success. But success did not become evident. Unitary overcentralisation still remains at the core of state involvement. The application of the subsidiarity principle to take decisions at most efficient levels, usually at lower ones, so persistently pronounced by the EU member-states to which Bulgaria is eager to accede, could have, and still can, substantially help solve the above problem. Overcentralisation versus regionalisation pushed the ever-existing centre-periphery gap to devastating proportions with unemployment and decline being their major outcomes. To illustrate this statement, one can compare the current unemployment rate in the capital city of 4-5 per cent against 33 per cent in the smaller cities, some of them being just 100 km away from the centre.

Compared to the economic one, the political transition of Central and Eastern European countries seems to be less studied. However, politics informs the essence of transition to the extent economy does. Democracy, the rule of law, respect for human rights, civil society are the general attributes, among others, political transition was to enforce. Political transition in Bulgaria started with the spontaneous mushrooming of political groupings, which began competition between each other via free and democratic elections for the rule of the state. It can be observed, however, that the new political elites have shown a vicious propensity to revive models of communist state management when in power. This has been demonstrated through unwillingness to give up areas of state authority. Ruling elites have been as a rule reluctant to decentralise, deregulate, place private initiative at equal footing with the state, introduce laws to the benefit of meaningful majorities, and guarantee the independence of powers. The immunity of members of parliament guaranteeing a high degree of impunity during their term of office is one example of the privileges state officials were vested with. It is only natural that those privileges will be made use of in most efficient fashion but with no constraints to prevent from doing harm to others. Thus one can say that transition was elite-driven and privileges-driven which considerably increased its costs.

The fight for dominant positions in the Council for Electronic Media, which regulates the media sector, exemplifies that politicians resist giving up their excessive powers. Those in power control the council by quotas securing the majority of votes in the decision-making process. Presently, the majority in Parliament controls it, which makes the media sector heavily dependent on the legislative and executive powers. In the absence of constraints, the decisions to be taken will be politically biased whenever necessary. Should there have been a political will, a solution would have been found<sup>21</sup>.

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<sup>21</sup> One such solution could be by drawing lots. Presently, the Council consists of 5 members elected by Parliament by a simple majority and 4 members appointed by the President of the Republic. Media representatives are also there but through the quotas of these two institutions and entirely dependant on their will. Let us imagine another set up whereby Parliament, the Presidency and the media sector are represented by three persons each making the total number of Council members equal to nine. Every year, two of the members are taken out by a lot and replaced by two new members appointed by each institution in consequent turns. It will definitely happen that in the first year one of the three institutions will gain

Should a positive-sum game model have been followed, the costs of transition could have been lower and more evenly distributed among citizens. The course of presentation in this study is a bit different, which makes it worthwhile. It analyses the achievements of Bulgaria's transition leaving to the reader to judge whether they are bad or worse. It announces, however, the slow but steady arrival of modernity in the country. But it also suggests a slow but steady differentiation and particularisation of individual interests and objectives.

Little or rather nothing has been said about the achievements of Bulgaria's transition so far. Scientists generally agree that political transition is now over. True enough, democratic institutions are already in place and there is a broad public consensus on the irreversibility of political developments.

## **1. Main Tendencies in the Transition of the ex-Socialist Countries from East and Middle Europe**

Distance of time is very important for the history, because it is one of the conditions for more comprehensive processes tracing – it decreases the emotions degree and frees wider territory for reasonable arguments and calm analysis.

A characteristic of socialism, which was concretely realized during twenties and thirties in USSR under the direction of Stalin, and which was carried in Eastern Europe after World War II, was that the socialism of Soviet's (or Stalin's) type have won in Eastern Europe under an outside pressure. If the War was not successful for the anti-hitlerite coalition, where on European continent the leading role have had USSR, Eastern Europe

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advantage in terms of representation in the Council, but will be offset by the others in the following year. Thus, should a political decision be taken in the first year by the group temporary dominant in the Council, it will be successfully counterbalanced in the second, making its political achievement short-lived. In this situation, the members of the three representations in the Council may wish to coordinate their intentions in order to achieve long-term results by way of cooperation and compromise. They will eventually achieve mutually advantageous results by moderating their political ambitions. Thus a purely zero-sum game can be transformed into a positive one. The costs of this behaviour will be low but the gains will be there as all players will be able to maximise on their differing interests taking into account those of the others.

wouldn't follow the new global super-power in the sphere not only of foreign policy, but also in the society reforms.<sup>22</sup>

The outside factor significance became even more visible after Stalin's death, which was followed by serious shakings in USSR and the Eastern block. They finished with the intervention of the Soviet's armed forces in crushing the riots in the periphery. At the same time started the defreezing as a change in the relations between Moscow and the periphery - a change, directed to higher equality, or to relative autonomy of Eastern European countries. In the decades that followed the middle fifties crisis the evolution in the relations in socialist block continued, the outside dependence was modified but it stayed on. It was personified mostly by two words that were officially denied but practically active - "Breznev's doctrine" for the restricted sovereignty of the socialist countries. We are speaking not only of the sovereignty restriction (which is a common process, typical for the international relations in XX century, when the numerous international organizations gradually took a part of the national sovereignty of their members), but also of the restrictions imposed on Eastern European countries by Moscow. They found expression in the restricted only in the frames of Eastern Soviet block right of these countries for independent decisions in the inner and foreign policy. The borderline that marked the operation freedom of the small eastern block members was outlined by the Soviet intervention in Hungary in the autumn of 1956, by the actions of the Warsaw treaty's armed forces against "Prague's spring" in 1968, by the readiness to prevent by all means the Polish trade-union "Solidarnost" from encroaching on the rule

With thus gained relative freedom, not only in the frames of Eastern block, in the middle of eighties, came the big turn in our region. The numerous attempts for reformation of the Stalin's socialism, realized in the periphery (Hungary, Poland, and Czechoslovakia) were not left without a trace. The block was gradually liberalizing – the role of the market and the private initiative in the economy increased, in the political life was formed half-legal

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<sup>22</sup> This is a thesis of the western historiography during the whole after-war period, while the pro-Soviet one preferred to avoid the discussion on the problem for correlation of the inner and outside factors.

dissident movement, in the sphere of culture so called socialist realism was buried and its place was taken by the diversity of modernism and experimenting.

In the middle of eighties, after tiring everyone gerontocracy, (the times of late Breznev, Andropov and Chernenko), started the era of big reforms – “economization” of the relations in CMEA, decentralization of the leadership and planning, publicity in the media and so on.<sup>23</sup> These reforms are not something new; they have already been tested in different times and countries and with different results. And the final result can be found as a common direction in the slogans: “ Back to Lenin” and “More socialism”, which are so general, that they remind us the Pascal’s sentence: “We run carelessly to the precipice, holding something in front of our eyes so that we can’t see it”. When today I look back to the total euphoria from the end of eighties, connected to the hopes for change and the feeling of new-gained freedom of speech, I think that the Pascal’s warning seems to be the most adequate description of the state of political elites and the societies in Eastern European countries.

However, in the course of three decades, the changes remain fragmentary and zigzag – the economic reforms that started everywhere in sixties were quickly stopped, after their political consequences became evident in Prague’s spring in 1968. The final result (mostly of unseccessness, than of the reforms themselves) was the gradual exhausting of the inner motives for development, and appearing common crisis of the socialism.

The faith of the eastern Europeans in the advantages of socialism, which was still predominating in sixties and seventies<sup>24</sup>, has faded in the middle of eighties. The consumerism competition, started by the pragmatics J. Kadar, E. Gerek, G. Husak was definitely won by the West and the gradual opening of the East to the world did not rise,

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<sup>23</sup> About the reforming of the relations in Eastern block see Gorbachov, M. “Life and reforms”, M.1995, Book 2

<sup>24</sup> For example by a sociological research from August 1968 we learn that only 5% of the Czechs and Slovaks are adherents of the Czechoslovakia’s capitalist development. Data source: Crampton, R. J. Eastern Europe in the Twentieth Century. London and New York, 1994, p.339

but sharply reduced the prestige of the modest, but accessible to everyone existence in the socialism.

In a certain moment of “perestroika” – somewhere about the middle of 1989 M. Gorbachov declared in public that he desist from controlling the Soviet sphere of influence in Europe, received by Stalin as a reward for Soviet’s army contribution for the victory in World War II. It can be disputed which factor have played bigger role for this decision of Gorbachovs – ideological reorientation of the system or the economic difficulties, facing USSR<sup>25</sup>, but the fact is undutiful. At first sight this general change in USSR’s attitude to its allies from Eastern block seemed like a huge step forward – towards freedom and independent actions of the countries from the region. But actually the foreign-political turn was made without any preliminary preparation and without asking the opinion of these countries. In a well known in the whole after-war period Soviet manner, the fateful decisions were taken from the center, without Soviet leaders to ask their allies about their opinion<sup>26</sup>.

The eastern block countries reacted in different ways to the new Gorbachov’s USSR course. The different positions once again emphasize the old dividing line between the two Eastern block sub-regions – Middle Europe and the Balkans. The “perestroika” brought to the Middle European countries Poland, Czechoslovakia and Hungary the liberation, which they wanted a long time ago. All three of them had negative balance in their relations with the big eastern neighbor. In Poland the Soviet armed forces were dangerously set ready for intervention twice – in October 1956 and in the end of 1980. In Hungary the Soviet army crushed with weapons the Hungarian riot in October-November 1956. And in Czechoslovakia the intervention of Warsaw treaty’s army on 21.08.1968

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<sup>25</sup> There are enough proofs for both theses, given by the Soviet leaders from this period, Yakovlev, A. “The collapse. The consequences.”, .: 1992. On the other hand the USSR economy in 1989 was so cranked by the excessive armament competition with USA, and by the chaotic repairs, that Eastern Europe that before was a strategic advantage, now became economic burden. See Schweizer, P. “Victory. The role of the USA administration’s secret service in the dissolution of USSR and the socialist block”, M. 1995

<sup>26</sup> USSR from Gorbachov’s time surprised everyone – the West, as well as Eastern Europe, by withdrawing from its sphere of dependent countries, and to be more precise it closed its protective umbrella, under which for four decades existed the serial leading teams of the socialist block countries, later renamed as community of the socialist countries. See Rakowski, M. “Jak to się stało.” Warszawa, 1991, s. 252

(with predominating soviet presence) erased for few hours pro-Russian and pro-Soviet dispositions. The rise of the limitations for reforms in the inner policy and foreign orientation gave carte-blanche to Polishes, Hungarians, Czechs and Slovaks to test something different for their further development – soon it turned out to be the Western model.

On the Balkans Rumanian dictator (the governing of Chaushesku can only be determined as a family dictatorship) even tried to organize resistance in the frames of the Warsaw treaty countries against Gorbachov reforms.<sup>27</sup> This attempt was doomed to failure, as a part of the block members were interested in continuation of changes and others did not dare to oppose the Soviet leader.

The consequences were unique; first of them was the juridical farce where Elena and Nikolae Chaushesku were quickly convicted to death and then executed. The political withdrawal of USSR from Eastern Europe left Bulgaria without support too. It can be concluded by the memories and the documents, concerning the summer and the autumn of 1989 that the political class in Bulgaria was divided on the question about “perestroika” and about Gorbachov – one part remained faithful to its pro-Soviet feelings, while the other one tried to move away from already visible dangerous consequences of the reforms. The paradox was in the fact, that in contrast to traditional division from the socialist times to “pro-Soviets” and “nationalists”, this time the reformers were amongst the first ones, and among the second one predominated the conservatives. At the end, as always in the contemporary Bulgarian history, the group connected to USSR prevailed, but in contrast to the previous cases they could not hold the power for a long time, as the geopolitical situation was radically changed.

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<sup>27</sup> Chaushescu took a critical position towards the changes in progress, in a big speech during the meeting of the Political Consultative Committee of the Warsaw Treaty Organization on 07.07.1989. The negative position of the Romanian leader after the election victory of “Solidarnost” in June 1989 in Poland and the possibility for forming a government with its participation, was characteristic too. These positions of Chaushescu from the summer of 1989 contradicted to his whole position in Eastern block until then, when he was fighting for independence of the countries from the block. The reason for the turnover was hidden in the apprehension for his own destiny.



Separate cases on the Balkans are the two most rebellious and disobedient countries in Eastern Europe – Yugoslavia and Albania. Both of them stayed calm during the crisis in Eastern block, because they thought it did not concern them<sup>28</sup>. Furthermore, to an outside eye it even seemed that the crumbling Soviet system was a living proof of their rightness in their arguments with USSR. Yugoslavia and Albania had completely different ideological and geopolitical positions, but both of them counted on their own legitimacy, which would protect them from the emerging crash of the socialism in pro-Soviet Eastern Europe. But the clash between USSR and USA on the global level turned out to be much more comprehensive and became a clash between the two systems – socialist and capitalist. Under these circumstances there was no way Yugoslavia and Albania to stay out of this main conflict, they found themselves on the side of socialism and that's why they couldn't prevent themselves from the whirlpool, caused by the wreck of the state socialism in Eastern Europe. Yugoslavia and Albania also experienced a crash, but not together with the rest of Eastern Europe countries and not the same way.

For all ex-socialist countries the coming out of the Soviet socialism was not directed to its reformation or democratization but led to its radical substitution for its antipode. In other words we are talking not of “the socialist choice” between state and democratic model, but of denial of the socialism at all. This evolution demanded different duration of time - for example in Poland the transition had been made even before the others started it; DDR was swallowed in the very moment it lost its legitimacy – when the East-Germans started to demonstrate, scanning “We are one people”, while for Albania two years were needed to start the process<sup>29</sup>, and in Serbia the political power in spite of the few wars and the numerous political clashes still kept its character until the end of 2000.

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<sup>28</sup> First changes in Yugoslavia started as late as 1990, when during the XIV-th Congress of Yugoslavian Communist Party, summoned on 20.01.1990 was accepted the abolition of the leading role of this party, and political pluralism was declared, and Yugoslavian Communist Party renamed itself as Serbian Socialist Party. See Banac, I. Post-Communism and Post-Yugoslavism: The Yugoslav Non-Revolutions of 1989-1990. In: Cornell University Press, 1992, p.168-187.

<sup>29</sup> See Biberaj, E. Albania: The Last Domino. In: Eastern Europe in Revolution. Cornell University Press, 1992, p. 188 – 206.

How does the transition of Eastern Europe look from a global point of view? In spite of the euphoric slogans at the beginning, which proclaimed new freedom for the people of Eastern Europe, the region was not liberated, but passed from the sphere of influence of one super-country to the zone of another. The USSR place was taken by USA and their allies<sup>30</sup>. We cannot deny the fact that the obedience in forties was realized much more drastically than the methods used in nineties. In the first case armed forces were used, as well as “councilors”, punitive economic clauses, while now it was acted indirectly: financial subsidies, loans, political experts advise, building informal structures<sup>31</sup>.

The transition during the last ten years had absolutely concrete and visible aim: joining to already existing, functioning and attractive for the eastern Europeans structures, which seemed to be the structures of EU. Let's remember that the final aim of the previous transition was beyond the horizon. At the only moment when it appeared in the distance – the provided for 1980 Hrushchov's “leap” in the communism<sup>32</sup>, caused right away the “huge” Breznev's theoretical contribution – the developed socialist society, by which he removed once again the communism and hid it beyond the horizon. The pragmatism and the seemingly easy and quick feasibility of the aims of new transition were doubtless. That's why we must not be surprised by the lightness with which even the first destroyers of the socialism formulated their aims. An example: on 24.04.1989 (i.e. long before the fall of the Berlin wall) Leh Valensa stated: “I wish all the best to Gorbachov and his reforms. But we till don't know how would communism look in its final phase. In stead of this we know very well which political and economic models in Europe and in the world have passed the check-up of time and we want to turn to these very models, and not to try to reform foiled ideologies and conceptions”.

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<sup>30</sup> As Primakov said in his private visit in Sofia in the spring of 2000 “It is the same thing - until 1989 you couldn't be internationalist and criticize CPSU, and now you can not be a democrat and criticize USA”

<sup>31</sup> J. Kenan's strategy for “communism reticence” was motivated this way, the same vision lies in the articulation of the “Truman doctrine”, with which USA helped Greece and Turkey, “threatened by the communism”. See Great Issues in American History. V. III, New York, p. 403 - 419

<sup>32</sup> The new program of CPSU, which was passed during its XXII-nd Congress (17 – 30.10.1961) declared that in 1980 “will be created the material and technical base of communism ... This way in USSR in broad outlines will be built the communist society”. XXIII CPSU Congress, Stenographic Report, v.III, .: 1962, p.276

Already in the middle of fifties the intellectuals formulated the question “Is the socialism reformable?” but they gave it different answers. By the conclusions of the negativists was born the political emigration in fifties, and during the next years – the dissident movement; and by the positivists group were born the reformers of the socialism. In other words if “socialism with human face” may be was possible for Eastern Europe until the end of sixties, at the end of eighties it was already not possible.

The latest reforms, realized by awkward reformers, people who have lost their faith in their own system, and believed completely to the efficiency of the other one, inevitably predetermined the crash of the real socialism. As concerns the Bulgarian case, we cannot keep silent about the same way of thinking of the main person, who started the reform of the socialism, Petar Mladenov.

It was obvious that the preliminary expectations for BSP/BCP’s lost in the elections in June 1990 reflected negatively on its pre-election campaign and strengthened helplessness of the party leaders after unexpected for them victory. The idea of power responsibilities division at the beginning of the painful coming out of the state socialism is praiseworthy, but the parliament democracy principles demand this responsibility to be legitimized by democratic elections. When this principle is not respected the action responsibility is dissolved, and this lead to moral degradation of the political elite and the society as a whole.

On the first elections in Middle Europe new right wing won categorically, while on the Balkans won ex- and present communists that were in power till then. This gave different start of the changes – in the bigger part of Europe was realized a radical change of the political system and “shocking” change in the economy. Meanwhile the Balkans preferred the easy political adapting to the principles of parliament democracy and in the sphere of economy the reforms of the socialist era were still going on. The results of the first period were also different – in Middle Europe new political subjects were born in all directions – left-wing, center and right-wing, and in economy the population quickly started to feel the pain of the lost social security. On the Balkans half-and-half economic

changes made the economic crisis of the socialism long lasting. At the end of the first period of transition – 1993-1994, the bigger part of Middle Europe have already succeeded to become disappointed with the right-wing and turned to the left-wing (quite usual), while on the Balkans the disappointment in the left-wing grew and the hopes turned to the unknown – the new right powers.

After the first democratic change of the governing - so-called left wave the face of the new left wing took shape too. In Middle Europe it continued in the way of the right wing – implementation of the western model of capitalism, but it tried to make it more gently and moderately than the right wing.

The left wave legitimized permanently in the society and in the international organizations the new left-wing in Middle Europe (it turned out to be “tame” and acceptable for the West), while the international organizations responded to the Balkan attempts for searching a new paradigm of transition and society, with suspicions and accusations of neo-communism, as well as with efforts (more or less successful) to overthrow the power.

Today we found ourselves in a third transition after a serial change of power, which according to S. Huntington is already not a guarantee for stable democracy. The new left wing in Middle Europe has lost the power<sup>33</sup> – this is the political price of the horrible social realities of the transition, but it keeps its high prestige and prepares for the next governing. On the Balkans the leading right-wing is slowly and painfully learning to govern, and most often they follow the ready-to-realize model given by the West, while the left-wing, not less painfully is “normalizing”, once again using Western model, and probably will also sooner or later return to the governing. But the question “What will the left-wing do with the government?” has only one answer: the same thing as the right wing but varied.

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<sup>33</sup> His thesis was formulated as a “test of the double change”: after two democratic and crisisless changes of power, we can conclude that the political democracy is already stable

As Sigmund Bauman said: “In human history no victory is final; and no defeat too”<sup>34</sup>

## **2. Transformation to Democracy in Bulgaria**

### **2.1. The Election Law, the Political Regime and the Political Institutions.**

The new Election Law carries all sins of the political compromise. In 1990 was imposed a combined election system – 200 mandates were determined by the majority representation, and 200 – by the proportional. The majority element was chosen by the ex-political elite as a way for keeping its power. In the Election Law are determined 28 Majority Election Districts and is introduced 4% barrier for entering the Parliament. The distribution of the mandates in the proportional representation is realized by the method of D’ondt.

A paradox in the Law is article 37, paragraph 3, which allows organizations and movements, that are not parties but do want their candidates to participate in the Assembly elections, to be registrated by the procedure provided in the Political Parties Law. This way in the election competition were included a number of organizations as “Unity of Invalids” or “Unity of People with Heart Diseases”. This fact didn’t facilitate the electoral consolidation.

In the period 1990-1995 were passed four election laws: “Law for Great National Assembly Elections – 1990”, “Law for Election of President and Vice-president of the Republic – 1991”, “Law for Election of Members of Parliament, Municipal Councilors and Mayors – 1991”, “Law for the Local Elections – 1995”.

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<sup>34</sup> “In human history no victory is final”. Interview with Zigmund Bauman. In: Culture weekly, 09.07.1999

The comparison between the concentration of the votes in the first two elections, held by the different election systems in 1990 and 1991, shows that the introduction of the proportional representation didn't have a considerable effect on the electoral behavior.

The obtained results from the majority and proportional representation in 1990 are also evidences for the insignificant influence of the election system. As a whole we can assert that the political effects of the election systems in Bulgarian political process are not so significant.

In spite of it all, the debates on the Election Law do not decrease and are used by the political elite as means for blackmailing coalition partners and opponents. In the same direction are going the debates during the last year before the serial Parliament elections in Bulgaria. The discussion about the election barrier, which now is 4% serves to the governing party for political blackmailing its coalition partners that could have difficulties in leaping across a bigger barrier, as well as MRF that could also have problems with the bigger barrier. On the other hand the opposite BSP insists for a majority element, hoping that its absence from the government during the last years would ease it in finding uncompromised persons. One way or the other, the changes in the Election Law are declared to be a priority for the new political season and they will be subjects of bargains and negotiations between the political elite

Another factor influencing the political system is the political regime. Bulgaria was one of the few countries, which passed new Constitution at the very beginning of the transition. The first democratically elected Parliament (the Great National Assembly) was created with the aim to pass the new Constitution. The fact that the ex-Communist Party had the majority in the Parliament, and the opposition was heterogeneous and ideologically confused, predetermined the compromised character of the Constitution. Its weaknesses are still a source of tension between the powers.

A Parliament form of governing was accepted in Bulgaria, institutionalized by the passed on 12.07.1991 Constitution of Republic of Bulgaria. The main contradiction underlying in the Constitution was about the powers of the elected by the majority representation

President of the country (which were too restricted) and the Parliament regime. The fight between the president institution and the executive power (elected by the Parliament) is constant; no matter which political party they represent. The ex-president Zelyu Zelev, representing the opposition UDF was accused of overthrowing the first democratic elected government of UDF. At the moment the conflict between the President of the country – Petar Stoyanov, and UDF that set him up, is also sharpening.

## **2.2. Formation and Development of the Political Parties and Party System in Bulgaria**

### **2.2.1. Dynamics and development of the parties and party systems**

The above-described peculiarities of the party system in Bulgaria are in the base of its development dynamics in the last years.

1. The Bulgarian parties are still in the process of searching for their ideological-political identity. The main parties (UDF and BSP) are looking for their political face turning to analogical western parties.

UDF keeps forming the image of a Christian-democratic party, putting the accent on its ideological identity as a people's party, The National Council of the party passed a document called "Charter for the Values of UDF as a European People's Party".

BSP is trying to accept the social-democratic model for ideological base of the party. An important step in searching for identity was the Declaration for NATO recognition.

2. The party space is still not clearly differentiated. The "unimplantedness" of the parties in the social system and deteriorated economic situation lead to a constant instability of the party system. New political subjects keep appearing all the time, some of them having real claims for participation in the party system.

There is also predominating mistrust to the main political parties. The mistrust to BSP is 69%, against 21% confidence. 67% express their negative attitude to UDF and only 23% trust it. About 13% is the confidence for the small parties. (Data from research of the Sociological Agency MBMD)

The sociological probing shows the unwillingness of the most of the people to be identified with the existing in the moment political parties. Only 41% of the asked declare to be close to some party. 41% are also the people that do not see in the country a political party, which could represent them. (Data: BBSS Gallup). This is an evidence for a certain vacuum in the party system, which is possible to be filled by some of the new political players. More and more political leaders talk openly for the necessity of change of the party-political model. Among the experts predominates the thesis for the play out of the political elite. The restructuring of the political space is continuing. “The Civil unsatisfaction” continues raising new public movements. In almost all-regional cities are already structured civil movements that declare to be against the parties.

Something new in the political landscape is the coming of civil movements that claim to unify the Left spectrum of the political space. The leader of Political club “Ecoglasnost”, a party from BSP coalition, announced the creation of a new red formation. According to him it will unify the civil movements and parties from the left spectrum – communists, socialists, agrarians and liberals. The Union should be created 6 months before the elections.

Activation of such kind of political subjects shows that the crisis spread not only over the social-economic structure of the society, but also over the whole party structure. The tendencies in the development of the political processes direct to total redefinition of the party system and its reasons.

The behavior of the ex-Minister of Internal Affairs Bogomil Bonev changed from a criticism of the government to gradual positive coming into political game. In Bulgaria came back the ex officio premier Reneta Injova, who also declared her wish to participate



in the future elections. Both of them declared willingness for joint actions. The leader of syndicate “Podkrepa” Konstantin Trenchev also joined them. But while the first two of them attack directly the governing, Trenchev headed the social discontent again. His presence was observed in all the strikes at the beginning of the autumn. For the first time after 1997 Konstantin Trenchev presumes openly sharp attacks against the powers.

No matter what kind of formations and relationships enter Bogomil Bonev, Reneta Injova and Konstantin Trenchev, those are the people that openly declare themselves to be against the status quo of the currently existing party system. At the same time there are enough people in the society that would support a right party outside UDF.

Another question that the experts ask is if the mistrust to the main political subjects won't redirect the votes towards the small political parties, something that already happened in the Parliament elections in 1991, in a similar political situation. The presence of these parties in the electoral field of UDF, as well as their attempts to realize their political identity by critics to the governing party could play a bad joke to UDF.

3. The axiological and ideological opposing becomes more and more exhausted. The coming in 2001 Parliament elections will be the first to be hold after a regularly expired mandate of the governing majority. This will deprive them of the mobilization resource of the crisis situations. The common European consensus will deprive the “European idea” of the ideological potential for election message. The main messages will rotate around the economic and politic pragmatism. This will put the people as well as the parties in front of a new situation
4. Although the economy strategies take bigger and bigger place in the party messages and the orientations of he electorate, there exist some significant axiological elements, determining the electoral behavior and the presence of ethnic and nationalistic parties.

In contradiction to the ethnic longings of the different communities, as well as to the new demands to our national sovereignty, in connection to our joining EU, the nationalist demands of the different political subjects are activated too. Typical example is IMRO, the current partner of the governing in the parliament coalition UDF. IMRO, using its participation in the governing coalition, declares its future political intentions, especially the intention to participate independently in the coming elections. The party openly states its nationalist trends, declaring to be against selling land to foreigners and party creation on ethnic base. Some time ago these MP voted against the Framework Convention for the Minorities' Rights Defense. IMRO will aim to take the place on the Right from the Center of the political specter. Characteristic for the nationalist organizations in Bulgaria is that they are not so aggressive to the "foreigners", but are turned to the historical past of the country.

5. The continuing lack of clear economic strategies leads to creation of a clientelist economy and unstable governments, dependant on the corruption. Even the UDF Government that came to power with the main slogan "fight against the corruption" is shaken all the time by corruption scandals. The serial scandal about the financing of the governing party involved the name of the premier's wife Elena Kostova (boss of the "Future for Bulgaria" foundation). The political situation in which the events run did not allow the governing to confirm in the public space the thesis for "the fight of the government against organized criminality". Grigory Luchanski, who introduced Mickel Chorny (the owner of the only GSM operator in Bulgaria) in the Bulgarian economy, was announced by General Atanasov to be "a man of the special services of ex-USSR" and a "gangster".<sup>35</sup> Three days later Grigory Luchanski declared that he financed the foundation of Elena Kostova "Future for Bulgaria" with \$ 80 000, as well as that he was blackmailed to finance UDF. The ex-president Zelyu Zelev stated that there are proofs of blackmailed businessmen and that "UDF is really a Mafia"<sup>36</sup>. The leader of MRF explained that he was expecting such a thing a long time ago. The

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<sup>35</sup> Trud daily, 05.09.2000

<sup>36</sup> Trud daily, 09.09.2000.

scandal is really huge. According to the BSP leader Georgi Parvanov “Kostov is sinking in the big corruption”<sup>37</sup>

On the 18.09.2000 was dismissed the deputy-minister of the Defense Plamen Radonov, accused of huge double-dealing. Even before that some premier’s councilors, directors and Main Road Administration were accused of corruption.

In Bulgarian economy policy there are no clear rules and strategy for the priorities and key interests of the state, accepted with consensus by all political forces. The economic is ruled mainly by so-called friendship circles.

According to Petar Jotev the fail of the deal is connected to defense of the national interests. But until the last moment the governing was answering to the opposition’s critics that the deal is maximum profitable for the country. That leads to impression for the existing of others, not economic motives, in the process of negotiating the deal.

Following actions on the privatization of the telecomm also raise some doubts in the experts, connected to the thought that the governing will hurry to sell the second GSM operator in order to take the money before the elections, and the deal for BTC will be postponed.

Unduly long continuing privatization, and connected to it economic interests of the governing elite, are a constant generator of corruption in Eastern countries. Pre-joining funds of EU also can be a possible source for corruption. Bureaucratic methods of Bulgarian administration created additional possibilities for corrupting. Probably international institutions, granting resources in the framework of the Stability Pact or pre-joining preparation could think of establishing a national institution for the Eastern countries, which to sanction effectively the misappropriations that happen very often, and especially those in huge amounts.

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<sup>37</sup> Trud daily, 08.09.2000.

The parliament vacation passed under the sign of the scandal with eavesdropping the General public prosecutor. On 28.07.2000. The Press-service of the Cassation Prosecution Office reported that officers of Military Prosecution Office had found eavesdropping devices in the home of the General public prosecutor of the Republic Nikola Filchev. In the first phase of the scandal, after the report from General public prosecutor for the presence of eavesdropping devices in his home, the reaction of many political subjects showed that not everybody understood what was going on. The first official reaction of MIA, expressed by the General secretary of the Ministry Bojidar Popov was, that there is no enough information on the case. The statements of the Minister of Internal Affairs that Emanuil Yordanov was shocked and surprised, on the background of the first statements of the premier, that they knew before about the case, and that this is a “war of the cops against the government” showed that the different centers of the power in UDF had a different access to the scandal information. The first interpretation from the experts that this was an attempt of the Prosecution Office to react to the demand of restricting the magistrates’ immunity, or Filchev’s wish to prevent himself from compromates and to obsess the whole information power, were not further developed too.

In return the reactions of the Premier were inserted in the scheme of the cops that are shaking the Government since its very beginning.

Right after the report from Nikola Filchev, BSP demanded the resignation of the Minister of Inner Affairs and National Assembly calling. The sharpest reaction was from MRF, which demanded the resignation of the government and asserted that the state has become police-like. On 29.07.2000 Kostov ordered the Minister of the Internal Affairs Emanuil Yordanov, the Minister of Justice Teodosy Simeonov and the Minister of the Defense Boyko Noev to find how is enforced the Law for Intelligence Devices.

In the Parliament debate on a special meeting (on 03.08.2000) the main political parties did not changed their positions.

Ivan Kostov developed the thesis for “the war of the ex-cops” and their wish to overthrow the power. Once again “Zashtita”, the party of ex-military officers and policemen was brandished as a scarecrow. Ivan Kostov stated after the Parliament debate: ”The majority of the politicians do not want to be controlled by ex-State Security. The debate positioned everybody who is in the political space. Out of it left BSP.”<sup>38</sup>

The MP from BSP were supporting the thesis that this is an internal war between the wings of UDF

The same thesis was developed by the MP from MRF<sup>39</sup>

At the end was passed the suggested from UDF resolution for checking the way the special intelligence devices are being used.

After the Commission declaration that the General Public Prosecutor was not eavesdropped, and Bojidar Popov – General Secretary of MIA and Bogomil Bonev were the culprits; many people asked themselves if the second part of the “gate” was not directed too. The appointment of General Slavcho Bosilkov to the post General Secretary of MIA and the discharge of Bojidar Popov, a protégé of the National Assembly Chairman (who is known for his bisexual inclinations), gave reason for the experts to conclude that no matter who directed the “gate”, Ivan Kostov used its results best and obsessed the structures of MIA. Another motive for the whole scandal the observers see in the distraction of the society attention from the social-economic problems.

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<sup>38</sup> Trud daily, 04.08.2000

<sup>39</sup> Capital daily, 14,08,2000

There were other two accents in the scandal development – real or “played” was the “war” between the Premier and the President, and the lack of response to the scandal from the society and the out-parliament forces.

According the sociologists “Bug-gate” run in the frames of the media space and didn’t have so wide public response. They think that the development of the scandal showed the lack of “positive power” in the governing.<sup>40</sup> Their attempts to explain everything by the undestroyed structures of State Security (after 3 years of governing the country) and the obvious lack of coordination between the services demonstrated incompetence and will have negative effect on the government reputation.<sup>41</sup>

It is expected that with the coming of elections the contradictions between the President Petar Stoyanov, who sharply show the mistakes of the governing, and UDF to get deeper. This theme will create another division line in the party circles. The development of the conflict will have a negative effect on UDF electorate, because the President has extremely high rating.

Although the debates for change in Bulgarian Constitution started right after its creation, the changes are still not realized. The main discussing questions about the Constitution changes do not find the needed consensus in Bulgarian society. At the beginning of its mandate the governing majority declared that it will look for support for some Constitutional changes: giving right to foreigners to buy land, permission of existing of ethnic parties (although MRF is existing now), abolition of the MP and magistrates immunities, giving financial independence for the Municipalities. Later the governing renounced their wish for changes concerning the land sale to foreigners and possibilities for registration of ethnic parties.

At the beginning of the new political season the change in the Constitution was declared as a priority of the governing majority.

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<sup>40</sup> Jivko Georgiev, Sega daily, 11.08.2000

<sup>41</sup> 168 hors daily, 25.08. 2000

The changes in the Constitution are connected with the UDF's demand for abolition of the MP and magistrates' immunity and giving bigger financial independence for the Municipalities. The statements of the politicians from different political forces show that this will be difficult consultations and there will be hardly reached any consensus. The theme for the Constitution change does not come on time, even according to UDF MP. According to BSP prepared changes will give governing the possibility for political repression. IMRO also declared to be against the abolition of the magistrates' immunity.<sup>42</sup>

The Law for the political parties and the Election Law will be changed too before the Parliament elections next year. Especially topical is the theme for the political parties financing, which unstated status is a source of corruption. The conducted consultations between UDF and their coalition partners brought to a common position for keeping the proportional representation and 4% election barrier. BSP, however, insist for majority representation. The question for additional election barrier for participating coalitions is to be discussed. On the financing question all the Parliament parties share the opinion for budget financing of the parties. The questions which parties will be financed by the state, and with how much money, will cause serious debates. Ekaterina Michaylova, the Chairman of UDF Parliament group hinted that she would launch the idea for state financing only for the parties that received 1% on the elections, established and somehow participating in the government of the country. In the UDF suggestions in this direction we can see the attempts of the governing to restrict the coming of new political subjects on the party scene. It is expected that they will meet the biggest resistance on this point from the Parliament parties, which future plans include wider coalitions. In the Election Law are provided requirements for the enough quantity of members for registration of a party and participation in the elections.

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<sup>42</sup> Capital daily, 22.09.2000

### 2.2.2. Formation of the Political Parties in Bulgaria

The structuring of the political parties and the coming of the pluralist party system are some of the most important features of the democratic change after the collapse of totalitarian regimes in Eastern Europe.

The coming of the political parties in Bulgaria in the early 90-ties was marked by a number of peculiarities, which left a lasting stamp upon the party system character.

1. The change of the regimes in the Central and Eastern Europe runs in a different way. The models determined in Western literature in the terms “replacement”, “transplacement”, “confrontation”, “implosion”, “contractual change of the system” and so on are the cause for the different way of the party system formation.<sup>43</sup> “Imposed transitions” are fixed by the abilities of ex-elites to control unilaterally “from above” the processes of transformation, determining their speed and contents.<sup>44</sup>

In Bulgaria was realized a change “from the high quarters”, which in the models of transition is called “transplacement”, or changes<sup>45</sup> directed from above. This predetermines the leading role of the ex-communist elite in the person of so-called reformers in the total political process. The most important consequence of this control is the party system formation from above.

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<sup>43</sup> Д.Нолен, М.Касапович, Избирателни системи, 1996, с.5-15

<sup>44</sup> Klaus von Bayme, Parteien in westlichen Demokratien, Muenchen, 1992, s.31-33,36-37.

<sup>45</sup> S.Hunington, The Clash of civilisations. Foreign Affairs, vol. 72/1993, pp. 22-49.



When the reforming wing of Bulgarian Communist Party organized the falling of Todor Zivkov's regime on 10.11.1989 it declared itself to be for system reorganization and promised realizing of a new social model in the frames of which to enter pluralization of the party system.

In April 1990 the Party changed its name into Bulgarian Socialist Party (BSP), which became a cause for violent internal debates. In spite of the rise of three trends (which later became a base for formation of three wings – radical, moderate and conservative), the party succeeded to keep its unity and to hold back the tempo and direction of the democratic processes in the way it wanted to. The process of new party system formation was dominated by the ex-Communist party.

In Bulgaria the anticommunist opposition was structured as a conglomerate of 18 parties and movements (some of them had only 5 days political biography), without organization structures, political traditions and electoral support.

At the first stage dominated so-called dissident groups, part of which were ex or even current communists and reformers. The most important of them are the created after the middle of 80-ties "Publicity and Reorganization Support Club - 1988", the ecological formation "Ecoglasnost", established in 1987 and Independent Professional Unity "Podkrepa". Thanks to the ex-Communist Party active intervention, part of the existing till 10.11.1989 dissident groups and leaders were removed from the party forming process. (The reasons for it are their frankly anticommunist messages)

Another source for party structures creation were the parties that had existed before 1944 – Radical-Democratic Party (RDP), Democratic Party (DP), Bulgarian Agrarian People's Unity (BAPU) "Nikola Petkov" and (BSDP). The political activity of these parties was ceased a little after establishing of the communist regime and they didn't have organization structure or electoral connection with the society.

The third compound part were the new risen opposition groups as ФНСД, ОДЦ, The Club of the Repressed after 1945, and parties imitating some European groups of parties – for example the Green Party. Those groups were more radically disposed because they were formed during the radicalization of the political processes.

This period can be characterized by two peculiarities:

- 1.Weak opposition against Communist Party (In contrast to some Central European countries)
- 2.Lack of social adjustment to radical system changes and strong anticommunist moods in the society. On the first big meeting organized by the opposition on 14.01.1990 the political messages did not include openly anticommunist slogans, the demands did not come out of the circle of “publicity and democratization of the society”, and some economic slogans rotated definitely in the Left space.

Gradually the transition became “contractual”; its main characteristic is reticence of the elites included in the political negotiations, and their mutual responsibilities for constant contracting and competitive majorities’ formation.

The Communist Party initiated the conduction of the “Round table” on 16.01.1990 and determination of the political subjects to participate in the debate was also its “merit”.

The Round table as a form of contractual transition in Bulgaria has also its peculiarities. While in the Central European countries it is the final stage in the development of political processes of communists’ regimes erosion, in Bulgaria it anticipated the development of the processes. In fact the Round table was the birthplace of Bulgarian party system with all the following consequences. Only in Bulgaria the party system was structured on the base of the Round table sides. The created party system had two characteristic features:

- 1.The ex-Communist Party (renamed into Socialist) is still not split at this stage and did not remain isolated from the society (in contrast to ex-communist parties in the countries of Eastern block.

2. Union of Democratic Forces (UDF) was the only formation from the anticommunist movements in Eastern Europe, which kept for a long time its structure and its key positions in the political game.

The Round table structured the party space on the axis communism-anticommunism. In that moment in Bulgaria existed another actual enough division in the society – about the national question. At the beginning of the democratic changes the ethnic question, provoked by the attitude of communist regime to Bulgarian Muslims and Turks, was one of the hot points for polarization of the society. The Communist Party, however, succeeded to master this cleavage, calling a Round table on the national question at the beginning of January. As a result all openly nationalistic parties and groups were marginalized. In the same time BSP permitted the registration of Movement for Rights and Freedoms (MRF) as an ethnic party of Bulgarian Turks (which is an offence against the Constitution), which allowed them to include in their pre-election messages nationalist propaganda and to attract nationalist vote. In spite of the negative moods among the other parties' elite, MRF succeeded to obtain a reserved place in the developing party system thanks to its firm ethnic-cultural mobilization possibilities as well as to the restricted view of life and low horizon of the bulk of its ranks.

At the same time the ethnic-cultural cleavage succeeded to raise Bulgarian nationalist orientations too.

The Agrarian unions also had a reserved place in the political palette during the first period of party system formation. Obviously the divisions on the axis city-countryside were not removed by the communist regime too and the traditions of the Bulgarian political history had their influence.

Meanwhile on the political scene came a number of party formations, caused by the natural for this kind of transition polarization, as well as by over-liberal Law for Political Parties Registration.

The new-formed parties are remarkable for their considerable structural weakness, lack of organization and eclectic political programs. Their fate is preliminary determined because of the above-mentioned model of party system formation.

The first democratic elections in Bulgaria were held in June 1990. The weakness of the opposition and the ex-Communist Party stability predetermined the election results. The victory of the ex-communist opposition, however, didn't solve the main question for "system change". The transition kept developing under the formula of contractual development. The leader of the opposition coalition Zelyu Zhelev was elected for President of the country, although UDF had minority in the new-formed Parliament.

In the political competition the main participants were two political conglomerates. On one side was ex-Communist Party, which in spite of keeping its unity, was already torn by contradictions. The aim of the communists was, with the help of more or less concessions, to keep the status quo. On the other side was the officialized opposition UDF, which did not suggest real economic alternatives, but was consolidated around anticommunist slogans. At this stage of party system development the political subjects did not raise significant economic strategies, which the society could reach a consensus about. Such strategies did not appear during the whole 10-years transition period in the country.

In that period there wasn't clearly expressed group interests in the country. In that situation the electoral behavior was concentrated on the paradigm communism-anticommunism. As a result after the first democratic elections in Bulgaria was established bipolar quasi-party system. But a certain doubt was raised - if we could talk of real political parties at this stage of political process development.

More and more often the parties started responding post factum to the society interests, instead of forming them. From the middle of 1991 the consensual development potential started to decrease, leaving place for the confrontation.

The reasons for that are the weaknesses of the party system itself, which definitely couldn't master and represent the society interests, as well as the arising social-economic and other value divisions that started internal differentiation in the party blocks themselves.

Typical for Bulgaria is a common retard of party evolution, connected with political parties' legitimization and differentiation, as well as of formation of their profile, and their continuous vegetating in unstable blocks of coalitions and movements.

### **2.2.3. The Political Parties in Bulgarian Society.**

Many authors that are engaged in research of party system formation in the post communist countries pay attention of the fact of its instability. The main determining factor for this instability they see in the heritage of the communist regime and the post-communist society structure itself. Its main characteristic is the lack of civil society.

The "Civil society" is such kind of society that was formed autonomously and independently from the state orientated logic of structure development and in its frames the separate consisting subjects are voluntarily engaged on public activity for keeping individual or group interests.<sup>46</sup>

If we accept the Dahl's statement that the democracies in Western Europe function on the base of capitalist economic system<sup>47</sup>, we must bring as a main prerequisite for development of the political market the creation of economic market in the frames of which must be formed the interests that are articulated and represented in the political sphere.

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<sup>46</sup> Ал. Тодоров, Трудностите пред гражданското общество: критика на перхода към демокрация, в: Политически изследвания, бр. 3, 1995 г.

<sup>47</sup> Robert A. Dahl, : Why Free Markets are not Enough, Jornal of Democracy, Vol.3, , pp.82-89, 1993

We can suggest that the forming economic market will create its consequences in the political sphere. The economic interests that are articulated there can be transformed into political interests. In Western countries the groups' interests are represented by the language of political interests, which brings to the creation of political divisions differentiated by separate parties.

In the post-communist countries as a whole we don't have to deal with differently realized economic interests. In the initial transition period it was difficult to talk about political interests formation in the context of existing of some more stable group interests. Social – political divisions were practically liquidated during the governing of communist regime.

We can commonly say that the forming party system didn't have a strong support in the existing social structure. The political parties didn't create clear electoral connections with certain society groups. In its initial appearance the party system was not organized on the base of existing social - political divisions, because they were still not clearly formed. In this transformation phase the party system structuring process run on ideological level.

Recognizing this peculiarity of the party system formation in the post-communist countries, some authors impose the thesis that the political conflicts in those societies have a specific character and are not connected in general with social political divisions. According to G. Schopflin for example, the political conflicts, produced in these countries and the parties formed on their base lean mostly on certain values and ideological messages instead of on group interests. This predetermines the appearance on the political scene of additional conflicts, having pure axiological character (ethnic, national, religious or cultural), and their solution with the help of competitive bargains is much more difficult compared to social-economic conflicts. According to the author, formation of the ideological conflicts leads to weakening or even to impossibility for elaboration of consensual style of policy, based on consultations and negotiations.

The social-political divisions in Bulgaria almost didn't play any role at the first stage of party system formation with the exception of the axis "city-countryside" (presence of agrarian parties) and of the ethnic-religious axis. Gradually together with the differentiation of the social- economic structure these divisions will search for their place as a party-forming factor. Despite all the difficulties in defining the parties on the Left-Right axis, the social-economic differentiation of the electorate show that we can talk in a certain sense for defining of UDF as "Right" in economic sense and BSP as a "Left" in the same sense.

Another party system feature during the first stage of development is the lack of constant enough, defined connections between the electors and the party structures. The parties were not "implanted" in the social structure. It was impossible to fix a social group, which was consistently Left or Right (although we can observe some tendencies to forming such groups). The electoral behavior of the people was very unstable. With unstructured electoral market and confronted style of behavior of the political players, the changes in the electoral behavior had a special influence on the party system structure. The "unimplantedness" of the parties in the society, as well as the insufficient differentiation of the social-political divisions predetermined to a great extent the autonomy of the party elites. The way of behavior of concrete groups of leaders was decisive for the character of the inter-party competition and was repeatedly a basic motive for appearance of new parties and disintegration of other existing groups. (The political transformation of the part of UDF leaders in the 36 National Assembly, whose behavior became a reason for the UDF government's fall, was an example for the existence in the party system of so-called "leader's parties" and their existence and rotations in the political space are results only of leader's decisions.)

Typical for this kind of political structure is that the fragmentation of the party system is caused more often by conflicts that appear in the frames of political class, than by the influence of the social needs.

The fact that at the beginning of transition in Bulgaria was not existing stable civil society with articulated and realized group interests, allowed the parties to try to “implant” themselves in the society, attempting to bring in to certain parts of it their own program-ideological positions. Typical example is the ideological development of the governing party UDF. From heterogeneous coalition, predominated by Left elements it became Christian-democratic kind of party. The public acceptance of these transformations was hampered by the contradictive economic party strategy, which is far away from the Christian-democratic values, as well as by the lack in Bulgarian society of religious traditions and strong Church, which are basic conditions for Christian-democratic parties in the West. This predetermined the eclectic character of the UDF electorate and the impossibility to use the ideological and valuable moment as a unifying point of this electorate. Similar is the situation in the Socialist Party, which has been trying to define its ideological appearance for 10 years and still hasn’t succeeded. Predominating opinion among the specialists is that there is a lack of clear differentiation between “the Left” and “the Right” in Bulgarian political space on the political party identification level, as well as on electoral anticipations level.

The system of bipolar competition (axiological in its entity), however, gradually loses its significance. The society turned to the conditions of living and a lot of social groups started to put the inter-party competition accent on the plane of economic problems. The elections in 1994 and in 1997 showed a change of the priorities in the vote motivation.

#### **2.2.4. Formation of the Party System in Bulgaria**

The main factor influencing the party system structure were the relations between the parties, determined by their size, electoral support, ideological self-identification and coalition potential.

After the elections for Great National Assembly in 1990 in the Parliament were represented 4 party formations – BSP (the renamed Communist Party), UDF – coalition



of opposition parties, MRF (its allowance to the party competition caused many political debates) and BAPU (state). From 6 990 435 electors 2 887 766 voted for BSP, 2 317 798 voted for UDF, 368 929 – for BAPU and 491 597 – for MRF on the proportional and majority representation. 4 independent MP, supported by the represented parties, received mandates in the Great National Assembly.

With such a separation the Socialist Party had the opportunity to form a government, which it did, and the opposition received the control over the majority, capable of conducting constitutional veto.

The model of the inter-party competition, established in the pre-election fight, was strongly confronted.

As far as the pre-election coalitions are concerned, neither of the parliamentary represented parties developed strategy for pre-election unions. UDF made a few attempts to form a coalition with outside parties but they all failed. BSP didn't needed coalitions. And BAPU and MRF were characterized by an obvious lack of coalition potential. For the rest political subjects BAPU was just an imitation of totalitarian party and MRF was not accepted as an equal partner neither from the Right, nor from the Left.

A peculiarity of the political transition was the “reversing”, itself, of the Left and the Right in the traditional acceptance of these divisions. Thus, self-defined as Right UDF, from the political point of view suggested Left (in the sense of radical) messages and self-defined as Left BSP holds to the conservative political values (from the point of view of keeping the status quo, not from the point of view of traditional conservative values). The confusion in the economic platforms is not smaller, because among the right UDF demands for changing the economic system, market economy and private property, there are frankly Left slogans. We can even assert that the pre-election platform offered by UDF in 1990 is economically Left. For its part BSP also succeeded to put Right slogans in its Left platform. Thus, as regards the social-economic offers, they were similar to some extent.

However, we can say that the Socialist Party definitely staked on the etatist and egalitarian spirit, while in the UDF's platform predominated liberal moments.

The ideological polarization of the programs, however, is predetermined by the political part of the platforms where the extreme views (keeping the status quo and fast change of the system) are staked by both sides

As a whole BSP declared its political development in the Left space (and at this stage there wasn't competition for the Left space) and UDF was accepted by the society as a Right political force although the Unity itself tried to cover the whole space on the Right from the Center, and the really predominating structures and opinions in it on this level were Left-Centrist (BSDP, BAPU, People's Party and "Ecoglasnost")

What was common for both political formations at this stage of development was that they were charged with a lot of potential internal conflicts on the base of ideological and elite contrasts.

MRF from its beginning had a clearly expressed ethnic-religious character, in spite of the fact that in the public space (with the exception of the moments of electoral mobilization) it avoids this image. The analyses of its programs and political behavior, as well as its electors' behavior, however, give us the right to determine it as an ethnic party.

BAPU is a party that inherited its public place from its participation in the political system of the communist society, but having connections with certain social groups. The division city-countryside is topical for Bulgarian society and its specific manifestation is determined by Bulgarian political history. BAPU is structured in the Left by its program. Later the logic of political process will impose a clearer shaping of the different agrarian organizations on the Left and on the Right, while they were passing through a process of different transformations.

As a whole we can summarize that the formed after June's elections in 1990 party system was strongly polarized (polarization are in the ideological-axiological aspect), which predetermined its instability.

The second peculiarity was the inner contradictions within the two main blocks; their inner unity was supported only by the polarization.

The third peculiarity was that so constructed system (of the big party system type) allowed in its structure to come in some small parties, which represented the group interests formed in the society. The party system structure and their own coalition potential, however, did not allow them to take the place of the third (axis) party.<sup>48</sup>

An important factor for the instability of the new party systems, created after the democratic changes, is their "unimplantedness" in the society. This characteristic is additionally complicated in "contractual transitions" where it had started talking at cross-purposes between the anticipations of the society and the behavior of the political elite. To a great extent it concerns Bulgarian political system. Constructed in the frames of confronted strategies of the two main political forces, it started to contradict the predetermined consensual character of the democracy. Its fast structuring did not allow the political processes to fit the time's logic. It turned out that the created party system couldn't control the social conflicts. The delay of the processes on the other hand radicalized the contradictions in the society.

BSP succeeded to keep its unity in spite of all the shakings that it survived during the period and continued its development in the framework of slow erosion and fractionating.

Amongst the opposition, however, occurred significant processes of differentiation. Undisputedly, a big part of the split processes are caused by pure leaders' ambitions, as well as by the contradictions hidden in the Union's formula, but the differentiation of the group around BSDP, in contradiction to the one around DP (parties having the biggest

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<sup>48</sup> G. Smit, *Zycie polityczne w Europie Zachodniej*, In Plus, Warszawa 1992, PP. 116-117.

political weight in the Unity and the strongest ideological differences), had definitely ideological character in its roots. After the success in imposing Left slogans in the first UDF platform, BSDP had more and more difficulties in handling with new-appearing leaders, who raised typically Right demands (restitution and so on), expressing the interests of the new-appeared society group (ex-owners who saw in the change a chance to restore their status quo). On the other hand, after the delay of the transformation processes, the force of the representatives of the more and more radicalized public opinion was increasing.

Gradually a part of UDF became radical carrier of a new project for system change.

The announced date for the passing of the Constitution (12.07.1991) was the motive that finally split UDF. A part of its MP left the Parliament and went on a hunger strike demanding pre-term elections. Later they didn't sign the Constitution. According to us this was the most significant split of the Union.

Actually it was then, when first started the structuring of the party space outside the basic axis communism-anticommunism. But as this dilemma was not solved by the first elections, it was underlying in the election strategies of the parties in the Parliament election, hold on 13.10.1991.

After passing the Constitution, the Parliament was closed and pre-term Parliament elections were promulgated in October 1991. The contractual transition ended. In the pre-election competition were included 48 parties and coalitions and once again there were exotic names as "Movement for Protection of Pensioners, Unemployed and Social-Weak People", "Organization of the People with Heart Diseases and Social- Weak Citizens" and so on.

This time in the election competition participated the parts of the split UDF – UDF-Center and UDF-Left, BSP, MRF, BAPU (e), and BAPU – PP. The parties' strategies were based once again on the polarizing axis communism-anticommunism. Especially

strong it was expressed in the strategies of BSP and UDF-movement. Their programs were clearly divided by the axis socialism-liberalism.

MRF didn't change considerably its election strategy. The new item in it was its openness towards the political space, something that made it relevant to the government negotiations. It changed the accent in its economic program, including in it some Right messages too (as restitution), but it definitely inclined to the Left. That duplicity – valuable orientation to Democratic forces and Left-orientated economic character allowed it to be equally relevant to Left and Right parties, which ensured it not only the place of the third party in the structuring of the Parliament, but also the same role in its restructuring. Only the partners were changed.

The Agrarian Unions made an unsuccessful unification attempt. The strategy of the so unified Union was structured by the axis communism-anticommunism, but without openness towards other political partners. The coalition potential of the so organized Agrarian parties, from the point of view of size and ideological distance (they are against BSP and against UDF) is zero.

On the political scene appeared Bulgarian Business Block (BBB) – a party that openly announced Right-Centrist platform and was looking for electoral support in the business circles. It tried to formulate national and economic values. Its problem was that at this moment it was “on the verge of its representation”<sup>49</sup>, which it would have to leap across, on the contrary of the other competitors. A specific feature of this party, or at least of its leader, was its self-isolation from the election, parliament and government bargains. This fact gave the party a constant place outside the corridors of the executive power, something that would probably marginalize it gradually.

The party space was characterized by the constant presence in its structures of Monarchist Unions, which have total electorate about 2%. In 1991 the Monarchists in the

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<sup>49</sup> M.N. Pedersen, The Dynamics of European Party Systems & Changing Patterns of Electoral Volatility, EJPR, vol. 7, 1979

person of “Confederation Kingdom of Bulgaria” won 1.82 %. These formations must be categorized as anti-systematic – their appeals are directed towards restoring the Tarnovo Constitution or returning of the Tsar. But the public opinion legitimized them and the main political parties often include them in their election bargains. In 1991 there were Monarchists in UDF. In 1994 they turned to be official partners in the Union for National Salvation (UNS).

As a result of the Parliament elections in 1991 in the Parliament were included UDF with 1 903 567 votes-34.36% - 110 mandates-45.80% of mandates; BSP – 1 836 050-33.14% - 106 mandates-44.20% of mandates. With so received votes UDF that received the most of the votes, didn't have the majority allowing it to form a Cabinet. As we already mentioned, the pre-election strategy of MRF allowed it to play successfully the role of the third party. Government of UDF was formed with the help of MRF.

The internal restructuring in UDF (more on personal, than on any other base), as well as the contradictions between the coalition partners led to the fall of the Phillip Dimitrov's Government after demanded and ungiven vote of confidence.

The public anticipations however, were once again very different from the political status quo and Bulgaria was again on the threshold of the serial elections. In the Parliament elections in 1994 were registrated for participation 48 parties, movements and coalitions. The model of the party competition was not so strongly confronted and the pre-election fight was definitely economized. The accents were the attitude to ex-Government and representation of their own programs for government.

UDF had recovered after the structural shakings but it directed its attention to internal organization problems, which appeared to be a serious obstacle for its functioning. With the more and more differentiating political space its unnatural party structure of a coalition-movement and the problems underlying in its structuring from the “parties-labels” didn't allow it to adapt to the changing competition rules. Its bitter experience with the coalition relations with MRF withdrew it into itself. It suggested a clear right

alternative for government, but the processes of identification were still obstructed by its organization problems.

BSP staked on its opening to pre-election coalitions and this time it made efforts to be more precise in the choosing of “coalition images”. Characteristic for BSP was that although it declared to be ready for a coalition it was still not accepted as a relevant partner by the other political players and this made it “create its own partners” – pseudo-parties without ranks and structures. A successful point was the attraction of BAPU “Alexander Stamboliyski” (a leader of the Agrarians, Prime Minister 1919-1923), that helped BSP to attract the agrarian votes. It suggested Left alternative for government.

In the political space BAPU were transformed once again, relying on their reserved perimeter. Beside the “label-party” “Al. Stamboliyski”, which in the above-mentioned coalition served to the interests of BSP without drawing positive points for it, there was registered the coalition People’s Unity – Bulgarian Agrarian People’s Unity – Democratic Party. This coalition succeeded to establish itself, using the fact that both constituting parties passed the thresholds of representation and organization.<sup>50</sup> Their strategy was directed to a tolerant pre-election fight and relationships with mother-party. Their platform was Right-Centrist, including specific agrarian program. They didn’t want to come in election coalitions, but wouldn’t refuse to participate in parliament-government coalitions.

MRF didn’t change the character of its strategy, but includes more Left demands in its platform.

BBB kept its line of representing in the society. They were once again closed for coalitions, coming from the position that they are the best of all. Their platform was Right-Centrist with definite nationalistic accents.

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<sup>50</sup> M.N. Pedersen, *The Dynamics of European Party Systems& Changing Patterns of Electorat Volatility*, EJPR, vol 7, 1979

The social-democratic space was organized by the Political Unity “Democratic Alternative for the Republic”. However, their messages were dressed more in political, than in economic terms, something that was out of the imposed model of competition, constructed around the economic alternatives.

8 parties and coalitions participated in the elections. 5 of them were represented in the Parliament and two of them were new for the party system.

UDF-1 260 374 – 24.3%-69 mandates-28.75%; People’s Unity (BAPU, DP)-333 478-6.51%-18-7.50%; MRF-283 094-5.94%-15-6.25%; BBB-245 849-4.73%-13-5.42%; BSP, BAPU “Al. Stamboliyski”, “Ecoglasnost”-2 262 943-43.50%-125-52.08%.

BSP won the absolute majority and formed single-handed government. This fact as well as the fact of the presence of more than one small party did not allow anyone of them to take the place of the “third” party. Parliament relations were realized between UDF and PU (BAPU-DP). These relations created a new pre-election coalition in the next elections.

MRF that lost its role of the balancer directed its attention to a total change in the party strategy.

BBB remained in the role of eternal opponent

During the government of Jane Videnov the country was caught by a deep economic crisis, which caused parliament crisis and new pre-term elections were promulgated.

The whole pre-election situation was formed by the circumstances of the ex-government’s falling and by the hold in 1996 President elections.

During these political processes was born the coalition formula Unified Democratic Forces (UDF) in the President elections, which kept functioning after the withdrawal of



MRF before the Parliament elections. Basic partners there were Union of Democratic Forces and PU – DP. Inner Macedonian Revolution Organization (IMRO) pretended for a special place in this coalition. It is a nationalist party, with local meaning, which used the political situation, when a small party joining a big coalition multiplies its votes, and succeeded to accumulate positives and to show bigger coalition demands in the next moment. The joining of PU (BAPU - DP) to UDF was realized according to the traditional coalition rules, which meant that PU was not absorbed by UDF

As we already mentioned, MRF was directed to a totally new party strategy, trying to escape of its ethnic image. For this purpose it used the BSP tactics of attracting “label-parties” partners, and created the Union for National Salvation (UNS).

In the Parliament entered the Democratic Left – 937 242, UNS – 317 067; UDF – 2 208 305; BBB – 209 274; Euro-Left Party – 208 219. UDF received a full majority and formed single-handed government.

The party identifications and strategies in the competition led to the conclusion that in Bulgarian political space were differentiated some ideological-political fields concerning the building the parties and their structural wishes. There can be defined a moderate Left space, which UDF – organized as a Right Christian-Democratic party before the last elections – was trying to fill by gradual adapting of its ideological image and practical strategies to that space.

After the delay in the processes of inner differentiation and organization in BSP, it continued the search for its place (after the restructuring) more or less on the Left from the Center.

Euro-left Party, detached from BSP, won recognition as a left-centrist party, which could move Left and Right from the center with equal success.

MRF totally changed its strategy and was trying to represent itself as a national party, and in negotiations for the local elections it showed political preferences to definitely nationalist slogans.

Interesting are the claims of IMRO. From its development will depend how this cleavage will be extrapolated in the political space and what will be the consequences for the doctrine and political behavior of the big parties.

BBB was slowly going to its drop; their strategy of demonstrative reluctance of government-cabinet or other coalitions isolated it from the party system.

Significant is the appearance of Movement “Gergiovden”, which is trying to play in the field of protest vote.

As a whole if we use the categories, characterizing the static character of the party system, we can define the party structure as multi-party with a dominant party (changing)<sup>51</sup> or, using other qualification, as a multi-party system of the big parties (the categorization includes the cases where big parties receive more than 80% in the elections, and the small – less than 20%)<sup>52</sup>. In so structured system it is possible to exist many small parties, some of which in a certain party configuration could become a special “third” party, so important for forming a government.

The system is moderately polarized and was extremely polarized in 1990. The dominating style of inter-party competition is gradually axologically confronting, and economically pragmatic. The consensus about the Bulgarian membership in EU and NATO prevented the “Euro-skepticism” and “Euro-optimism” from becoming new ideological paradigms in the society. The exceptions are the new nationalist parties (IMRO) and the ethnic pretensions of MRF that will stake on axiological values. The

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<sup>51</sup>G. Sartori, *Party and Party Systems & A Framework for Analysis*, Cambridge etc., 1976.

<sup>52</sup> P. Mair, *Party Politics in Contemporary Europe & A Challenge to Party@*, WEP, vol.12.

electoral moods will be more and more concentrated around the economical messages, because of the deteriorating economical situation.

The parties underlie in their strategies a policy that would ensure enough coalition potential for them, which is a factor for system stabilization.

The system hasn't finished its structuring and it is possible in its development to allow some of the new and to marginalize some of the old subjects. It is still early for categorical prognosis to be given. But according to us the party system will continue its development in the frames of the moderately polarized multi-party system with a dominating party.

### **2.3. The Bulgarian media environment in evolution process**

#### **2.3.1. Institutional frame**

The introduction, or to be more precise, the revival of the multi-party system in Bulgaria inevitably gave its reflection on the changes in media life. One of the first decisions of the National Assembly in 1990 was to close one of the most powerful institutions for ideological influence created by BCP - The Committee for Television and Radio. Two new media institutions were created - The Bulgarian National Television and the Bulgarian National Radio. In December 1990 the National Assembly adopted a document entitled "Fundamental principles for the temporary status of BNT and BNR". This document constitutes the first attempt for regulating the activity of both national media institutions, which nevertheless stays far away from the idea of mass media. Both institutions are controlled by the Parliament Committee for Radio and Television, which appoints their General Directors. This temporary status continued to be in effect till 13.09.1996.

In February 1990 the Round Table between the representatives of the Communist party and the opposition an agreement has been reached for the issuance of newspapers of the

newly emerged parties and democratic formations. The first newspaper to come out was the one of the Union of Democratic Forces - "Democracy". Right after it there had emerged the newspapers "Svoboden Narod" /BSDP/, "Podkrepa" etc.

The first private media in Bulgaria emerged in one form or another under the guardianship of the State. The emergence of the press group "168 hours" was related to the granting of huge credits, which were remitted later on by the state to the owners of the group. During the period 90-91 the former syndicate body "Trud" turned gradually to the private group "Media Holding" - owned by outstanding journalists from the former management of the newspaper and syndicate leaders. In 1991 two other national newspapers emerged "Standard" and "Continent". From 1992 started to be published "Wirtschaftsblatt" - the first German language newspaper in the entire Eastern Europe. In 1992 by decision of the parliament committee for radio and television together with the committee for Posts and Telecommunications a state body was established "Temporary council for radiofrequencies and television channels". After approving a concept and a program schedule the new council granted licenses for the broadcasting of the first private radio stations that had been restricted on a territorial principle. The first private radio station in Bulgaria started broadcasting in October 1992 in Sofia. A few months later in the capital started broadcasting the radio stations "Express", "Tangra", "Vitosha", "Darik", etc. In Plovdiv started running "Kanal Kom". During the period 1992 -1995 the Temporary Council issued licenses to several dozens of private radio stations and some regional TV companies. In the summer of 1993 radio "Express" was awarded the bid for national frequency, but a national private television has not been licensed till the present moment.

During the time of the socialist reign of Jan Videnov the first media law has been adopted and therefore it has been established the first open attempt for exerting control upon the media.

It was closed the Temporary Council and a state body to the KPD "Hudojestveno-Tvortcheski otzenki" was created. By this act it has been stopped for two years the issuance of licenses for private electronic media and a new more complex bureaucratic procedure is implemented concerning the grant of concessions to the electronic media.

Only with the votes of the socialist majority in 1996 the Law for the Radio and Television was adopted, the first law attempting to regulate the media space in Bulgaria. There is a strong counteraction against this law since through it the socialists govern directly the electronic media. The law has been passed back for further consideration by the President and upon the request of the opposition the Constitutional Court rejects sixteen texts.

In contrast to Poland, Czech republic and Hungary where foreign investments in the media entered early in 89-90 in Bulgaria they enter scarcely in 1993 when the Swiss group "Riugie" issued the business weekly "Cash". This first manifestation of foreign interest has been followed in the same year by the purchase of the main lot of Radio "FM+" by the British company GWR. Nevertheless, the biggest investment amounting to 50 million DM was made by the German Newspaper Group WAZ, which in the summer of 1996 purchased the press group "168 hours", and in February 1997 - the newspaper "Trud". Due to this reason the group acquired 80% from the daily newspapers market in Bulgaria and 41.7% from the entire advertising market. By this act WAZ fall under the blows of the antitrust legislation and the Committee for Competition Protection. Some of the decisions are at the moment brought about in court and in the nearest months it is expected the decision of court concerning the deal of WAZ with the newspaper "Trud".

In November 1997 the majority of the United Democratic Forces adopted in the Parliament amendments of the texts of the media law of the socialists in the rejected parts by the constitution Court aiming at the faster election of a National Media Council for Radio and Television. The council has been elected at the end of the year and in January 1998 there was elected a General Director of BNT and BNR. At the same time the governing majority adopted a new media law. In the summer of 1999 new National Council for Radio and Television was elected. And in 1999 there has been opened a procedure for issuing licenses of a national private television.

This is, in general, the chronological and institutional frame in which the changes in the Bulgarian media space evolve.

### **2.3.2.The assumptions of change**

The evolution in the media environment of one democratising country, as it could be supposed, nevertheless the suspects in the truthfulness of the process, supposes reintegration in the information field of tabooed by the censure, pressured out of the sphere of official publicity zones and intensification of information processes and interactions, free of restrictions, scheme. Indeed, the intensification itself means mostly intensification of the deideologization and supposes the cancellation of limitations and prohibitions, as well as of all into information article as well as its immediate inclusion in the flow of information consumption. The real subject of this intensification is the necessity of information, free of restrictions, but its guarantees and rights originate from the democratic law to be informed, but also to be source of information.

The Bulgarian media environment before the changes was ideologically stagnated and represented one imposed acting mechanism for defecting each potential information into restricted set of ideological applications, once again confirming the communist content, which was limitless and maniacal in its pretensions of historic mission. This obligatory set of ideological applications, which did not rejected its consideration, was inevitable, as its absence automatically render the statute of event and message of whatever piece of news and disqualified it to informational disabled value. The message of newly constructed supermarket, we could say, was burdened by the impression of exclusively successful policy of party, taking care of people's welfare and thus adding another reasoning to the numberless evidence for her leading role. It could be said that almost none new existed concerning this point de vue. These, who emitted such pieces of news, cared only about the stoned ideological dimensions, but the beneficiaries have developed protection mechanism to avoid excess message mass and bring it to any defined minimum. Of course, there were messages, in which such a minimum lacked – the party issued the consecutive signal for its unbelievable gains.

The information volume was tied by the ideological imposture and planned production of unreality, through processing of messages into medium of ideological substances, having their own value solely on the stock exchange of communist bien-être. The impression that the political change in its reflexes of information level shall appear and reconstruct in considered attitude of the prospective messages and enclosed ideological values, which are inevitable.

In the Bulgarian media environment immediately after the changes the illusion for absolute immediacy of messages existed and was stimulated. The rejection of obligatory markers of party saint, solely through the elimination of rational content of message, supported the enthusiasm of false, free of ideological fill immediacy. Not implying that the events have no liable to deprivation and redirecting power of immediate influence, but the establishment and taking into consideration with it is complex phenomena, which is not obligatory related to explosive public evolution and illusions, created by themselves.

### **2.3.2.1.Chronology of change. Pure message**

Indeed one of the protests against the communist regime, immediately before the change, referred to the media curtain, imposed by the authority because of the pollution and radiation, resulting from the Tchernobil's accident. No one found appropriate to inform the people about the relevant protection measures in a situation of intensified radiation. Later one, it was proved, that the communist elite during this period has eaten imported vegetables and drunken cautiously imported mineral water. The protest against the information rideau implied the right for pure messages, beyond the ideological reasoning – we have been radiated, it has happened, but hidden from us. Nevertheless the grounding, the actually happened event should not be screened.

Behind the rejection of the first socialist president after the changes – Petar Mladenov, again a media scandal was situated: an audiocassette, which evidenced the president's words "Let the tanks come", observing the effervescence around the parliament's house, caused by the party's invulnerability to cancel the article in the constitution, stating its leading role. The recording was a pure message.

The first media acquirement, encompassing the change, was the incorporation of multi-party press – it, comme dit, sanctioned the difference in the political platforms of multiplied political subjects. Appearing on place, carefully and jealously reserved solely for the party-mastodon; they naturally were condemned to message similarity, originating from its common hate of communist ideology. The party authority of communist party,

named hereinafter as socialist, discretely changed its name; the rather endangering, proletarian “Workers’ affairs” was renamed to the shiny “Word”, which proclaimed the return to the moderate basis of social democracy. Only one episode of the mimics of the party in the new conditions. “Democracy” newspaper appeared as a body of the Democratic Forces Union. As the socialistic newspaper characterized the change in the light of one innocent internal-party necessity of return to the untouched, stable grounds of its own ideology and willingly used artificial phraseology, while the democratic forces deemed as nihilists, revisionists and even fascists, appositely the newspaper, which has chosen the profound democratic name, provided abundant information concerning the criminal activity of the communist regime. It also published a map, on which the places of the communist concentration camps were marked by skulls and bones. Both information sources contested in their mutual exposures and self-powered by the irreconcilability of own extreme objects against each other. Their followers read them absolutely separately, although one certain group was formed, which read both for additional eager – it sought the stereophonic effect of comparing the unconditional democratic truth with the unconditional communist lie. It is strange that the recommendation-requirement “The whole truth for things!” existed in the media environment as if the whole truth was bearable for us or at least it could be said in the sphere of dailies or TV-news. In fact this truth was implemented in peace of arts and publications long ago the communist regime collapse, it was also declared by the Bulgarian emigration abroad, even more not in the shape of ideologically imposed finding long before collapsing of the regime. (This increased more our puzzling why after the changes exactly the “Fascism” of the Jelio Jeleu was deemed to reveal this truth concerning the communist regime.) It was also strange that this truth was not sought in the form of one positive political formula, giving sense to the change. Thus in the sphere of ideological rivalry the full mirroring of the ideological phraseologies was achieved, as omitting at a whole the possibility of change is wasted in negative reproduction of failing ideology, which continued to possess and its seemingly rejecting transcriptions. This was communism in its most pure form, in its most perfidy look, this, which transfers the evil into ominousness, looking from everywhere.



Till now we remain in the sphere of ideologically unconditional, where, indeed, unfortunately, the change absented.

During the same period the publications of press group “168 hours” – “24 hours” and “168 hours” appeared, in which the risk of one information strategy on a larger scale was undertaken. Nevertheless its properties, it was confirmed consequently and not evidently was copied by “Democracy” as well as by “Labour” newspaper, also by the more moderate and exquisite newspaper – “Standard”. We should precise here that the mentioned herein above dailies did not state exactly their left, right or central position.

And if the party issues observe certain quota of one relevant to the political engagement eventfulness and reflect it with special notability, vice versa the free daily, or the proclaiming as such, is promiscuitive concerning the events, from which it lives and which, consuming, terminates. The peripeteias of regime liberalization were naturally the most general flow of stupefying eventfulness, but not this was the innovation. The innovation consisted of one special tone of familiarity, which not only came to substitute the ominous official tone of press of the communist regime with its solemn all knowingness heroic pathos, but also realized one not very pleasant Bulgarian familiarity affiliation and vulgar discussion without distance.

Actual piece of news and context.

In situation of quick and rather easy alternation of some ideological clichés with other ones, for which change all sorts of precondition existed.

The very first substrate of these was this of radical anticommunism; its mastering was so easy that many former party members malpractice as presenting themselves regime enemies and raised new claim for power acquisition. Considerably more later, scarcely after the rejection of the Videnov’s cabinet, the clichés for Euro integration and intentions for NATO’s membership came, which although being grounded and strategic, reached a degree of ideological formalizing and positive unconditionally, which made them in senseless charms, but also in ambiguous axiomatic of new authority. Beyond this legitimacy of new political elite axiomatic, requiring relevant considerations and which on its transformation in a piece of news on the information tender maintained unreasonable high price through dummies and credits, came out of the blend of encompassing information material, which is self-destructive by its simultaneous

presentation. Here in the initial phase of democracy triumphed the former censored, which was not admitted in the media environment and relatively inevitable quick depreciation, because of superficial interest introducing it into the filed.

#### **2.3.2.2. Media matière of past**

At first the shameful secrets of former regime were used – this, which till this moment only the gossip could touch, then was discussed with pornographic circumstantiality – family of Jivkov, mysterious death of his daughter, known by its fatal passion for jewellery of royal family, Danovism and frequent voyages to Paris; the exploits of his son, the socialistic playboy, always creating the impression of certain insanity, spoiled grand daughter with her shocking expression of unmeaning face and frequent travelling to the basic printing-office for communist money Vienna and her new image of designer, the residences of communist elite, its thefts and malfeasance The son-in-law Slavkov (the present Member of The International Olympic Committee and chairman of the Bulgarian Football Union ) and his exploits and all this was mixed in one low quality blend of respect to the former authority, to their present money and revanchism desire, which was satisfied only on the level of one common publicity. Last, strangely why the loving-nostalgic glance concerning the weaknesses and curvatures of the so called “peoples authority”, in which the Bulgarian character was self-acknowledging in terms of peoples psychology and even melting by this self-acknowledging.

After this popular song the attract of formerly prohibited for mentioning came, besides the categories of judged, bourgeois past, third Bulgarian kingdom. Some journalists specialized in hard breaking stories concerning former bankers, who have presented to their mistresses ermine coats, for the bon vivant prince Kiril, for the favourite maid of tsar Boris, from who she allegedly has three children, for the homosexuality of the old tsar Ferdinand, for the success of the business of the exile tsar Simeon and all sorts of idle chatter. The strange thing is that all these “pieces of news”, the pieces of new as such, were represented in participle voice, as if flown by the gossip and so attracting the reader, creating the false impression for easy access, lack of distance, approximation as well as relevant portion of mystery and shininess. The common misery was impressed, with the

devil blink of most fascinating collective image of Bulgarian character – Bai Ganio: you can see, the things are as follows, not especially elevated.

These tematizations from the past certified the languished and perverse interest concerning the Bulgarian past and Bulgarian idea and impossibility for giving new meaning in the context of change.

### **2.3.2.3. Advertising images of freedom**

Because of the immense depreciation and malpractice of this topic and because of the big integration of intellectuals and lecturers in the university, which were forced to write articles against remuneration in newspapers, there indeed appeared not rarely an extraordinary elegant and profound materials concerning our most modern history and this of the kingdom. It could be admitted that the turbid flow, which encompassed them, did not allow the encountering of quality differences. But it is almost inquisitive certificate of ironic turnings, enabling this freedom, for which these have not reminded, loudly proclaiming the external freedom.

Indeed such as this it was consumed in huge quantities in the Bulgarian media environment. The pornographic and criminal were celebrated as the biggest sensation. But the real biggest sensation was the false of changes.

### **2.3.2.4. The failure of changes as media article**

Because the changes issued one direction of unreality, of simulation, it was also liable to presentation in the form of messages and consumed with great appetite. The false of changes – real challenge of each journalism – the changes as conducted spectacle of changes, which hides the efforts of communist elite to maintain its former positions. The changes as sentenced to failure, in a permanent blackmail, executed by the secret services of former party, which digs underneath the possibility to be legitimated as a subject of political change through hinted dossiers, through former membership in the party, through the “dark” sides of the private everyday life of the self-pronouncing decedents,

who suddenly proved to be paedophiliac or drug abusers, through the camouflage parties, depriving the electorate and at least the difficulty of change itself, creating inevitable nostalgia for communist past. After that other preconditions followed – some any Yalta Conference, which decided for us to remain in the field of influence of former USSR, any sanitary zone, in which our country belonged and which protected the West countries from the disintegration and infections of East etc. Naturally all about the machinations of old regime could not be known nor about the cynicism of post-war Europe. It was possible something to be learned and a possible image for assumptions to be composed. But as it is proved that our media environment could not bear and do not retain in circulation anything, which could be pure message and which should have discipline to protect from preliminary conclusions and speculations.

After the euphoria of terminating the relations with the former Soviet Union followed by the dysphoria of West countries caution to integrate them to its own structures, meanwhile absolutely grounded. Appeared, again remaining invisible, but clear capacity of political infantility, of dependency, of lack of project, of one even in the Jivkov's époque hypertrophied inclination to useless discussions of this, which shall not be made, of conceptions, which shall remain only on paper, of bad scientific activity, developed the stiff upper lip fruitless closeness because of impossibility of application. But even at the first years of change the certain inclination for forecasting the future was clear, while the inertia force of change was depreciated and ambitious of one marked communist sociology, as a consequence only on the statistic probing one could count on, combined with the "immediate" reliability of media.

#### **2.3.2.5.Positions unclearness**

In due course of this ill-fated fatal predetermination of Bulgarian changes, in which all was demonised in one fearful ambiguity and even double-facing, the media registered the strange effect of positions unclearness. This way, till the presence of ideological fire of decedents with the followers of old regime, occupying the whole media environment, it was proved that the communist has exported huge capital amounts in foreign banks and all sorts of possibilities came out for their return through dummies and "foreign"

companies. I.e. the communist authority was transformed into anonymous economic relations. This sentenced the Bulgarian decedents and at a whole the enemies of communist regime to become mill-clacks, which noise did not certified nothing but political weakness. Meanwhile, at this time only a few newspapers gave detailed information concerning the reformulations of communist authority into economic one. This was the first turnover.

After that the disappointment of corruption of new “elites” came out. But it was a disappointment, mixed with content, because the processes of positioning of one state system on rational and stable basis, was much more alienated for the common Bulgarian person, than the sujet of illegal theft, of the human weakness, of the sense that the things have not been so elevated, but rather simple – in confused times you should steal what you could. I would rather think that the media environment did not differentiate the statement that this criminal plot would not be possible, or would not be so desperately prevailing, if in Bulgaria did exist a political elite, grounding on and one welfare, on which it has sufficiently been accustomed in order to be protected from the excesses of wasteful practices. Such a statement could not be differentiated concerning the execution of power. At a whole the lack of aristocracy in Bulgaria and the almost entire termination of entire Bulgarian bourgeois by the communist regime was proved crucial for Bulgaria even in the light of modern events and implied the seal of plebation and low quality of political intentions.

In the media environment event the most sad finding concerning the rather unsteady carrying out of Bulgarian reforms was not differentiated – they were inert, without conception and Bulgarian project as well as the followers made career, for which the unconditional requirement for membership in the party was substituted by the phraseology of democracy, of Euro Atlantic values and these of the Poparov’s open society. Not little part of these having reached ministerial positions and diplomatic careers in the first non-communist government after the changes remained in America or denied to arrive from those pleasant and serene countries such as Sweden and Belgium. The conclusions that may be drawn are two - that the positions have been used as trampoline for the remaining in these countries or that the convincement in the failure of

the reform has lead to the decision for termination of the political engagements: but both conclusions lead us solely to the sphere of huge political resignation.

### **2.3.2.6. The fault start of the reform and its information indemnity**

The unperformed reforms grew into an endless discussion, a strange media travesty of the Bulgarian parliament life. But if the same sight of futile parliamentarism and false political activity before the war had lead to some coups d'état and Tsar Boris to come to the decision for establishing a personal regime and termination of the rights of the parliament some time before The Second World War, now it proved to be impossible. The illusion for parliamentarism has blocked the possibility for decision. It only remains the possibility for endless discussions in which one can smell the ruin of the ideology of pluralism.

The media image of this replacement of reform may be caught in this, with which this basic information flow of unsatisfaction has been added. The newspapers with their structure of daily news give a very precise diagnosis. The newspapers as it is well known, give a leading news, the accompanying comments, a pack of other information pieces, distributed in editorial columns - sport, culture, economy, commercial additives, advertisements, introducing the vast sphere of the seeking publicity private, inquisitive peeping in more marginal themes, directed by exclusively actual interest, a little bit of astrology, puzzles, the compulsory picture of a naked woman of the last but one page, and eventually a feuilleton - the journalesque version of literaturity. All this constitutes a daily information picture of the world in motion, without substance, distance, and resistance, structuring of actual in twenty or so pages with a full illusion for immediacy and truthfulness

This so consolidates structure, within some variations typical for all newspapers, and as an information pack is an image of communicativity, and as far as the single message is concerned, that is an accompanying value, relationship of potentially genuine message and its possible cognitive representations in the media space. The daily newspapers present approximately one and the same news, which are derived by the way from one and the same information agencies.

### **2.3.2.7.Configuration of daily newspapers**

The newspaper “24 hours” was a leading newspaper, the most read one, the most provocative, which had its own even though questionable stylistics. One may definitely affirm that it was the fastest one to react towards unpredicted events, to which it dedicated extra issues, froufrous and appendices. Its attractiveness was undoubted. The newspaper “Standard” was considered more exquisite and calm. Here was formed the journalistic core with very strong activities, which later on turned to Radio “Free Europe”, the newspaper “Capital” and BNT. Sometimes an underlined exquisiteness however is considered very boring. The newspaper “Trud” with its daily, night and yellow variants /”Daily Trud”, “Night Trud”, “Yellow Trud”/ was definitely pornographic. This by the criteria of the modern Bulgarian journalism is presented to be the true news telling. There was no disgusting news for crime, or a terrible picture of a car accident, splashed blood and crashed bodies, which “Trud” to show with a cynical satisfaction; this roused its total print. Generally speaking, that was the disposition before the buyers of “24 hours” and “Trud” by the German group WAZ. It froze and standardized the already found consolidated structure of “24 hours” and poses it as a model for “Trud”. Both newspapers suspiciously resembled each other already. As far as “Standard” is concerned it lowered the guard. “Trud” retained its rich pornographic palette before the time of the German group. The old core of the press group “168 hours” went in the newspaper “Monitor”, but this was merely the same newspaper. Now the Bulgarian newspapers are embraced by the pathos of professionalism, often so elevated and nuisance, and by the false pathos of unconditional news.

### **2.3.2.8.Vulgarisation of media language**

What characterizes the language aspect of media message is a particular, stylised vulgarisation of Bulgarian language, perceived euphorically as a drop off of ideological restrictions. This is stylistics of the waste, of consuming the profaned and turned to

exoticism signs of bourgeois Bulgaria, of the populist jivkovistko-monumental sentimentality.

In fact Bulgaria always lacked conditions for simplicity of message. It is invariably accompanied by following ideological values to an extent of unrecognition. The growing lack of public society is an explanation either. They like the notorious democratic virtue remained in the sphere of wishes. Their information message has been displaced by from their ideological instrumentalization as well as by a primary suspiciousness.

### **2.3.3.The situation in the electronic media**

If the newspapers explicated a scheme, which was affirmatively approved after their sale, in the electronic media this sanction was announced through the establishment of a media council. This could mean nothing else but return of censor as an observance of an information policy ordered by the authority. But if the newspapers experimented however, BNT and BNR were monumentally stable in their jivkovist boredom. On the account of this and in a very suspicious balance the private radios and televisions threw up entertainment programs, show, music, porno in quantities that one could never bear within the frames of one human life. Only the popularity of the New Television leads BNT to a weak attempt for copying the programs and schemes. If some program due to an attractive openness and touching vulnerable items for the authority was thrown out from BNT, grounding of course on its aesthetic incompleteness and legendary lack of professionalism, it quickly appeared on the broadcast in some of the private, with increased spectatibility, withholding from the prohibition enclosed. The reverse way was not possible. It was very strange also, that merely all publicistic items, for which the touching of political issues was not mandatory did that with great diligence: this way a notification was given for loyal readiness for participation in the authority, which fourth line, as they say, are just the media. After the changes BNT was a breeding-place for governmental speakers, image-makers. With the due extent of conformism and demagogy. Thus the National Television, which in the dawn of changes was merely always besieged by people protesting again its information policy proved to be practically unchangeable Here the authority economically disposed on the purely political perimeter



and in the other aspect wished to reserve the status. Which was at that moment very convenient. As far as the television broadcasting of election campaigns and reports about the legislative activity of parliament is concerned, a quote of BNT, they turned into a political show, which amuses the entire nation, but in fact is very sad indeed.

The Bulgarian National Radio did not undergo great changes. But stressing on the sensitive updating of its best traditions, today it is almost worth hearing (which is definitely surprising at his present ungifted management) in contrast to many private radio stations, which broadcastings are very hysterical and infantile. A pleasant surprise for the Bulgarian radio-ether are the broadcastings of Radio “Free Europe”, which alternates its information blocks with the program of “Classic FM” Radio. The combination of objective and calm voice of news and analyses, avoiding unnecessary sensation with the ever lasting values of great European symphonic music ever suggesting the one most precious in the European cultural space, which thanks God, is not subdued to change, even at its touch with the media. In fact this is the most valuable suggestion in the context of Bulgarian change - that no change is to be beneficial if one does not know that ought to stay unchanged.

#### **2.3.4. Media and power. The power of media**

As I already mentioned the fall of the Jivkov regime had its media correlation - the media eclipse, imposed over the ecological problems. Naturally this was not the basic impulse driving the changes, but gave the undoubtful signal for a very similar situation for impossibility for complete control upon the media and bringing the authority into compliance with their power.

A media scandal brought down the Minister of Interior in the cabinet of Jean Videnov, who was pictured by an energetic journalist TV-reporter to have fun in a beauty contest in very improper moment. The Minister tried very awkwardly to dodge the cameras, which made the scene even more comic. The picture was enough, as was the cassette tape with the notorious phrase of Petar Mladenov, for the falling of the Minister. And for the rise of the heroic journalist, who was included in the journalist group accredited to the Council of Ministers and the President for the official announcement of their activity.

The media established their power - for an irrefutable exhibition of hidden truth or, the boundary is hardly visible, for chantage through cassette tapes, records of events, lists and dossiers, inconvenient pictures...

A true triumph of the power of media, as well as their very doubtful “serving” was the falling of the cabinet of Jan Videnov, whose unceremoniousness with regard to the media was inimitable. The siege of the Parliament, caused this long expected resignation, was an event which was not to be expected to be broadcasted officially. The whole event was broadcasted in life by the private radio “Darik”, which ceased its regular program and mixed the reports for the event with blitz-comments and suitable music. The events took place in the capital and the news for them lead to similar unrest in the country. A part of the people protesting before the parliament, equipped headphones and mobile radio apparatuses followed this first attempt for media reflection of unrest. Other part from the protesting fidgeted between the Parliament and the nearest television monitor to see how the events were reported. Due to the official impossibility of BNT to report the events on a market based principle its employees photographed in private with amateur cameras. There, where ended the official prohibition for reporting began the market freedom and risk to photograph and sale one information product. The television panel of the National Television in the Parliament, who together with the siege deputies was unable to leave the building, very unofficially photographed the chaos inside, the influx of protesting men, the fire, the low-spirited socialists, very scared, even the chief of the media committee of the socialists in the Parliament, who unknown why had began to sing with her party fellows Bulgarian national revival songs. Later on it was constructed a film from the various materials, which was something like a television epopee - a hit of the “revolution”, like the famous Delacroix picture with the slight difference that the freedom here do not wave a flag but carries a television camera in hands. This film was a court witness for the socialist government and police having loosed their nerves, and beaten some of the protesting. The audio and visual material was used in any way for the falling of the socialist cabinet.

The protests were entirely justified but it was merely not noticed how in the progress of events the media report displaced the event itself, how the protesting very suspiciously rolled around and popped in front of the cameras because the more important than the

event was its media reporting and the successive use of the ready media article. In fact the authority has ever flirted with the media and complied with their power only in the moment of its establishment. But it often rejected their right to report when it grew stronger and stable and denied the possibility for pure information. It is inevitable to some extent but should be kept within the limits of political and information culture. For example, the Ministry of Ecology to the last cabinet, having replaced the one of Jan Videnov, discretely retained to give information about the pollution and radiation from the NATO bombings in the former Yugoslavia. As it stood behind the NATO's actions, it was considered that we should calmly accept the radiation dose since our membership in the CMEA in the past urged us to keep silence about the accident in Chernobyl. Now it is not the event that causes the news but vice versa...

As a powerful factor for public opinion formation and creating definite adjustment and value ideas in the widest social strata, the medias exert significant influence on the political culture. On the other hand they are still to some extent a reflection of its level and stage of development.

## **2.4. Political Culture**

By "political culture" we understand the system of accepted and anticipated political values, predominant in certain society in a determined phase of its development. This category concerns fundamental, deeply rooted values, which are decisive in the estimation of the way the citizens get on and follow the rules of the political game. The politic culture is a conservative phenomena and its acceptance by the society demands a long time.

According to the researchers of the Bulgarian political culture, one of the historical characteristic features of Bulgarian society is the indifference of public consciousness to politics. They are looking for the roots of the division between politicized and apolitical part of Bulgarian society in "the very base of the modern political life in the country"<sup>53</sup>.

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<sup>53</sup> Тодоров, А. Политическата култура в модерна България, 1993 г., стр. 8-16

The political history connected with the destruction of the opposition and the repression over its members in 1994-1997 also gives its contribution to the formation of the civil political culture.

Another peculiarity of the Bulgarian political culture is its deep anti-party character, a fact that is in the base of the reinforced electoral mobility, accompanying the electoral processes from the very beginning of the century. Totalitarian heritage inserts new negative connotations in the term “party”. The painful transformation of the opposition conglomerate UDF into party is connected to this cultural phenomenon.

It is difficult for the bulk of the electors to express their economical interests and to orient rationally their behavior in accordance with them.

That's not an obstacle for existing of valuable divisions in the society on the axis left-right and for their being a motive for political behavior.

In November 1990 was made a sociological research by the Center for Analyses and Innovations, trying to catch the politicizing tendencies in the society. The results of the research permit the differentiation of three groups of opinions: the apolitical, the politicized followers of UDF and the politicized followers of BSP. A confrontation model of political culture can be observed, which connects the political opponent with the image of the enemy.

Another research of the Center of Analyses and Innovations conducted in May 1991 showed more clear differentiation of the groups concerning their valuable orientations on the axis left-right in connection with social-economic values. On one side is the group that accepts the ideas connected with the denying of the old, the acceptance of the private property priority, and state withdrawal from the economy. These values are connected to the wish for bigger activity and individual values priority. On the other side is differentiated the homogeneous majority supporting typically left values: state regulation of the economy, equality, control over the prices, unreligiousness, rejection of private

property. The opinions are divided in two groups – apolitical, left and right. In other words on the ideological level we can talk about the existence of opposing between right and left.

The two main parties in Bulgaria – BSP and UDF are identified not as social-economic communities, but as separate cultures. BSP shares common values, common memories for the past. The main body of this culture was built by old people, who remember the anti-fascist past. For them the democratic changes are symbol of restoration of pre-war political regime. The political contradiction is understood by this group in the light of the fight against the restoration of fascism.

The UDF culture is structured around a common negative memory of the communism. The key identification of this group is the term “communism”.

Thus the main contradictions and structuring in the political space are made on the base of valuable adjustments, not of social-economic divisions.

The electoral behavior of the followers of MRF is also structured by ethnic-cultural values. All the moves, respectively all the coalitions of the movement elite in the political space (from the right, through the left and liberal), do not cause significant shakings among the electorate, which considers MRF for a political presence of the ethos, no for representor of the economic interests.

The predominating city electorate of the Agrarian parties is once again a sign for ideological-valuable, not for economic interpretation. In independent representation BAPU “e” receives 48% of its total votes in the cities. And the half of the votes of BAPU “Nikola Petkov” (47%) is also from the cities. In this frame is also inserted the strong position of BSP in the countryside.

We think that so formed ideological-valuable adjustment for election behavior hampers the structuring of the social-democratic space.

## **2.5. Demographic Development of the Present Bulgarian Society**

### **2.5.1. Natural development of the population**

Tracing back the demographic development in Bulgaria since the beginning of our Century till now we can say that Bulgaria goes through the three stages of the demographic transition pretty fast.

It is estimated that this process has last for about 60-65 years, when in most of the European countries it has taken centuries. Since the beginning of the 90-es Bulgaria directly started the forth stage of the depopulation. This process started in 70-es and was growing until 1997. Thus in 1990 it is 3.4 thousand people, which is 0.4 per thousand. In 1991 it is growing deeper and goes over 14 thousand people, which is 1.7 per thousand. In 1993 it is 2.9 per thousand, in 1994 - 3.8 per thousand, 1995 – 5 per thousand, 1996 - 5.4 per thousand, 1997 - 7 per thousand. Obviously this is a process of a deepening depopulation which in absolute figures for 1997 is estimated to 57 thousands people. During the last year for which we have information - 1998 - is reported a slight decrease of the depopulation -53 thousand people or 6.4 per thousand. No doubt, this process of depopulation decreases to keep going, but we are still far away from its overcoming for reaching an effective reproduction. The absolute measure of depopulation for the period 1990-1998 is estimated to 292 thousands people. The depopulation in our country is due to the natality decrease and the growing of the mortality.

### **2.5.2. Natality of the population**

For the whole period after the Liberation for which we have population statistics, even during the wars, neither the absolute nor the relative natality measures have been so low and this would reflect over the forming of the manpower. Thus in 1991 the births are about 105 thousands and the natality is 12.1 per thousand. In 1994 the births are 79 thousands and the natality is 9.4 per thousand, in 1997 the natality is 7.7 per thousand.

For 1998 is reported a slight increase of the natality which reaches 7.9 per thousand. There are periods in our demographic development especially after the World War I when the births have been over 200 thousands or three times more than now and in 1974-1977 – 140 thousand or 2 times more. With this low natality level Bulgaria and Lithuania are on the last place in Europe. When we study the Bulgarian natality through more precise methods as the total natality factor, which for 1998 is 1.1 children, and through the net reproduction factor coming up to 0.54 the conclusion is that we are on a considerably lower level in comparison with the Nordic countries, France, England etc.

The crucial effect of the socio-economic conditions cannot be denied. The low living standard, which can be seen mostly in the young families, and the growing expenses for the children alimony influence over the natality. The increasing unemployment and the vague perspectives for realization of the youngs also have a bad reflection on the natality. The policy in its up-to-date shape and especially in its latest purpose for shortening the holidays of the young mothers for babysitting, the payment restriction and the symbolic family allowances do not have positive effect over the natality.

Now, when the main goal of our country is its European integration it is necessary to apprehend the most fitting model for conducting an effective demographic policy. The most fitting in our conditions is the pronatalistic policy, which was led non-stop after the World War II in many European countries.

### **2.5.3. Population mortality**

In the period after the World War I till the mid 60-es in Bulgaria was achieved a crucial decrease of the mortality, which from 20 per thousand, and for some periods over 30 per thousand, goes down to 7.9 per thousand in 1961-1964 – the lowest level in our demographic history. Although, after the mid 60-es the mortality starts to go up, especially during the last decade. Thus in 1990 it is 12.5 per thousand, 1994 - 13.2 per thousand, 1996 - 14.0 per thousand, 1997 - 14.7 per thousand, 1998 - 14.3 per thousand. The absolute number of the dead people in 1998 is coming up to 118 thousands people or

53 thousand more in comparison with 1964. According to the last data published by the Council of Europe, Bulgaria has the highest mortality rate between the European countries. Some of the most developed countries like Switzerland and Netherlands show a level of mortality under 9 per thousand. The children mortality is relatively high in our country, which in 1988 was 13.6 per thousand and during the last decade is about 15.17 per thousand.

#### **2.5.4.Average life expectancy**

For the period since the beginning of the World War II (1935 – 1939) till the end of the 80-es (1988 – 1990) Bulgaria has achieved an increase of the average life expectancy with about 20 years, and now for the men it is 68.1years and for the women it is 74.8 years. This is a significant success in the healing of the contagious disease and the decrease of the children mortality (almost 10 times).

During this period the development of the hospitals net, the growing of the medical personnel, the new healing methods, the educational improvement of the people and the free of charge medical support as well, played a positive role for the mortality decreasing and the growing of the life expectancy.

During the last decade the mortality increasing led to shortening of the average life expectancy, which according to the figures from the period 1990-1997 is 67.1 years for the men, or 1 year shorter, and 74.3 years for the women, or half a year shorter. Amongst the European countries only Bulgaria and some countries in transition like Russia, Ukraine and Romania show such tendencies. In the most European countries the average life expectancy is at a level 7 till 9 years longer than in Bulgaria.

#### **2.5.5.Population migration**



A crucial effect over the demographic development during the last decade gave the migration and most of all the emigration.

The data about the immigration, which for 1997 is estimated to 190 thousands people, show that we have a slight increase, and the migration from the towns to the villages is 10 thousand people more than the reversed migration. Thus after the urbanization typical for the 50-es and 60-es we are in the period of disurbanization.

The significant lost of population during the whole period is typical for the Bulgarian emigration. The period 1911-1926 is an exemption when due to the changes of the national border refugees from Trakia, Macedonia, West outlying parts and Dobruja come to our territory.

The emigration wave is the most intensive after 1989 in the period of the so-called "big trip". The emigrants leaving to Turkey are coming up to 218 thousands people. In the next year the emigration wave is going on and accordingly to the National Statistics Institute 640 thousands people have left the country for the period 1989-1996, including Bulgarian population heading to Western Europe, USA and Canada. The most concerning fact is the lost of our intellectual potential.

The basic reasons defining the emigration according to the sociological researches made in 1991 are: the low living standard - 57.3 %, the growing unemployment - 31,0 %, the political and economic situation - 28.6 %. We must note the basic meaning of the production sales narrowing. It determines both the low living standard and the unemployment which is about 500-600 thousands people annually. These demographic processes, concerning the natural development and the migration, and leading to depopulation and growing emigration, determine the decreasing of the manpower and reflect negatively upon the demographic development, as well as upon the economic and social processes in the society.

The analyses of the age composition of the population show that we are in a process of a rapid aging, or regressive type of age composition, where 33 % of the people are 50 or over 50 years old. In these circumstances we have a huge demographic pressure, because every person between 16 and 64 has to maintain a person over and under that age range. Thus one employed person has to pay for 2.7 disabled or non-working people including unemployed. In the future the generations included in the manpower will be sparser and this will have negative effect over natality and the population reproduction.

In conclusion we can summarize that an accelerated process of depopulation produced by the natality decrease and the growth in the mortality of the population are observed in period after 1990. To these unfavourable tendencies can be added the emigration of large contingents of people heading to the developed countries due to social-economic circumstances. An accelerated aging of the population occurs as well. This leads to an increase of the demographic and social-economic pressure over the active population. All these processes form a quite disadvantageous demographic situation in Bulgaria after 1990.

#### **2.5.6.Directions for leading an effective demographic policy**

It is necessary without any delay directions for leading an effective demographic policy for the demographic collapse overwhelming to be organized.

To be effective the demographic policy must follow the requirements:

To be global - to measure the peculiarities of the life cycles and the social roles of the family members.

To be complex - to include a set of measures for the demographic problems resolution. These measures must be in accordance with conditions, factors and social processes during the transition to market economy.

To be systematic - permanent and taking into consideration the specifics of the transition to market economy to respond adequately with relevant social measures.

To report on peculiarities of the people considering the social groups that they belong to and the places they live as well.

To be created an effective national demographic policy is necessary in accordance with the international practice and recommendations of the UN Mission working in our country to be built the needed institutions which to organize and conduct this policy.

A permanent demographic commission under the auspices of the parliament must be created which has the demographic development and family problems as the main object of its activity. The coordination of the conducting of the population policy is suggested to be taken by the Government through a creation of a state agency, which must coordinate all programs having direct or indirect influence over the population. Informal consultant group to be created of NGOs experts and scientists who can also give helpful information and to make rational proposals on the population and family issues.

The work of these institutions must be based on systematic and extensive scientific researches over the demographic development and the conditions and factors that define it. This activity is especially helpful now when our country is in a transition and we have achieved a proposal for negotiations for EU-integration and a number of the old decisions are unacceptable. On the basis of this researches advisable proposals for new legislation to be motivated in accordance with the European one and its conduction and coordination with the help of responsible government and non-government institutions applying the experience of the developed European countries like Germany, Sweden, Switzerland etc.

## **2.6. The Change in Minority Policies: The Bulgarian Ethnic Model**

The circumstances in South-Eastern Europe and the interference of the Great Powers did not give chance to the national idea to be realized in a way it was in the rest of the continent. The borders of the states in this region were drawn along lines, which to a great extent did not follow the boundaries of the ethnic entities. The fact that in the Balkan states live many different minorities has lead to many ethnic, sometimes religiously furnished, conflicts among the countries and inside them. That gave the notorious fame of the region as the most violent and turbulent part of Europe. The numerous wars, deportations, migrations, assimilation, expatriation that had taken place did not change the ethnic diversity in the Balkan states.

As it was shown in part 1. in Bulgaria live several ethnic groups. By the mid 80-s the country was known with the tolerance among them, with the lack of any ethnic tension. Bulgarians, Turks, Gypsies, Jews, Armenians were well integrated in the society with equal access to education, jobs, without serious ethnic discrimination. In some cases were provided privileges for minorities to enter schools and universities, to carry out cultural activities. But in the 80-s the ruling elite, disturbed by some new tendencies in the demographic situation, by some attempts the minorities to be used from abroad for exerting pressure on the regime, has put into practice a ridiculous policy of forcing the people of the Turkish minority to change their names with Bulgarian ones. It was done according to an approved by the authorities list of names. Restrictions on circumcisions, traditional among Muslims, were imposed. The arguments were that the Muslims in Bulgaria were successors of forcefully converted to Islam Bulgarians during the Turkish rule.

This policy could not win large support in society. The greater part of the Bulgarian Turks opposed it. Their resistance received an internationally organized support. The Bulgarian authorities opened the border with Turkey in May 1989 and let those who did not want to change their names immigrate to Turkey. Almost half a million Muslims left Bulgaria. Many of them hoped that they will have a chance to immigrate to developed western countries and that was the real motive to travel to Turkey. There were families, relying on the support of their relatives on the other side of the border. Many left because they could not bear the humiliation. Others simply were following the instructions of the leaders of the resistance. Many of them were disappointed and later returned back to Bulgaria.

The movement of that huge number of people caused a deep crisis in Bulgaria. Serious economic difficulties had emerged. The official policy could not gain the support of the Bulgarian people. The regime had fallen in an international isolation. The brinkmanship had accelerated its rejection.

Immediately after the changes on the 10-th of November 1989 the new government condemned that policy towards the Turkish minority. Gradually the ethnic tension was decreased. The relationship among the ethnic groups returned to *the traditions, formed in the long period of their co-existence*. After the revival of the Bulgarian state there was witnessed tolerance towards the Turks, who remained to live there. At the beginning of the 20-th century Bulgaria opened its borders for the persecuted Armenians. During the World War II Bulgaria was the only country of the Triple Pact, which managed to save the Jews (50 000) from deportation. Obviously the adventurous attempt, undertaken by the regime of the last communist dictator in Bulgaria, could not destroy the long lasting traditions of ethnic and religious tolerance. The Bulgarian ethnic model was outlined against the conflicts in other parts of South-Eastern Europe. As the Bulgarian president Petar Stoyanov has put it “*the Bulgarian ethnic model is a historic achievement, which is a product of long living together of different ethnic groups*”.<sup>54</sup> The leader of the Movement for Rights and Freedoms, considered as a political party mainly of the Turkish minority in Bulgaria<sup>55</sup>, Ahmed Dogan has stressed that the Bulgarian ethnic model is the best product of the Bulgarian transition, which deserves better international recognition.<sup>56</sup> All main political parties in Bulgaria have given their contribution for preventing ethnic conflicts in the country. Their policy did not give chance for negative influence from the ethnic conflicts in the region. The Turkish minority was involved in the political process in the country. In the period 1992-1995 the government of Prof. Berov was formed with the mandate of that party. It is a policy of the Movement for Rights and Freedoms in the local authorities where it has overwhelming majority to share the power with other political parties. The rarely risen nationalistic appeals do not receive large public response.

There are difficulties in integrating the Gypsy's minority in the political life. Their traditional style of living, the low level of education, the very high percentage of

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<sup>54</sup> “Демокрация” (Democracy daily), 25 October 1999.

<sup>55</sup> Besides more and more Bulgarians ask themselves why it does not exist a legal Kurdish party in Turkey or parties on ethnical basis in Western Europe here there is a compact mass of foreigners. Such parties would be a perfect example for imitation and would facilitate the functioning of analogical parties on the Balkans.

<sup>56</sup> Ahmed Dogan, Statement at a press conference on 16 October 1999.

unemployment among these people and the related with it criminal activities is one of the tough challenges faced by the Bulgarian ethnic model. One of the heaviest burdens of the state is to provide social support for the normally large Gypsy families. This minority remains isolated from the other ethnic groups. A special advisory body to the Council of Ministers with Gypsy representatives was established in early 1999, but the results of its activity are not very optimistic.

An important step towards implementation of the European principles and norms in the ethnic policy of the political parties was the ratification of the Framework Convention for the Protection of National Minorities. The preparatory work on this Convention of the Council of Europe began in 1994, during the Bulgarian chairmanship. The result was a compromise between two main views on providing protection for the national minorities - one arguing that the rights of the national minorities can be protected through guarantees for the individual rights of the people belonging to national minorities, and the other insisting on providing collective rights for the national minorities.

As any compromise, the Framework Convention suffers from some defects. For example, it could not define what is a national minority. That gave room for different interpretations. There was a public debate in Bulgaria after the president had signed the Convention on 9 October 1997. Particularly heated were the discussions in the Parliament in the early half of 1999, when the Convention was ratified. It seems that the problem was caused by the pressure, exerted from abroad, for its quick bringing into effect in Bulgaria. Mainly countries from the European Union, even such that do not accept the Convention, were insisting on that, some times neglecting the realities and the achievements in Bulgaria<sup>57</sup>. The public opinion has got the impression that the Convention was ratified not in search of norms and devices for improving the relations between majority and minorities, but to meet the requirements of the countries and

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<sup>57</sup> With a view to the actual events in the political life of Austria and having regarded the reinforcing of extremely right-wing parties in some Western European countries, we must remark that the problem with nationalism in Western Europe remains aside of the researcher's view. An analysis of the laws for restricting the access and sojourn of the foreigners, coming from non-EU countries would throw an interesting light on the question.

institutions, on which depends the attitude towards the Bulgarian will to join the European Union. There are some doubts that the Convention is giving better solutions of minority problems than the Bulgarian ethnic model. It deserves deeper insight, particularly within the efforts to find solutions of minority problems in other South-European countries.

## **2.7. Social and cultural aspects of Bulgaria's integration into the EU structures**

### **2.7.1. Social and cultural dimensions of Bulgarian transition**

The status of Bulgarian culture after 1989 is characterized by a contradictory phenomena and processes, which cannot be assessed unambiguously. On one hand, the transition towards democracy and market economy provides a wide range of opportunities for the development of the artistic culture (freedom of speech, lack of censure, various opportunities for manifestation and sources of financing). On the other hand Bulgarian culture suffers strongly from the economic crisis and the mass impoverishment, from the lack of legislative basis and of clear and consistent strategy for national cultural policy. During the socialist years this policy was characterized by total centralization in the administration of the cultural processes. Since 1948 all cultural institutions became state-owned. A Law of the Cinematization and the Film industry was passed, which guaranteed a state monopoly over the distribution of movies. During 1947 a Law of the Book printing was promulgated; under its provisions all private book printing and publishing houses were nationalized. The Decree of the Theatres (1949) legitimised only the state-subsidized theatres with a constant group of actors. Any private initiative in the sphere of culture was restrained. A Committee for Science, Art and Culture was created in 1948, which completed the process of centralization in the administration and financing of culture. The Committee exercised total control upon all areas of cultural life. The so-called artistic unions, established in each individual art, pursued the same goal. Culture was transformed into an instrument for achieving political, ideological, social and propaganda objectives. For this purpose culture should have accessible for all social

strata. This was accomplished through artificially sustained low prices of tickets, books, press and so on and through the establishment of a wide network of cultural institutes throughout the country (reading-rooms<sup>58</sup>, theatres and cinemas, "houses of culture" and so on). In fact, no free market of art existed.

The changes in 1989 led to new tendencies in the cultural sphere. Deprived of the ideological charge and stable financial support from the state, culture changed its place in the social life. Art was liberated from censure and control, especially with respect to publishing, theatre, production and distribution of movies, radio and TV programs and so on. New cultural necessities emerged, which led to new directions and forms of participation in the cultural life (private theatres, galleries, agent houses, producer's firms, publishing houses, radio and TV stations; interests towards advertising, show-biz, fashion and design evolved). The opportunity of the common Bulgarian to access the heritage and the current achievements of European and world culture was widening. In this respect the rapprochement of Bulgaria and the EU would play an important role as a factor for the liberalization of the international cultural exchange and the development of the up-to-date means of mass communication.

After 1989 as a result of the structural reform in the cultural sphere (privatisation and the development of the private sector and so on) the quality of performance and the economic efficiency of some cultural institutes (galleries, publishers, music houses and others) increased.

A variety of sources of financing in culture and art appeared – sponsorship, donor-ship, independent associations, foundations and others. "Open Society" Foundation stands out among them. This Foundation finances projects on the following programs: "Plastic Arts", "Cultural Heritage", "Theatre", "Music and Stage Arts" and "Literature". It also awards scholarships and provides technical support. Foundation "St. St. Cyril and

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<sup>58</sup> Reading rooms have a very important significance in Bulgarian culture. These are the Community centers, where during the Renaissance started the struggles for Bulgarian enlightenment and public education.



Methodius” sponsors the education of children and youngsters in the country and abroad, finances concerts and festivals with international participation, theatre and music tours. It performs publishing activity as well. Foundation “Concept for Theatre” aids the stage arts. Its activity is directed towards organization and participation in international theatre forums, seminars and other theatre activities.

Despite all the positive changes, however, the prevailing social and cultural situation in the transition period is dominated by negative tendencies. As a result of the economic crisis and other factors, the cultural “consumption” deteriorated in quality and quantity. There is mass production, import and distribution of low-quality output (in the spheres of music, literature, cinema, television, press and so on). On one hand, the access of the public to the valuable peaces of art is limited by the higher prices of tickets, books and so on. On the other hand a lot of cultural institutions restrict their activities due to constant lack of funds (theatres, libraries, museums and others).

In spite of the measures, launched by the Government, the piracy in intellectual property is still a problem in the sphere of culture. The acceptable level of governmental intervention into the regulation of the market relations into the sphere of culture is not determined yet. No serious measures are undertaken to counteract the invasion of low-quality production from abroad and to protect the national art and cultural tradition. The coordination among the cultural policy and the policies in economics and other spheres of social life s still problematic (there are no measures for stimulation of investment in culture, no tax relaxation, no legislative basis and so on)

### **2.7.2.Cultural industries and cultural consumption**

Serious changes in the infrastructure of the cultural institutions and their participation in the cultural life took place after 1989.The most drastic reorganization occurred in the sphere of cinema: the cinema halls in the towns decreased in number and in the villages they were closed because of economic inefficiency. After the privatisation a lot of cinemas were transformed into commercial and playing centres. Now the variety in the

movie repertoire is provided mainly by the American cinema industry. Bulgarian film production is shrinking – although there are over 160 registered productions, and the film production companies are over 20<sup>59</sup>, the number of Bulgarian movies suddenly drops. This is due to the fact that large part of the producers do not shoot movies, and those who have working or ready production cannot begin another one because of the low level of investments.

Number of premiers by nationality<sup>60</sup>

Year	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995
Bulgarian	23	22	17	21	20	13	4	7	5	2
Dutch	2	2	2	2	2	0	0	0	0	0
French	9	8	3	7	6	5	21	8	6	6
British	3	2	3	3	2	3	1	0	2	-
Italian	6	5	7	7	3	0	4	2	3	2
Other European	101	103	108	78	75	35	17	2	6	4
American	7	10	13	14	24	28	99	100	123	118
Other	19	23	13	13	19	6	10	5	2	4
Total	170	175	166	145	151	90	156	124	147	136

After 1989 the movie distribution passed into the hands of private companies, which number more than 20. Nevertheless, consumption as a whole is decreasing. Although this tendency is understood as a crisis in the Bulgarian film industry, it is actually a process off normalization and compliance of culture with the market requirements. (For comparison: Finland produces 3 movies per year on the average)

<sup>59</sup> Data from the report “Cultural Policy in the Republic of Bulgaria 1990 – 1995”, published 1996.

<sup>60</sup> Source: European Audiovisual Observatory, Statistical Yearbook: Cinema, Television, Video and New Media in Europe, p.78

Book publishing adapted quickly to the terms of market. After 1989 the number of private publishers rose uncontrollably – 1800 in 1998. The number of titles published in Bulgaria bloomed till 1993, after that it began to decrease slowly. The average circulation dropped significantly (a typical circulation was around 1000 issues). Now the attention of the public is focused on the bestsellers and on the popular fiction. There are problems with the book-distribution, which is taken over by the street vendors, because the state bookstores vanished. The consumption in the book sector declines, as well mainly due to the economic reasons – 86.1% of the population does not buy books<sup>61</sup>

Data for Bulgarian book printing:

#### Book-publishing industry

Number of titles published yearly	4880
Number of titles published in Bulgarian	4712
Number of titles published in foreign languages	168
Number of publishers in Bulgaria	1800
Average sojourn of a book in the bookstores	1 to 48 months
Average price of a book	4 BGL
Value added tax	22%
VAT on original Bulgarian, translated and Bulgarian scientific literature	0%
VAT on other literature	22%
Average price of a book (compared to an average salary)	4%
Total number of book vendors/ in Sofia / in the country	300 / 100 / 200
Number of permanent bookstores	100
Number of ambulant trading tables	500
Number of book exchanges	5

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<sup>61</sup> Data: Report of David Kingham “Bulgaria: a book sector in trouble”, p.65, Strasburg, 1998.

Number of wholesale book vendors	30
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The theatres in Bulgaria are in a peculiar situation. During the transition period 10 new private dramatic theatres appeared. Simultaneously the number of the performances and the visitors dropped significantly. The negative influence of the economic crisis, combined with the increasing competition of the cultural industries and mass communications led to a decline in the number of visitors into all theatres. Similar changes occurred in the institutional infrastructure of music and its audience.

In recent years the leisure time factor has a strong impact on the cultural consumption. It is influenced by the demographic crisis as well: the decline in the number and the increase in the age of the population lead to a decrease in the participants into cultural processes and to an increase of the people with passive social behaviour and passive cultural engagement. On the other hand, a positive tendency can be observed – a pluralisation of the interests, tastes and values of the young people.

### **2.7.3. Normative basis and legislative preconditions**

In view of specific situation in Bulgaria it is necessary to build a normative basis for the orderly functioning of all the cultural institutes and activities in the frames of the new market environment. The purpose of the Law for protection and Development of Culture, passed by the National Assembly in June 1999 is to determine the basic principles for national cultural policy:

1. Democracy in the development and application of cultural policy
2. Decentralisation in administration and financing of cultural activities
3. Equality of artists and of cultural organizations

- 4.Preservation of cultural and historical heritage, preservation of national traditions, customs and folklore
- 5.Protection of the national cultural identity and of the culture of the national societies abroad
- 6.Encouragement of the cultural variety in preservation of national culture
- 7.Encouragement for the development of the cultural industry and of the market for Bulgarian products of art and culture
- 8.Openness towards the world cultural processes and integration into the European cultural structures<sup>62</sup>

Beside the positive tendencies, however, this law has a number of weaknesses – it does not provide for a stable financial and economic mechanism for supporting arts and culture; it deals mainly with state subsidies and state structures on different levels (in contrast with the basic principle of decentralization). No measures are provided for encouragement of the private investments in culture. The law does not clarify the status of author, the relationship between economy and culture; it does not address the problems of the private sector in the sphere of culture, the role of the intermediaries in art (art dealers, culture managers, agents and so on). The consumers of the cultural product, as well as the mechanisms for realization of Law's main goals are not mentioned at all. These objectives are fundamentally congruent with the tendencies in the current West European cultural legislature: variety of sources of financing, indirect aid from the state, variety in the cultural organizations, tax relaxation, control over the import and export of works of art and culture and so on. The Bulgarian law has mainly a wishing character and in the future additional legislative acts would be necessary for the achievement of better results.

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<sup>62</sup> Law for Protection and Development of Culture, chapter 1, article 2.

#### **2.7.4.The effects of integration**

The integration of Bulgaria into European Union structures is a political priority for our state, which increases the significance of our participation in the European cultural structures and institutions. After the European agreement for association into the EU was signed on 1 February 1995, the top priority of the Ministry of Culture became the activities, connected with the cultural integration of Bulgaria into the EU. Pursuing this goal a department “International Cooperation and European Integration” within the Ministry was created.

Bulgaria accomplishes this kind of cooperation mostly through association to the cultural programs of EU and to the “PHARE” program. This process began late in 1994 by the incorporation of Bulgaria into the “Kaleidoscope” program, which encouraged cultural and artistic initiative with European participation (such as international festivals “Varna Summer”, ”Sofia Music Weeks”, International Theatre “Ecofest” in Sliven and so on). Quite interesting is the “Raphael” program, which supports the efforts for preservation and popularisation of the cultural and historical heritage of Europe. Under the aegis of this program financial resources were granted for the restoration of the following churches: “St. John the Baptist”, ”St.Georgi” in Sofia, the palace of the prince and others. During 1999 Plovdiv was a capital of the European month of culture.

The inclusion of Bulgaria into the “PHARE” program, which aids the restructuring and development of the cultural sector, is of great significance. An Euro-Bulgarian Cultural Centre, which is the focus of cultural cooperation between Bulgaria and EU, has already been built in Sofia under the aegis of this program. It provides also support for education and experience exchange in the sphere of cultural administration and management. An Euro-Bulgarian Foundation for support of arts is in process of formation.

The integration of Bulgaria into the EU aids directly and indirectly and facilitates the social and cultural processes of transformation from totalitarian towards democratic and civil society:

- Facilitates the integration of Bulgaria into international politics
- Aids the development of stable and functioning infrastructure in the sphere of current Bulgarian art and culture.
- Creates an environment of forbearance and tolerance in regard with the ethnic and religious minorities; efforts are made towards the integration of the minorities into the social and cultural life of the country
- In the sphere of education: affirmation of the European dimensions within the educational system; reinforcement of the social and cultural integration of the young people; access to a higher quality education; possibilities for travelling abroad and for enriching people's horizons; incorporation of the Bulgarian youth into the European ideals; development of the community understanding and encouragement for the spirit of initiative and entrepreneurship.
- Encourages the decentralization of cultural exchange, the autonomy of Bulgarian cultural organizations; the public and private initiative in the sphere of culture which leads to an increase in the number of the participants in the international cultural cooperation and in the number and variety of the sources of financing.
- The cultural exchange programs of the EU encourage the artistic creative work; they are directed towards establishing conditions for development of all traditional and new spheres and towards creating better living conditions and social respect for the creative work of the artists.

All these, as well as other, factors make the process of transition possible and ensure reciprocity and equality for Bulgaria in the international cultural exchange.

#### **2.7.5. The State of Bulgarian Culture**

Within the framework of Accession Partnership, Bulgarian culture must adapt to the requirements for membership in EU in this sphere. Bulgaria has concrete tasks for

solving in this direction and especially in setting the legislation in conformity with European norms.

In addition to already accepted Law for Protection and Development of Culture (1.6.1999) Bulgaria must urgently harmonize other Laws in force with the European legislation. Extremely urgent is the alteration of the Media Law, which is reasonably criticized by the Council of Europe and these evaluation have a reflection on the process of negotiations for integration with EU. At the back of it all lies the main reason for not closing the Culture and Media chapter in the negotiations for Bulgaria's integration with the EU<sup>63</sup>.

Bulgaria has started reforms in the cultural sphere. It is confronted with different problems, which against the background of the deepening economic crisis, become tense, and this will inevitably have its reflection on the negotiations for integration.

The withdrawal of the state from culture has led to a lack of institutions, which can control the processes in this very sensitive sphere. In this way, not in the last place, we cannot show resistance to the works of literature, music, cinema and others, with a dubious value.

## **2.8. Summary**

It is absolutely clear for every sober-thinking man that the final goal of all the reforms held in 90-ties, not only in Bulgaria but also in the other countries in transition, is a substitution of the established socialist public system with the capitalist one, although this is rarely mentioned in the press and even more rarely formulated officially as a goal of the government. The author prefers to call the things the names corresponding to their contents. By the way clearness of the terms in the sphere of policy as well as in the

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<sup>63</sup> This is one of the two not closed chapters, which are still discussed in the negotiations. In February 2000 6 Chapters were opened for negotiations and in June 2000 4 of them were closed.



sphere of economy, jurisprudence and culture is for preference. In the human history in every organized change of the social system what stood out in the foreground was the overthrowing of the political power, personifying the established social regime. Only then are the measures on building and establishing the new social regime put on the agenda.

Every single change of the existing social system has its price in the terms of human sacrifices, destruction, material resources expenditure and privations for wide social strata. This price depends on the methods of holding the change (revolutionary or reform) and on the level of political and common culture of a nation. In the long run it is not possible to give a synonymous evaluation of the changes in the demographic sphere, culture, political thinking and party life in Bulgaria only ten years after the beginning of the transition. Although there exists increasing social differentiation, and the term “middle class” is in danger to be left in the history, the effectiveness of the transition should not be reduced only to the sphere of the material situation of the bulk of the population at the moment. Even for the single reason that the self-confidence of a citizen is different under a dictatorship of an authoritarian regime and under the conditions of democracy, although it defies quantitative measurements and can be notified only in common order.

The access to some cultural institutions such as cinema and theatre is on one hand limited by the relatively high prices, but on the other hand the diversity is much wider compared to the period till 1989, when the cultural life was to a great extent ideologically controlled. The social position of some ethnic groups as Gypsies and Moslems has worsen during last years, but the freedom of traveling and the free initiative give them the possibility to find a realization in different fields and to search for their identity.

As a whole the common changes in the culture, in the public morality, the demography and so on also should be notified in common order, although their expression is in many cases negative, compared to the situation before 1989. The biggest problem, which can be found till now as a whole, is that clichés (for example – laws) were and still are borrowed (to some extent by auto-initiative or under outer pressure) from the most advanced countries with the naïve faith that their automatic implementation will take out the country vary fast if not right away to an equal level with the countries they are borrowed

from. Usually the result is just the opposite for the simple reason that the specifics in the Bulgarian development at the concrete moment are not taken into consideration, the psychological moment is being neglected as well as the level of knowing the ways of functioning of the west-type democratic system as a whole.

### **3. The Socio-Economic Transformation of Bulgaria**

#### **3.1.The Difficult Shift to Market Economy**

The former prime minister Jan Videnov admits that the main reasons for the structural crisis in Bulgaria, for the financial destabilization in 1996 - 1997 and the loss of confidence to his government were the huge debt, the long protracted restructuring of the economy, the prices of important goods and services traditionally kept at very low level, the inadequate banking system, the failure to use the advantages of cash privatisation, the defects of reform program and the lack of firm political support for radical changes.<sup>64</sup> These observations were quite correct, but they came too late, after long hesitations.

##### **3.1.1.The Shock Therapy: pro and con**

The political changes provided conditions for starting radical economic reforms, rejecting the central planning and adopting the market principles. Practically the economic reforms began in early 1991, with signing of the first Stand-by Agreement with the International Monetary Fund and the implementation of a package of measures designed to bring an anti-inflation effect and financial stabilization. As a result of restructuring of the large state-owned enterprises a fast demonopolization effect on the national economy was achieved. In 1990 - 1991 the prices of almost all goods and services were liberalized. A comprehensive liberalization of foreign trade policy was carried out in the period 1991 -

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<sup>64</sup> Петев, Н. Отвъд политическия театър през погледа на Жан Виденов. Издателска къща "Христо Ботев", София 1998, с. 242-249. Nickolay Petev, Beyond the Political Theater through the eyes of Jan Videnov. Publishing house Christo Botev, Sofia 1998, pp. 242-249.

1995. Within a relatively short time in Bulgaria was established the legal and institutional framework of market economy.

In that period there was a vigorous discussion on the rates of the economic reforms. Many experts from abroad were involved in it. In 1990 two US experts, Rann and Ut, worked out a program and recommended it to the government of A. Loukanov. It was stressing on quicker liberalization of prices. There were some circles in support of the Polish model of shock therapy, based on the big-bang approach. In 1991 L. Baltzerowich was invited to visit Sofia and it heated the discussion. But in the mid 90-s the high price of the reform caused some hesitation in following the free-market policies and the idea of shock therapy was rejected. The arguments for step-by-step reform prevailed. But actually, a mixture of both approaches was witnessed in Bulgaria's practice. In Bulgaria neither the political elite, nor the experts drew final conclusions from the reform debate and commonly accepted answer to the question 'where should reforms begin?' was not given. The advocates of step-by-step reform recommended creating the legal framework for the market as the first step and then open the economy to market forces. The Polish model of 'shock therapy' was based on the understanding that the reform should be started by removing government control on prices and foreign trade. Bulgaria did not follow strictly any of those approaches. The sequence of steps of transition in Bulgaria was confusing considering the two main approaches.

### **3.1.2.The Slow Privatisation**

The process of restructuring the economy and mainly the privatisation were slowed down. In the period 1992-1998 only 27.8 per cent of the state-owned enterprises in the list for privatisation were practically privatised. In the list were 2288 enterprises, but only 636 had changed their owners.<sup>65</sup> In the same period were privatised 4464 municipal firms.<sup>66</sup> In the last two years the rate of privatisation has grown considerably, but most of the companies are in very bad condition and they are sold at a very low price, some for

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<sup>65</sup>Статистически справочник (Statistical Yearbook) 1999, p.201.

<sup>66</sup> Calculation is based on data from the same source, p. 200.

the symbolic 1US dollar. Much trouble is caused by the obvious fact that many of the new owners can't bring modern technologies and management. They cannot provide access to new markets. It is planned for 2005 about 80 per cent of GDP to come from the private sector, but there is some doubt about the qualities the new owners and their loyalty to the society.

Top privatization deals during 1999  
(ranked by negotiated price)

Enterprise	Sold % of capital	Buyer	Negotiated Price (millions USD)
“Neftochim”	58	“LUKoil Petroleum”, Russia	101
“Petrol”	51	“International Consortium Bulgaria”	52
“Vulkan”- Dimitrovgrad	70	“Siman France”, France	18.8
“Pharmacy”- Dupnitsa	55	“Balkanpharma” (Deutschebank)	11
“Kauchuk”	75	“Kauchuk – 97”	10.5
“Alumina”- Shumen	51	“FAF metal”, Turkey and “Alumina Invest”	9
“Samokov – Borovetz”	80	“Samokov – Borovetz 21”	8.51
“Trojapharm”- Trojan	55	“Balkanpharma” (Deutschebank)	7.35
“Sviloza”- Svishtov	60	MEC* “Sviloza” and “A.R.U.S.”, USA	7
“Elenite”	60	MEC “Elenite – Invest”	7
“Antibiotic”- Razgrad	51	“Balkanpharma” (Deutschebank)	5.65
“Elacite med”	79	MEC “Elacite med”	5.45
“Vini”	79	“VSB – Vini Sliven Bulgaria”	5
“Radomir – Lekoko”	75	“Radomir – Lekoko-Invest”	4.75
“Ognianovo – K”	67	“Plena – Bulgaria”	4
“Lazur”	63	“Festa”	3.33
KRZ “Odesos”	25	“KRZ** – Invest”	3.26
“Vinprom – Ruse”	22.4	“Vinprom Holdings” plc. USA	3.2
“Hemushotels”	72	“Hotel Hemus”	3.02
“Interhotel Sandanski”	60	“Contract”	3.01

\* Manager Employee Company

\*\* Ship-Repairing Factory

### Large Asset Enterprises Sold on Symbolic Price

Enterprise	Sold % of capital	Buyer	Negotiated Price
“Kreikovtzi”	71	“Daru Metals”, Bulgaria	\$ 1
“Agropolychim”- Devnia	63	“Acid and Fertilizers”, USA	1 lev
“Chimko”- Vratza	57	“AB and Trans of New York”, USA	\$ 1 million
“Aviocompany Balkan”	75	“Zeevy Group”, Israel	\$ 150,000
“Yambolen”- Yambol	67	“Chimimport Fertilizers”, Virginia Islands	1.2 million levs

The governments of F. Dimitrov, Professor L. Berov and J. Videnov could not gain clear parliamentary support. In these conditions they could not be efficient. The transition process in Bulgaria lagged behind the progress made in some Central-European states.

#### 3.1.3.The Foreign Debt

The most destabilizing factor in Bulgarian economy during the period of transition was the relatively large foreign debt. It exceeded the amount of GDP. In 1990 the foreign debt was about 12 billion US dollars. In early 1990 the Bulgarian government declared a moratorium on debt payments. That meant exclusion of the country from the financial markets. After difficult negotiations in 1994 was reached an agreement with the creditors from the London Club on substantial (about 45 per cent) reduction of the debt. But after that new debts towards IMF and the World Bank and others were accumulated. Now the foreign debt is over 10 billion US dollars. In early February 2000 the minister of finance M. Radev has declared in an interview on the national TV that the foreign debt amounted up to 70 per cent of GDP. In the next three years, crucial for the economic reforms, Bulgaria has due payments as follows:

### External Debt Payments<sup>67</sup>

Years	Principal Payments (millions of USD)	Interest Payments (millions of USD)	Total Payments for the external debt (millions of USD)	Total Payments as a percentage of GDP
1999	420	463	883	6,9%
2000	584	486	1070	8,0%
2001	812	523	1335	9,5%
2002	566	479	1045	7,0%
2003	537	456	993	6,3%
2004	558	443	1001	6,0%

Every year in the period of transition the balance of payment is suffering a deficit. In vain were the expectations for capital flow after the agreement with the London club. In 1995 the foreign investments were only 94.4 million US dollars, while in Hungary they were 3500 US dollars, in the Czech Republic -2500 US dollars, in Poland - also 2500 US dollars.<sup>68</sup> In that year the government failed to fulfil the budget. In 1996 the Parliament had to adjust the budget twice, but the national currency dropped in permanent crisis. It put the banks in difficult position. They lost the confidence of the economic agents and population. Their attempts to draw out the savings could not be met by many of the banks and a financial crisis burst out. The only source for supporting the balance of payment were the transfers from IMF, but in 1996 Bulgaria received only the first one of 117 million US dollars.<sup>69</sup> The other two transfers were refused by IMF. After this development the collapse of the economy was unavoidable.

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<sup>67</sup> Source: Institute for Market Economy, Sofia.

<sup>68</sup> Пехливанов, Л. Паричен съвет в България, Униерсуетско издателство “Св. Климент Охридски”, София 1999, с.33. (Lyuben Pehlivanov, Currency Board in Bulgaria, Sofia, p. 33.)

<sup>69</sup> Ibid. p. 34.

The three-year agreement with IMF in 1998 brought some relieves. With the assistance of IMF and other financial institutions it became possible for Bulgaria to provide the needed amount of money to meet the due payments. But the lack of economic growth and the shrinkage of export are making the solution of foreign debt problem a difficult task. Our calculations show that only in the year 2000 new 400 000 US dollars will be added to Bulgaria's foreign debt. Obviously for very long period in future the debt will make Bulgarian economy highly dependent on decisions from abroad.

#### **3.1.4.The New Start of Radical Changes**

After the deep economic, financial and political crisis in the end of 1996 and the beginning of 1997 a new start of radical changes was given. In "Program 2001", the program of the government, formed by the Union of Democratic Forces in May 1997 and now in power, is stated that it will privatise the state owned enterprises, will restore fully the private ownership on farming land, will do all the preparatory work for Bulgaria's membership in the European Union, will make all efforts, needed for Bulgaria's affiliation to NATO.<sup>70</sup>

Obviously *the political changes and the introduction of a currency board helped Bulgaria to overcome the most difficult crisis in the country since 1989*. Without any doubt the financial stabilization is a success. It has stopped the deterioration of living conditions in the society. The following Table<sup>71</sup> gives some overview on the dynamics and effect of changes on the economy:

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<sup>70</sup> Program "Bulgaria -2001": The Economic Stabilization. Sofia 1998, p. 118.

<sup>71</sup> Source: Bank of Austria East-West Report 3/99, p.16 and national forecasts

\*Forecasts



							Change in %	
	1993	1994	1995	1996	1997	1998	1999*	2000*
								1989=100
<hr/>								
Gross Domestic								
Product (in real terms)	1.8	2.1	-10.9	-6.9	3.5	0.5	2.0	
Industrial								
Production (in real terms)	10.6	4.5	5.1	-10.0	-12.7	-5.0	3.0	
Inflation	72.5	96.0	62.1	123.0	1082.2	22.3	1.0	3.0
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On that basis in the last two years was established a relatively calm political environment. There were not any serious social and other conflicts. The budget is well balanced. The Central Bank maintains stable reserves, amounting up to 2.75 billion US dollars.<sup>72</sup> The monthly inflation has declined steadily from 243 per cent in May 1997 to 0 in the summer months of 1999. Bulgaria has no problems with serving its foreign debt. A small economic growth (about 1,5 per cent) was achieved in 1999. These achievements cannot be compared to the situation at the same period in the neighboring Romania, where it is “characterized once again by negative growth in comparison to the previous years, another rise in the unemployment rate, and the pronounced up-and-down swing in the inflation rate”.<sup>73</sup> The pretty good parliamentary and popular support has given a chance to the government to implement its reform policy.

Parallel to the financial stabilization was carried out the administrative reform. New laws on State Administration and on Civil Servants were passed through the Parliament. Efforts to improve the judicial system were made. The Bulgarian experience had proven that such measures are indispensable part of transition to new social order.

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<sup>72</sup> B. “Cera”, 13 август 1999, Now Daily, 13 August 1999.

<sup>73</sup> S. Peter Wagner, “Romania” – paper, p.41

A deeper insight of these optimistic trends shows also *some unfavourable developments and uncertainty*. The global financial crisis in 1998 and the Kosovo conflict<sup>74</sup> had a negative impact on the Bulgarian economy. They have affected its most important markets. The immediate result was an increase of the trade deficit. It led to unfavourable trends in the current account. An outflow of portfolio investments was witnessed. By global standards Central and East Europe's success in attracting foreign direct investments remains weak, but the case of Bulgaria is particularly alarming. Despite the encouraging provisions of the Foreign Investment Act and the liberal privatisation policy the amount of foreign capitals is very small and it is related to the unstable situation in the region.<sup>75</sup>

According to the official statistics at the end of 1997 the amount of direct foreign investments was 821 066 000 US dollars<sup>76</sup>. In 1998 and 1999 the global financial crisis and the war in Yugoslavia have caused shrinkage of the foreign capital in the Bulgarian economy. It puts doubts on the forecasts of the World Bank that in 2001 the foreign investments in the country will reach 1.4 billion US dollars.<sup>77</sup> Bulgaria has no financial resources of its own. It has to rely on the international capital flows, but the access to them is very restricted. The hopes are connected with possible improvement of the investment climate in South-Eastern Europe as a whole.

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<sup>74</sup> See MAITRES DU MONDE? Ou les dessous de la guerre des Balkans, le Temps des Cerises, Paris 1999

<sup>75</sup> 'In the name of objectivity we must remark that the ruling classes in the person of administration are considerably guilty for the lack of foreign investments in Bulgaria.' В. Сера, 27 декември 1999. (Now daily 27 december 1999)

<sup>76</sup> Статистически справочник 1999, с.106. ( Statistical Yearbook 1999, p.106)

<sup>77</sup> Програма "България – 2001" Икономическата стабилизация, София 1998, с.31. (Program "Bulgaria – 2001": The Economic Stabilization. Sofia 1998, p. 31. )

### **Cumulative Inflow of Foreign Direct Investment per capita (in USD)<sup>78</sup>**

Albania	120
Bulgaria	162
Republic Croatia	469
Romania	199
Macedonia	89
Average for the Central European Economies – Czech Republic, Hungary, Poland, Slovakia, Slovenia	681
Average for Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Romania, Macedonia, Yugoslavia	236
Average for Central and Eastern European countries (excluding Yugoslavia, Bosnia, Herzegovina and Baltic states)	503

It deserves mentioning that in future fewer investments will come through privatisation. At the same time Bulgaria has to rely more on private capitals and less on official financial institutions.

The foreign exchange reserves are maintained mainly by the loans from the International Monetary Fund and the World Bank. The foreign trade deficit (for 1999 it is about 750

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<sup>78</sup>The data are from 1989 till June, 1999

Source: Economic Survey of Europe, citing International Financial Statistics (published by IMF)

million US dollars, for the next 2 years it is estimated to be not less than 700-900 million US dollars per year)<sup>79</sup> does not suggest much optimism. The year interests of the foreign debt alone will be about 500-550 million US dollars in the next few years. That means permanent deficit in the balance of payment.

There are firm arguments that the 3-year Agreement with the International Monetary Fund (1998-2000) will be fulfilled and that stabilization will continue, but still all forecasts have to be accepted very cautiously. With much certainty difficult years for Bulgarian people could be predicted; people whose living standards will be defined by the restrictive policy, consistent with the Agreement with the International Monetary Fund. The question is whether they will be patient and confident that such policy will provide sustained growth and better living conditions. The results of the elections for local authorities, held in October 1999 have prompted increasing disappointment among the people. The ruling Union of Democratic Forces has lost the overwhelming support it had in the parliamentary elections in 1997 and now for its representatives was given less than 30 per cent of the votes. This political party has lost over a million of the votes it had received in the parliamentary elections in 1997. Without strong support in the next parliament it would be difficult for any political party to carry on the reforms in Bulgaria.

*The situation in Bulgaria is dramatic, because in spite of the peoples will for radical reforms the recent developments are proving that they are unbearable.* The indicated income growth in 1998 was not sufficient to restore the purchasing power of incomes to levels equivalent to that of early 1990s. About 75 per cent of Bulgarian households persistently report difficulties in balancing their budget.<sup>80</sup> A substantial number of families rely on incomes, based on the home production of foods. For different items the share of households that rely on such sources varies between 25 per cent (cheese) and 50 per cent (potatoes) and these values have been subject to minor seasonal fluctuations.<sup>81</sup>

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<sup>79</sup> Икономиката на България до 2001 и отвъд – до 2010 година. Авторски колектив с ръководител проф. Иван Ангелов, София, юни 1999, с. 3. В. Пари, 5 юли 1999, Money Daily, 5 July 1999.

<sup>80</sup> Annual Early Warning Report, 1998, Bulgaria. Sofia, 1998, UNDP, p.7.

<sup>81</sup> Ibid.

The majority of Bulgarians remain close to the poverty line, spending over 50 per cent of their household budget for food.

**Main problems that Bulgaria faces<sup>82</sup>**  
**(public opinion investigation)**

	February 1999	April 1999	September 1999
<b>Unemployment</b>	58,4	64,1	64,6
<b>Low Incomes</b>	51,3	49,1	50,2
<b>Corruption</b>	38,5	34,2	38,5
<b>Poverty</b>	31,6	32,9	37,1
<b>Crime</b>	45,4	39,1	32,4

The driving force of the market is still restricted by monopolies (energy, communications, insurance, etc.) and license regimes. Over 70 per cent of the manufactured goods and services depend on some sort of administering. The political mediation between economic agents plays important role. The taxation system also stifles the economic activity.

In the lack of sustainable economic growth the level of human resources utilization is very low. The restructuring, privatisation and liquidation of state enterprises keep the unemployment at a high level. At the end of 1998 the officially registered unemployed numbered about 430 000<sup>83</sup>. The figures continue to rise. It is expected that by the end of the year 2000 the number of unemployed to reach 650 000.<sup>84</sup> The labour market in the country is still underdeveloped and inflexible. There is relatively small number of part-time employees. The labour demand is increasingly selective. The unemployment among women and Gypsies is very high. In some regions the situation is desperate. That is the

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<sup>82</sup>Source: *Monitoring System of Coalition 2000*

<sup>83</sup>Source: National Employment Service.

<sup>84</sup>This forecast was given by the former minister of labour Emilya Maslarova during a discussion on Bulgarian national radio on 13 February 2000.

main reason for the economic emigration. It is estimated that only within the 1999 campaign about 300 000 Bulgarians have applied for USA Green Cards. According to unofficial data during the last ten years 700 000 people have left Bulgaria. And they are among the best-educated and qualified people.

The acute social problems create favourable conditions for criminal activities. During the rule of the totalitarian regime Bulgaria had relatively low level of crime. The reforms in the transition period had a dramatic impact on crime records. The number of crimes per 100 000 population in 1989 had been 663 and in 1997 - 2898.<sup>85</sup> In that crisis year Bulgaria has surpassed Poland by that crime coefficient and approached the levels of Hungary and Italy (4500 per 100 000).<sup>86</sup> The personal and property insecurity in Bulgaria has risen many times.

According to the public opinion research from October 2000<sup>87</sup>, 91 % from the Sofia citizens think that there is coalescence between the criminal groups and customs. 77.3 % see coalescence between the groups and the court, 77.1 – between the criminal groups and Prosecutor's Office, and 76.9 – between the groups and the Police. 76.6 % of the people talk about a narrow interaction between organized criminality and the political parties. The results of the research convincingly disprove the statements of the Ministry of the Internal Affairs that the banditism has decreased during the last years.

The social and health security system in Bulgaria is at a crossroad. If it is functioning till now it is because of the considerable international donor contributions. From 1.7.2000 Bulgaria is executing a vast reform in the Public Health sector. Its basic measures and the strategic goals are as follows:

1. improvement of the access to and the quality of the health services for the population;
2. optimisation of the cost of the public health and achieving maximum outcome from the available funds and resources;

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<sup>85</sup> Annual Early Warning Report 1998, Bulgaria, p.88.

<sup>86</sup> Ibid. p.87.

<sup>87</sup> MBMD Agency, quoted by Segi Daily, 26 October 2000

3. strengthening of the positive health and prophylactics of the socially significant diseases.

In pursue of these tasks the Government and the Ministry of Health re-organizes the Health service and it's financing in a way that includes the system in the economic turnover of the country and creates the foundations to establish a health industry. This includes:

4. Public Fund – the National Health Security Institution that accomplishes a social health security on the basis of solidarity;

5. Private Funds – a non-mandatory health security and health insurance, operating on the basis of the calculated risk and profit;

6. Restructuring of the Health Institutions as companies and possibilities for subsequent facilitated and fast privatisation;

7. Establishment of conditions for free competition within the system and utilization of market management mechanisms on institution and process level;

8. Supporting the private initiative in the Health Sector, including the pharmaceutical manufacturing, distribution and retail sale.

In spite of all this the initial results of the Health reform are very contradictory.<sup>88</sup>

In 1998 the minister of labour and social policy has signed the European Social Charter but there is no prospect this document of the Council of Europe to be ratified by 2002 simply because the state does not have the resources to meet the requirements of the European principles and norms in the social sphere. There was intention with the beginning of year 2000 to be started a radical reform in the system of health security. Grounded on the advice of IMF and the World Bank the government decided to postpone it with six months. One can forecast conflicts between government and doctors and the indignation of people will rise.

In attempt to cope more successfully with the problems in December 1999 the ruling coalition made substantial restructuring of the government and personal changes. The party activists had to step down from their positions in the government and to give

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<sup>88</sup> Only the so called Government Hospital is functioning right, but the access to it have, as before, only the governing that inherited the privileges of the old nomenclature

chance to technocrats to deal with the difficult tasks of the economic reform. In March 2000 was revised the Governmental Program 2001. The cabinet takes the obligation to help creation of 250 000 new jobs and to prevent any further price-increases of electricity and central heating till May 2001. Obviously it is a sort of preparation for the next parliamentary elections which have to be held in April 2001. A year earlier the forthcoming elections are heating the political atmosphere in the country. A debate on corruption has weakened the positions of the government and it is quite doubtful what could be the configuration in the next parliament. That will determine the future of the reforms in Bulgaria.

### **3.2.The Military Complex conditions at the moment of the change**

#### **3.2.1. Production capacity and specialization.**

By the end of 1989 in the Military Complex (MC) structures are included business unions “Metalchim” – Sopot, “Electron” – Sofia, Direction for War-time Bases and enterprises of the Ministry of the Defense, 23 research institutes and 9 Bases for technical development. The backbone of the Bulgarian MC was formed by over 100 enterprises and leaders were as follows:

- Arsenal (infantry and artillery armaments)
- VMZ (ammunitions, rockets)
- Dounarit (ammunitions)
- Trema (ammunitions)
- Arcus (detonators)
- Pima (mortars)
- Beta (MT LB multi-purpose armoured chain tug-carrier)
- Electron – progress
- Chernomorec (radiolocation and radio navigation)



Samel 90, Bitova electronica, Ecoel, Opticoelectron, NITI, Pirel, Struma, Musala, Varbanovo, KPZ, Metfalic, Impuls.

The Bulgarian Military Complex was specialized in the frameworks of the Warsaw Pact and the Economic Mutual Help Council to produce the following:

- Infantry and artillery armaments
- Guided and cruise anti-aircraft and anti-tank rocket systems
- Armored vehicles, tracked towers, self-propelled amphibians, howitzers and other modifications.
- Optical, optic-electronic, laser devices
- Remote controlled air targets
- Signal, radiolocation and radio navigation equipment, nuclear devices, hydro-acoustic equipment
- The Bulgarian army technique and weapons maintenance, and service and repairs of jet engines, including for foreign clients as well.

With such a structure the BMC has fully fulfilled the needs of the Military Forces for technique and equipment. On the other hand by incomes from highly effective export, the BMC has ensured the purchasing of expensive aircraft, armoured, radiolocation and rocket equipment, which has not been produced in the country. As a result of this policy the needed conditions for keeping high level of the Combat readiness of the MF and the mobilization training of the county has been created.

Table 1. Bulgarian special production trade for the period 1987 – 1997 (in million \$ at the prices of 1997) according to Bureau of Arms Control, U.S. Department of State, 1998. \*

Year	Special production import	Special production export	Total import	Total export	Share of the special production in the import (in %)	Share of the special production in the export (in %)
1987	915	784	22290	21770	4.1	3.6
1988	506	543	26520	25720	1.9	2.1
1989	353	292	18220	19520	1.9	1.5
1990	790	94	5516	9837	14.3	1.0
1991	0	125	2874	3653	0	3.4
1992	0	133	4953	4348	0	3.1
1993	5	86	5146	4025	0.1	2.1
1994	0	85	4435	4224	0	2.0
1995	5	145	5858	5544	0.1	2.6
1996	163	112	5099	4914	3.2	2.3
1997	10	120	4916	4924	0.2	2.4

- In the upper table in the data about Bulgarian weapons export the export for the former socialist countries till 1990 is not included

According to this in the University of the Economy “Karl Marks” – Sofia, with a view to the increased meaning given by the Government those days to the scientific development in the field of the military production and the special production trade, in 1980 a scientific trend “Economy of the Security” was created as a Problem research laboratory<sup>89</sup> in which the following problems concerning the military production are scientifically substantiated:

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<sup>89</sup> Institutionalization of this trend was regulated by the State Committee for Science and Technical Progress order № P – 38a – 728 from 08.08.1980, by the Ministry of People’s Education and Ministry of the Chemical Industry in accordance with the Ministry of People’s Defense. From the preamble of the order we can conclude that the aims of this specialized scientific section were developing of the theory and methodology of the Security economy, realizing concrete researches, analysis and exploitations in this field, education and training of cadres. According to this document, and for understandable reason, this

- BMC analysis
- Economy and management of VMZ – Sopot
- Economy and management of “Arsenal” – Kazanlak
- Economy and management of “Pima” – Montana
- Economy and management of “Beta” – Cherven briag, etc

One of the basic tasks, posed before the Laboratory, namely the organization and conduction of education, is executed in cooperation with the Institute for the Post diploma Education, The Ministry of Defence and The Ministry of Culture, Science and Education (at that time). The preparation of the Military Economy specialists in 1986 became a speciality “Economy of the Security and Defence” in 1990. A department “National and Regional Security” was formed, headed by Prof. Dimitar Dimitrov, Ph. D. This gave the beginning of the organized cadres education on the economy of the security and defence issues. It has prepared over 800 civil and military specialists on the issues of:

- Economy and management of the defence complex
- Military economy
- National security administration
- Economy of the security and defence
- Bank security

This is the place to remark that the creation of the scientific trend and the organized education was made possible with the valuable help of the scientists and specialists from the former DDR high economy school “Bruno Loyshner” – Berlin, Technische Hochschule “Carl Scholemmer” – Mersenburg; FRG – Hochschule der Bundeswehr – Neubiberg, and Poland – Warsaw Military Academy.

### **3.2.2. Trade partners**

As a basic trade partners by the end of 1980 we must mention:

- The Warsaw Pact Countries
- Middle East
- Asia
- Africa
- Latin America

In the framework of WP Bulgaria produced production under strict defined nomenclature, which was synchronized with and supplemented by the production capacities of the other member countries (in close relation with the so-called “limited sovereignty” and “Breznev Doctrine”). As a basic partner of course we had former USSR, which used to give us, in some conditions, licenses in exchange of production. The development activity of the BMC was reduced to the development and modernization of separate already created (basically in the construction bureaus of USSR and Czech Republic) components.

The market situation in the Close and Middle East, conditioned by the long-standing conflict between Arabic countries and Israel, the war in the Gulf and the ethnic conflicts created favourable conditions for realizing of a successful export of special production in these regions. Especially important role for Africa and Latin America played the ideological separation, the striving for imposing a different type of social-economic relations, and here we have to mention the so-called “rebellion export”. It contributed the opposing of the supported by the USA military regimes (for example Latin America), and helped for the creation, confirmation and spreading of the Soviet influence in the mentioned regions on the contrary to the American foreign policy.

Bulgaria, admiring the highest trust by the USSR, was realizing deals, which were bringing economic benefit to the country and the WP member countries as well.

### **3.2.3. Trade size**

The Bulgarian organizations, which were at a high level specialized in the realization of the manufactured production, were:

- Kintex
- Elmetengeneering
- Armymex
- Teraton

From the distance of the past 11 years we have to summarize that the economy benefit from the manufacturing and trade of military and special production was of an extreme importance for the country and its conformation as an important part of the frameworks of the socialist countries those days in that kind of activity. Collaterally BMC and the economic realization of its production used to bring annually considerable financial incomes for the state budget including currency, which was very important for purchasing of avant-garde technologies and for modernization of a number of branches of the national economy<sup>90</sup>. The given data on the eve of the changes placed Bulgaria among the first 20 leading weapon exporter countries<sup>91</sup>.

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<sup>90</sup> See table 1.

<sup>91</sup> On 03.03.1991 a number of companies from BMC were visited by General Charles Dike – ex Commander-in-chief of American Armies in Europe and ex Deputy chief of the USA Land forces, President of the International company for technological activity (ITTA). In his opinion: “ The Bulgarian military production contains three important elements, that characterize the military production of all developed countries: 1. High technological standards and high quality 2. The workers and employees have high professional qualification and high motivation for working. 3. A considerable part of the equipment in military production is well up to the world standard”.

## 2. MC development conceptions of the separate post communist countries

During the mandate of the two Loukanov's governments (November 1989 – December 1990) started the slow and painful conducting of the reforms in the planned until then economy, aiming to put it in the railroad of the free market economy. Although Bulgaria signed the declaration for the Mutual Aid Council dissolution, and officially announced the denial of following the centrally planned economy at that time, a decisive step towards the price liberalization was not taken. Those processes of course gave their influence on the production sector, examined by us. Although the Warsaw Pact was still existing, even formally, and earlier made agreements and trade contracts concerning military and special production manufacturing were still in force, the need for the state policy reformulating in that field was growing with a view to its adoption to macroeconomic realities and geopolitical situation. The flexible use of the production powers with dual functions came on first place. In contrast to the more clumsy and slow changing production structure of the USSR, the BMC turned to the conversion more gracefully as a first emergency exit of the given situation. This imposed some sacrifices (from the most adequate quantitative and qualitative loading point of view) of often high-tech and narrowly specialized machines and whole production units. A program for MC conversions was accepted by a Government Decree<sup>92</sup>, which was conformed to the productivity capacities of the enterprises. But it turned out that the new production for the civil sector was unprofitable with a view to the price of the used production powers<sup>93</sup> orientated to conversion, as well as with the view to specially prepared and narrowly specialized cadres from the production and development sphere. This irrelativeness between production powers and realized production in the state of narrowing market perimeter, with the declining of the bipolar model in the world and the new economy and political situation in the country, gave the beginning of a longstanding crises not only for the BMC, with all the following social consequences. The military budget cut in the

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<sup>92</sup> Government Decree № 54 from 29.05.1990

<sup>93</sup> For example the Bearing factory in Sopot is fully equipped with the most modern Japanese equipment. In the factory for armored tank technique "Beta" – Cherven briag there is 4000-tonne press for cold stamping "KRUPP" for \$ 8 million. In "Arsenal" – Kazanlak there is a whole technological line, bought from "Yamazaki" company for specialized details using Japanese technology.

former socialist block reduced the supplies for Eastern Europe. The orders for the Bulgarian Army were also reduced. They were engaging 10 – 12 % of the military production at the beginning of the mentioned period and dropped down to 0.7% in 1998. The difficulties with the military production brought to the accumulation of big amounts in the storehouses of the producer. As a result of this the money flow slowed down. That's how the military enterprises were forced to limit their production volume. With the prices and interests of the credits liberalization at the beginning of the February 1991, during the ex officio government of Dimitar Popov, the MC enterprises that were forced to use unlimited credits for production increase before changes (a part of which they were forced to use for creation and maintenance of mobilization powers), with a view to the priority of the considered sector for the national economy, made bigger debts. An attempt to reform this debt as a state debt was made through the Law for the Bad Debts Management, but according to this Law we couldn't reform credits if after 1990 the given enterprise have gained shares of other holdings. Most of the military enterprises possessed small shares of other holdings. So a big part of the credits remained unreformed.

A financial analysis of the MC companies and the formed debt was made on the basis of the Government Decree № 136 from 12.07.1991. The analysis showed that the bulk of the debt - 55%, are obligations on the needed combat readiness maintenance of the country. The enterprises debts were run up in two ways: on one hand – credits for production expenditures and interests given by the trade banks, on the other hand – the unsold production in the storehouses because of the deals annulment. As a whole the trade unions and military companies bank debts by the end of 1991 was estimated to 2907 million. BGL. And at the end of 1992 this debt ran over 3 milliard BGL (about \$ 113207547). Here we have to once again underline, that this was the main reason for the conversion estimation as a possibility for the sector survival.

The main merit of the D. Popov's government (December 1990 – October 1991) for the mentioned sector is the implementation of the license regime for military and special

production. A government commission was formed, which gave licenses to the companies that trade with MC production and exercised control over the deals.

With the first UDF government coming to power (October 1992 – December 1993), headed by Phillip Dimitrov, the state policy toward MC was totally changed. A number of improvident statements, followed by some actions having nothing in common with the market economy (for example the officially posed under question moral reasons?! of the weapon trade), as well as interventions in this beneficial business of people from the closest President's surrounding and the highest floors of the government, deteriorated the country image unnaturally. The new overseas Bulgarian partners, who have always been very sensitive to the weapons and special product trade and production, unambiguously showed their interest in and expressed their opinion on the cooperation and MC development. The first natural result was the Bulgarian companies push out from traditional markets, gained for decades in the developing counties. Already conducted deals, mostly with the Near East partners, were cut or denied, which brought to a forfeit payment. Meanwhile representatives from American MC companies were one of the first to have started active negotiations with branch and government representatives in Bulgaria for joint ventures. The MC privatisation was seriously considered, even though we had no clear conception for it. The cadres' policy about the sector and the leading trade unions were characterized at that stage by entering in them, under the pressure of governing classes, of party loyal unprofessionals that don't have experience and concrete knowledge, and this additionally broadened the already existing problems. The first massive project, characterizing this period was the blocking of the railroad Bourgas – Sofia by the "Arsenal" – Kazanlak employees during the short leadership of Petar Demirev, who is a trade union "Podkrepa" activist.

It is remarkable that the first ministerial crisis of the Phillip Dimitrov's government was connected with Minister D. Loudgeev, who was the head of the Government Commission for control over the military and special production trade and production and who was forced to resign.



After the one-year leadership of DFU, a government led by the President's Counsellor Lyuben Berov was formed. Even though this government declared itself a "Privatisation government", and the Privatisation Agency Head those days didn't conceal that the sector enterprises were not included in the Agency program, the MC stayed out of the privatisation. A decisive role was played by the Parliament Decision from 23.07.1993, prepared by the few months' earlier organized investigation Committee on the MC problems, which posed moratorium over the MC enterprise privatisation for a period of three years. From the structure of the Complex were extracted a number of companies with secondary meaning, which had lost their significance for the military production. Except this it was proposed to the Ministry Council to arrange with a priority the companies' bank debts and to accept them as a state debt. With the same Decision was proposed to the Ministerial Council the creation of Interdepartmental Council on MC and the Mobilization Readiness of the Country<sup>94</sup>. All this aimed to improve the MC condition and it was preceded by widely announced in the media statement of the President that the MC privatisation is equal to a great loss for the Bulgarian economy.

The "Berov" Government's intentions to create a normative, legal framework, reglamenting the MC activities in the new transition conditions have to be mentioned, and a proof of them are the Regulations for the activity organization on the military and special production control and certification<sup>95</sup>, the Regulation of the Interdepartmental Council activity on MC and mobilization readiness, as well as the Regulation for control over the regime of the foreign trade activity with military and special production<sup>96</sup>.

Nevertheless as a whole there wasn't readiness and decisiveness, and it wasn't the right moment for cardinal actions in this so delicate sphere. Under these circumstances: the state withdrawal from an active role in the MC as its owner (although the efforts for arraigning a legal base for its functioning) on one hand, and the intentional freezing of the

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<sup>94</sup> Government Decree № 193 from 12.10.1993

<sup>95</sup> Government Decree № 13 from 14.07.1994

<sup>96</sup> Government Decree № 51 from 21.03.1994

MC privatisation process on the other, the sector was brought to an inevitable devastation.

Discrepancy, inconsistency and unequal tempo of the reforms characterize the state policy toward the sector during the whole period after 1989. This was a result as of the interests' impact between different economic groups inside the country, as of the non-systematic efforts of the different governments to lead the economy in the way of the privatisation. At least over the state attitude to MC reflected the interests of outside factors connected to the world special production market. Nevertheless 11 years were not enough time for even slight improvement of the BMC.

During the ex officio Government of Reneta Injova (September 1994 – January 1995) a Regulation on military articles assimilation and creation and development of powers for the national economy in the state of war was adopted. This came as a positive signal that the sector was not fully abandoned, with a view to its special production meaning for the state security.

The government that came after the elections on 18.12.1994 of the socialist Jane Videnov gave its application for general decision of the question about the ownership and the future of the MC enterprises. In order to come out of this situation, caused by the moratorium from 23.07.1993, Nikolay Dobrev, the Chairman of the National Security Commission, proposed an Overall Conception, in compliance with which the enterprises that do not produce final production and those that produce a small percentage of the special production had to be equalized to all the rest enterprises, which were under the direction of the Ministry of Industry, having in mind their following privatisation. The rest 23 enterprises, after the relative financial analysis, had to synchronize their activity to the accepted by the Videnov's Government Program for Bulgarian Army Re-equipment till 2010. This program provided also a renewing of the license with Russia and more intensive search of strategic partners as a key to the successful position take back in the

world weapons market and the increase of the incomes in the budget. A full list of the conventional weapons was accepted and was under state control<sup>97</sup>.

This government, which started the mass privatisation couldn't make the conception for sector restructuring, except the already mentioned part of 23 MC enterprises. Some of them were put into the list of isolation as losers. The list was made by the government in accordance with IMF agreements. The collapse of the bank system during the second half of 1996 caused a financial collapse in the beginning of 1997 and a change of the government. This gave no possibility for the MC development conception implementation.

The ex officio government of Stefan Sofiansky (February – May 1997), the official declaration proclaiming the will to join NATO, and the Currency Council, implemented on 01.07.1997 for financial stabilization created a new financial and foreign policy framework and in its context had to be considered the arrangement of the MC issues. The problem for interoperability came out with the joining PCP initiative. An auction for equipping BA with radio communication technique according NATO standards was announced in 1998. It was won by the Italian Company "Marconi". The price was \$ 58 million, but afterwards the auction was annulled. Actually it is very important to think of the future role of the BMC as an executor of such kind of orders, considering the renewing impulses, which these orders could give to BMC. A new horizon in front of it is the full right Bulgarian membership in Euro Atlantic structures and its real role in the common European Defence Forces.

The approach of the Ivan Kostov's government (from May 1997) about the military enterprises was in accordance with the industrial enterprise privatisation. In 1998 was developed and adopted a program for restructuring and privatisation and state share in the military industry<sup>98</sup>. The document gives a short-term framework and the criteria for the

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<sup>97</sup> Official Gazette № 57 from 1995

<sup>98</sup> Decision of the Ministry Council № 13 from 30.03.1998

capital restructuring of the branch. The measures are directed to the market adoption of the MC enterprises and the military structures Euro Atlantic integration.

The program provides a considerable decrease of the state share in the unions' capital, new structures development and the privatisation acceleration. All smaller unions in the MC and the separate parts of the bigger companies, which were acting collaterally, were proposed to be fully privatised. The state kept the blocking quotas in five of the leading MC companies. These are "Arsenal", "VMZ", "Dounarit", "Trema" and "Electron progress". In every one of them the state kept 34% in order to be able to influence the decision making process and to defend the national interests. Those unions were put in the list of 25 companies, which were proposed to be restructured by separating of some productions, departments, enterprises, and their capital to be reduced when the separate parts were fully privatised. The state strategy also stipulated the MC enterprises under the Ministry of Defence (basically repairing enterprises which are still state owned) to be restructured to trade unions according to the Trade Law. The state share in some of them was also reduced, and later they were proposed to be fully privatised.

All the privatisation ways were stipulated to be used – privatisation of whole enterprises, of separate parts, of shares and stocks, public sale in the stock exchanges, etc. Basic role of the property restructuring was given to the department "Defence Industry" in the Ministry of Economy and to the "Military Economy" Department, which is a part of the military economy block in the Ministry of Defence with the cooperation of the Privatisation Agency and the stocks commission.

The stipulated in the strategy production restructuring turned out a new step, which had to be realized parallely in two spheres – special and civil production. The future modernization and the restructuring of the military production are determined by the already mentioned European and Euro Atlantic structures integration. On the other had the new production trends are being developed, connected to the existing battle equipment modernization, which possesses a considerable battle capacity. On the basic of the shown interest by western companies in the MC unions capabilities it is provided that

in the following two or three years the adoption of centres and subsystems for defined types of equipment for the NATO's armies will be started. Equipment for the Bulgarian Army needs will be produced with their cooperation. Weapons and ammunitions according to NATO standards are already adopted. The new production issues in cooperation with some NATO member countries are negotiated. Themes are also declared for joint work with committees for industrial cooperation with NATO for navy, air force, and land-forces unites.

The restoring of the bilateral military research and economy cooperation with former partners is stipulated. Some basic trends will continue to be developed: Classic battle technique (light self-propelled staff and artillery systems, light weapons, ammunitions, etc), signal technique, radiolocation, radio communication equipment, systems for fire control, etc. The state keeps and modifies its basic functions in the state capital management. It will deal with them in the sector, by the manufacturers licensing and by the state commissions. A state bank of licenses, patterns, standards, know-how, software and other intellectual products of special industry will be developed. The state will organize and ensure the financing for the researches and cadres training. The weapon trade control, the control over the technologies with possible dual use over the defence military equipment and the wartime planning is also a state obligation.

The program stipulates also the development of the normative package for the sector restructuring. A project of a Defence Industry Law is about to be worked out. 16 production powers were also defined to guarantee the peace and wartime state production capabilities, namely:

- Machines for artillery cartridges production, calibre 23 – 25 mm
- Press machines for projectiles stamps, cal. 100 – 155 mm
- Special lines for machining of projectiles, mines and details for them
- Machines for detonators, Igniters and percussion plugs
- Press machines for gear and ammunition equipment
- Gyroscope machines

- Machines for recycling of thermo active and thermoplastic plastics
- Machines for cutting out and stamping of armour steel
- Machines for gun-powder and gun-powder fillers production
- Machines for production of cartridges, cal. 5.45 – 40 mm
- Machines for pyrotechnics issue production
- Machines for artillery gun systems and light weapons
- Unique installations, stands and labs for regulation, testing and standardization of military dosimetric and radio-chemistry equipment
- Machines for equipment and battle technique repairmen

The military repairing enterprises are in a very interesting position - they are under the Ministry of Defence supervision because their production is much more than the Bulgarian Army needs, and on the other hand Greece and Turkey are interested in them. They have received Russian standard weapons by KASKAD

In 1999 together with the smaller enterprises, privatised by the Workers-Managers Unions (WMU) was privatised 51% of the biggest MC enterprise “Arsenal” – Kazanlak. It was curious that the deal with the WMU for \$ 2.1 million was made after the government act of dividing by half the “Arsenal”’s debt. According to the sale contract \$657 million currency credits (capital and interests) would be cancelled. “Arsenal” Ltd. took the engagement in the next three years till 2002 to invest \$3 million and to reduce the personnel from 9448 to 6200.

At the end of 1999 was formed a new DFU government and a new cabinet structure. A mega Ministry was created – the Ministry of Economy, which in fact unified the Ministry of Industry and Ministry of Trade and Tourism. In 2000 the Ministry of Economy sold 80% of “Metalholding” capital (with shares in other companies, the most appetizing of which is “Arcus” – Liaskovetz) to the WMU “Metalchim 2000” for \$ 2.5 million, and the buyer took all the obligations of the Union and took the engagement to invest \$ 15000 (!) till 2000 and to keep the personnel without changing its activity. In the Ministry of

Economy privatisation program with open privatisation procedure are included VMZ – Sopot, “Dounarit” – Rouse, and the machine building plant in Doupnitsa.

During the given period Russia was interested in the enterprises privatisation in this sector. Russian companies were interested in VMZ, “Arsenal”, “Beta”, etc, but they knew that they wouldn’t be let to the MC privatisation. Large-scale western investors showed no interest due to the unclear rules for privatisation and bureaucracy, the bad investment climate, the region and country instability, and last but not least, the intractable enterprises condition. The bulk of the Unions were bought by WMU. Part of the prices was in cash and the rest they have to pay in the next 10 years in lighten condition including with stocks. Because of the bad economic situation in the most of the enterprises a strategic investor was not found. Giving them to the WMU showed some defects as:

- lack of the needed financial resources for technological renewing and ensuring of their competitiveness in broader scales
- lack of specialized technical team (research teams were destroyed during the transition period)
- Technologies out of exploitation and loosing the world standards are being used
- Disability for developing of work at a modern level
- A lack of flexible researchers and developments suitable as to the defence industry, as for the public production needs satisfaction, etc.

All this is due in the most of the cases to the leaving of the highly qualified cadres and workers.

The name of our country was involved in many weapon scandals in the last days – supplies for UNITA, deals with Central Africa, the mystical planes with weapons for Sierra Leone, earlier weapons sale from Bulgaria for Albania, etc. In some of the scandals for the period 1992 – 1994 there probably has been something wrong with the weapons export, but others are made on purpose, aiming clearly to ruin the BM and

weapon export. Together with the already mentioned American companies a more serious competitor for Bulgaria became some specialized French producers and traders and the Russian Company for combat equipment export “Rosvooruzenie” as well. Far more disturbing is something else. Bulgaria can be blamed before the world community as a violator of the international treaties for weapon trade and as a country with unreliable control over special production export. Actually in November 1995 was accepted a Law for Foreign Trade Activity with Weapons Production and Technologies with possible dual use, And a Regulation for its application as well. According to this Law such an activity can be executed only by trade unions with over 50% Bulgarian share, having license for export, import or re-export of weapons. The license is given by the Interdepartmental Council, dealing with the MC. For the license to be given, are needed positive answers by the Ministry of Interior, the National Security Service, Foreign Ministry and Ministry of Finances. The company, which accepts license, has the right to deal with weapons for one year. After it the license can be renewed, but in no way a company can act beyond its rights. The control over the export is exercised by one more Department – The Commission for Control and Permission of Foreign Trade Deals with Weapons in the department of the Ministry of Trade and Tourism. Namely this Commission gives the licenses for military equipment export and studies each deal separately. The license for final client and document certifying that the contractor has the right to trade with weapons are compulsory for the deal accomplishment. That’s how is guaranteed that the exported production wouldn’t disappear somewhere before reaching the final client and also that it wouldn’t go to a country under embargo like Iraq or Libya. It is also compulsory the contract to have a clause to guarantee that the client wouldn’t re-export the weapons without Bulgarian approval.

For violation of the Law and the International Treaties, in which Bulgaria is a side the Interdepartmental Council can take the license for weapons trade. Ministry Council exercises the control over the following of the Law and licenses. The trade unions are obliged to give information for employees working over the deal, the foreign partner, forwarding agent, transporters, technical characteristics, description of the production and ways for payment. A penalty of two times the deal price is to be paid if there is a data for



violation by the exporters (If they are juridical persons). In case that this is a crime, the dealers are set to prison up to 6 years and in the worst cases up to 8 years. Bulgarian companies' officials reject the possibility equipment to be exported illegally by changing the code of the production or the receiving country code, given in the custom documents. The question what kind of weapons does our country mainly export is also very interesting. The main exporters are "Kintex", established in 1966, "Teraton", which is in consortium with the electronic giants "Harris", "NET", and "Global One", specialized in the field of military electronics, and known by its contracts in the Near East, "Armymex", established in 1992 and including as share holders 23 companies of the MC. In the last two years Bulgaria re-established the level of the sales of light weapons in the Latin America and Africa – the Bulgarian "Kalashnikov" machine-guns are one of the most exported issues. Anti-tank systems, anti-aircraft rocket systems are exported, as well. The Bulgarian weapons are very attractive because of its high quality and low price in comparison to other world producers. To whom Bulgaria sales and will continue to sell weapons is a question of the foreign policy, which has to follow the national interests and not to let its name to be involved in weapon scandals.

#### **3.2.4. Summary**

As we already missed the most appropriate moment, strategically important for the MC restructuring – right after the changes, when technological and technical equipment were in a good condition, there wasn't a specialists withdrawal and the deals for licenses (received often thanks to the preferential attitude of ex USSR to us) were into force, at the present according to us there is three opportunities for the MC development. The first opportunity (optimistic) is connected to the opportunity of the new owners (WMU) to attract capital inclusively by entering the stock exchanges, by researches and licenses and to develop a joint production and to have access to markets. The second opportunity is traditional for Bulgaria where the owners take all the money from enterprises, sell the equipment and the property of the companies and after that declare themselves broke. The third possibility for the defence production development in Bulgaria, where the positive development is most realistic, is the joint-ventures establishment, which will take

as the repairing, as some of the production activities in accordance to the already produced technique which is in armaments in neighbouring or relatively close geographically countries. The aircraft maintenance enterprise is an example and the Russian MAPO showed interest in it to make it base for the maintenance and modernization of the high-tech Russian technique, used by the armies of the former Warsaw Pact member countries, Turkey, Greece and Arabic countries. The responsible for the Bulgarian policy factors saw in it a threat for the new political orientation of the country and nevertheless it has undoubtful economic attractiveness for Bulgaria, this opportunity wasn't used.

These problems are still not resolved from a legal point of view. The Law for the Defence Industry failed because of the lack of clearness for its place in the legislation, which poses the question for the need of it as a whole. The issues that it had to reglament are not actual any more

Table 2. Indicators for Bulgaria for 1997 according to Bureau of Arms Control, U.S. Department of State, 1998.

№	Indicator	Value	Place in the world
1.	Population (million people)	8.3	83
2.	Gross National Product – GNP (in million dollars)	32140	65
3.	State budget (in million dollars)	10340	63
4.	Number of the Army (thousand people)	80	46
5.	Gross National Product per capita of the population (in US dollars)	3877	58
6.	State budget per capita of the population (in US dollars)	1247	57
7.	Share of the state budget in the GNP (in %)	32.1	67
8.	Military expenses (in million dollars)	949	67

9.	Special production export (in million dollars)	120	16
10.	Special production import (in million dollars)	10	89
11.	Military expenses per capita of the population (in US dollars)	114	51
12.	Military expenses for one military man (in US dollars)	11860	78
13.	Armed forces per 1000 people	9.7	28
14.	Share of the military expenses in the GNP (in %)	3.0	61
15.	Share of the military expenses in the budget (in %)	9.2	84
16.	Share of the special production export in the total export (in %)	2.4	7
17.	Share of the special production import in the total import (in %)	0.2	103

The traditions and the potentials that Bulgaria has can be used during the Euro integration process, if there is a principally new approach, having in mind the globalisation processes and the specific interests in the region. If we want to achieve a synergetic effect<sup>99</sup> we must unify the efforts, resources and the strategic investors organization, creativity and efficiency of the Bulgarian qualified workers and specialist. Though, if we want to ground concrete proposals it is necessary some researches to be made in the following fields:

- 1.The legislation for creating a favourable environment and guarantees for business and cooperation.
- 2.Analisys and evaluation of the MC privatisation and post privatisation processes. In that way not only the tendencies will be revealed but also he MC future development can be prognosticated

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<sup>99</sup> By “synergetic effect” we mean the unifying of the efforts, resources, knowledge and know-how for reaching bigger efficiency (2+2=5 )

3. Analysis and evaluation of weapons trade, special technique and ammunitions. In this field we have a huge experience and lots of problems have been accumulated.

4. The development of opportunities for highly qualified specialists use in the MC fields. There is a huge potential for creating and development of high-tech parks, incubators, joint ventures, common programs for adopting high-tech production, etc.

5. We have to specially research the traditional relations between Bulgaria and Germany in the field of the scientific researches, training and production. They must be restored and enriched in the new conditions and challenges of the time. Here are hidden unexpectable possibilities for synergetic effect.

The geopolitical situation of Bulgaria must not be forgotten as well as its role on the Balkan Peninsula and the Arabic world, especially in business aspect

Appendix 1 to a work document for restructuring and state participation in the Defence Industry of Republic of Bulgaria during the process of property change

Information for the offered state capital quotas and organization forms of the companies from the Defence Industry

No	TRADE ENTERPRISE	RESIDENCE	BASIC CAPITAL	DECREA SE OF THE BASIC CAPITA L (IN %)	REDUCED BASIC CAPITAL	OFFERED STATE QUOTAS	ORGANISATIO N FORM	NOTE
1	"Arsenal" SPJSC	Kazanlak	2225	15.7	1875	34	Joined- stock Compan y	Financial isolation
2	"Arkus" JSC.	Lyaskovez	465		456	0	JC	

3	"Beta" SPJSC	Cherven bryag	1077	21	850	0	JC	Financial isolation and branch privatisation
4	"Bitova electronika" SPJSC	V.Tarnovo	444	6.3	416	0	JC	Branch privatisation
5	"VMZ" JSC	Sopot	10538	20.5	8379	0	JC	
6	"Varbanovo KPZ" JSC	Zareva Livada	155		155	0	JC	
7	"Dunarit" JSC	Rousse	482	48.5	248	34	JC	
8	"Ekoel" SPJSC	Pleven	456		456	0	JC	Financial isolation
9	"Elecron progres" SPLTD	Sofia	104		103	34	JC	
10	"Impulse" LTD	Gabrovo	127	25.2	96	0	JC	
11	"LOT" SPJSC	Sofia	163		163	0	JC	
12	"Metalic" JSC	Gabene	49		49	0	JC	

131	"Mehanika & assembly" SPLTD	Sevlievo	167	5.4	158	0	JC	
144	"Mussala" LTD	Samokov	37		37	0	JC	
155	"NITI" SPJSC	Kazanlak	144		144	0	JC	
166	"Opticoelectron" SPJSC	Panagyurishte	581	5.5	549	0	JC	Financial isolation
177	"PIMA" SPJSC	Montana	509	73.9	139	0	JC	Financial isolation and branch privatization
188	"Pirel" SPJSC	Gotse Delchev	843	10.1	758	0	JC	
199	"Samel-90" SPLTD	Samokov	274	3.3	265	0	JC	
200	"Stroumas" LTD	Sandanski	302	34.8	197	0	JC	
211	"Trema" JSC	Tryavna	641	6.4	600	34	JC	

2 2 .	"Metalhim Holding"	Sofia				34	JC	Transformati on into a Trade Company, component TC shares invalidation
2 3 .	"Tcherno more" SPJSC	Varna	508	7.7	470	0	JC	
2 4 .	VRZ - Ministry of defense	Sofia						In process of transformatio n
2 5 .	"Electronna techika	Plovdiv				0	JC	Finishing the separation from "Periferna technica" PJC

### 3.3.The Bulgarian – German economic relations after 1989

Even as early as the period after the Liberation (1878) the economic interrelations of Bulgaria are characterized by a high intensity of the business relations with Germany. This tendency is preserved during the whole XX century, no matter what was the character of the political government in both countries.

### **3.3.1.Trade interrelations between Bulgaria and Germany after 1989**

In the period after 1990 there can be observed a rising development in Bulgarian – German relations. The Bulgarian export data analysis for the period 1992 – 1999 shows that for the time from 1992 to 1995 Germany took the first place in Bulgarian export. Although in the next period 1996 – 1999 Germany gave in its first place to Italy, the trend during the last eight years shows a stable growth of the German export share in the total export of the country, moving between 6.6 – 10.8%

In spite of the fact that in 1999 there can be observed a fall of the German export share in the total export, it is hardly a stable tendency, but mostly a result of conjuncture variations. The export for Germany for 1998 in absolute value was \$ 446.2 million, while for 1999 it was \$ 393.9 million, i.e. the relative decrease for the last year compared to the previous is 11.7%.<sup>100</sup>

The comparison of the data for the export structure for 1999 and the previous years shows that in the export structure by countries there are practically no changes. Germany keeps its leading role and together with Italy they form 25% of Bulgarian export.

The Bulgarian import structure for the period 1998 – 1999 by countries also shows the significant role of Germany – it takes the second place after Russia for the whole examined period. There can be observed a stable rise of the German import share in the total import, especially during the last two years, when it reached about 15%. The import from Germany for that period in absolute values runs up as follows:

- for 1998 - \$ 689.2 million
- For 1999 – \$ 817.8 million, i.e. there is 18.9% increase.

As a whole the total import of Bulgaria for 1999 is 5.3% higher than the previous year (from \$ 4956.7 million to \$ 5468 million). The changes in the import amount have led to significant changes in its structure. The allocation of the import by countries showed the weakening of Russian positions and strengthening of the German and Italian role in the import of our country.

The analysis of the trade interrelations between Bulgaria and Germany for the period after 1990 shows a stable tendency to increasing the value of the trade circulation

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<sup>100</sup> The data are not final, calculated towards 30.03.2000



between the two countries. There can be noticed a slight superiority in the absolute values of the import from Germany over the export. During the whole examined period Germany takes a front place as a first-rate trade partner of Bulgaria and it could be surely predicted that in the future it would be the same way.

### **3.3.2. Investments**

As far as the foreign investments are concerned, in the period 1992 – 1999 Germany conveniently took the first place, as the amount of the realized investments for the mentioned period runs up to \$ 425.87 million<sup>101</sup>, and only Belgium, having \$ 373.8 million invested, is coming close to that sum. The data analysis by years shows that for 1998 – 1999 are realized about 1/3 from the total amount of the German investments in our country, and only for 1999 are realized about 22% of the capital investments. This fact undutifully witnesses that the German investors show an increasing interest to our country.

The German capital investments in Bulgaria are directed mainly to the following economy branches:

- machine-building – 4 enterprises
- finances – 3 institutions
- trade – 3 enterprises
- electronics – 2 enterprises
- tailoring industry – 2 enterprises
- pharmacy – 1 enterprise
- building materials – 1 enterprise
- cement industry – 1 enterprise
- cellulose-paper industry – 1 enterprise
- textile industry – 1 enterprise
- transport – 1 enterprise
- poligraphic industry – 1 enterprise
- tourism and hoteling - 1 enterprise

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<sup>101</sup> Data: Foreign investments agency

The German participation in Bulgarian privatisation process is also significant. German investors took part in the privatisation of 12 enterprises, and totally 89 were privatised in the period 1993 – 2000. The amount of the invested German resources runs up to about \$ 141 million. It is remarkable that in 1999 German investors took part in the privatisation of only 1 enterprise - Rousse port, acquired for \$ 1.615 million, while for the same year the total amount of the German investments in Bulgaria runs up to \$ 101.3 million. An observable tendency is reorientation of German investors to build new industries in our country, instead of acquiring already exiting enterprises through participation in the privatisation

As a conclusion on the basis of the prepared analysis we can summarize:

- In spite of the crisis, caused by the transition, the Bulgarian – German economic relations are developing in a stable rising line
- Germany has a reserved front place as in Bulgarian export, as in the import of our country.
- A stable increasing of the German share in our foreign trade circulation as a whole is observable<sup>102</sup>
- Germany is a leading foreign investor in Bulgarian economy, having a significant participation in the privatisation process

Thus described tendencies during the last years give us the reason to prognosticate that in the future the values of the trade relations between the two countries as well as the amount of the German investments in our country will increase.

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<sup>102</sup> According to data from Bulgarian Ministry of Economy, the expected Bulgarian export rate for Germany is 8 per hundred and the German export is 13 per hundred. The German share in Bulgarian barter is 13 per hundred. For the first eight months of the year our mutual trade is for \$ 873 million, while for the last year it was \$ 1.2 million.

# PRIVATIZATION TRANSACTIONS WITH GERMAN INVESTORS

1993 – 2000

No	Name of enterprise	Date of transaction	Subsector	Shares sold	Revenue (million)	Liabilities undertaken (million)	Investments contracted (million)	Name of the buyer
1	Gazobeton – Sofia	Feb.11, 1994	construction	100	DM 5	BGL 5.361	DM 5.6	Ytong Ltd. - Germany
2	SOMAT - Sofia	Aug.2, 1994	Transport	55	USD 8.2181	USD 46.782	USD 48	Willi Betz GmbH - Germany
3	Hotel Vitosha - Sofia	Dec. 14, 1994	tourism	80	DM 65			Ivan Zografski - Germany
4	Eltos - Lovech	Sept.5, 1996	El. engineering	55	DM 11.5	BGL 2252	DM 12	Sparky trading GmbH – Germany
5	Agromashina – Rousse	June 20, 1997	Machine-building	70	USD 0.0525	BGL 708	BGL 1 500	Sparky trading GmbH – Germany
6	Vazhod - Trudovets	Sept.29, 1997	Machine-building	65	DM 1.6		DM 2.1	“Grammer” AG - Germany
7	SOMAT - Sofia	Feb.20, 1998	transport	38	DM 24.867		USD 5	Willi Betz Group Germany

8	Velpa 91– Strazitsa	May 8, 1998	paper	26.4	USD 1.121			Norecom GmbH Germany
9	Metalsnab Holding	June 26, 1998	trade	75	DM 12			Klockner & Co AG – Germany
1 0	Dunavska Koprina-Rousse	Dec.7, 1998	textiles	68	USD 0.126		DM 1.5	A.Mueller&Soehne GmbH Germany
1 1	Rousse Shipyard – Rousse	Feb.12, 1999	shipbuilding	80	USD 1.615		DM 14.4	R. Shipyard Beteiligungsges,GmbH-Germany
1 2	Pharmacia JSCo.- Dupnitza	June 23, 1999	pharmaceuti cal	55	USD 11		USD 15.52	Balkanpharma JSCo/Deutsche Bank JSCo. – London, UK

### **3.4. The present State of the Socio-Economic Transformation**

To reach economic stabilization in Bulgaria is one of the most difficult tasks and there is no power to give firm guarantees for sustainable development. The restructuring of economy is based on privatisation. That means profound redistribution of property. This process is accompanied by unacceptable for the public phenomena such as fall of production, closure of factories, high unemployment, impoverishment, corruption, etc. The applied now model of fast privatisation, after the long delay, is causing indignation. That puts some doubts on the prospects for the policy followed by this government. Still Bulgaria has not worked out clear economic priorities. That may cause difficulties in the negotiations with the European Union. Further steps in restructuring the industry and agriculture, the financial sector and other services are needed. In 1999 the Parliament approved an energy strategy but the whole controversy around the use of nuclear reactors prompts a new debate on energy policy. The functioning of the national economy is still facing many legal and bureaucratic obstacles. Also, these obstacles are discouraging the badly needed foreign investments. All the efforts should be focused on satisfying the Copenhagen criteria for EU membership.

### **4. The Adaptation of Bulgaria's Foreign and Security Policy**

More than 10 years have passed since the dramatic day of the 10-th of November 1989, when, the then doyen of the communist leaders in Eastern Europe, Todor Zhivkov fell down. A combination of international and domestic factors created conditions for that. In the 80-s it became obvious that the Soviet block was losing competition with the West, particularly in the economic and technological fields. In the years of the initiated by Gorbachov "glasnost" all that came to be more evident. Critics from different positions were directed to the realities in Bulgaria. In 1988-1989 groups of dissidents made attempts to organize opposition structures. The Communist Party tried to hold the situation in more liberal manner than before. On the 10-th of November 1989 at a meeting of the Central Committee of the Communist Party Zhivkov was let to step down. That opened the sluices of the changes in the country. The euphoria of the next few months turned into a long and hard years of transition, full of hope and disappointment, of dramatic political events and difficult economic

changes, of will to join the structures like NATO and EU, perceived to be the best guarantee for security and well being and of course against possible restoration of the former totalitarian regime, and the lack of clear positive response from there.

Bulgarian people, choosing a new social model, rejected the Soviet - style communism as something holding back their progress, and adopted a course of transition to pro-Western liberal democracy and market economy. However the challenges of the transition caused much hesitation, strengthened by the evidence that nobody is ready to share the heavy burden of the changes. The Western aid proved to be insufficient to make enduring the difficulties of transition to another social model. Unsure of the choice they have made, many people found shelter in nostalgia. The illusive expectations stimulated by Western propaganda, that repudiation of communism would immediately open the gates to freedom and abundance often turned into frustration.

Transition from socialism to capitalism has no pattern in history. All countries from the former Soviet block started political transition almost simultaneously. But their attempts to reach the objectives of changes are not equally successful. "Regarding the relation between EU and Eastern Europe and referring to EU's strategy towards Eastern Europe one can classify at least three different types of Eastern European nations the winning, loosing, and in between Eastern European countries." <sup>1</sup> Bulgaria began fast legislative steps towards changes in the political system. In 1990 the leading role of the Communist Party was abolished. A new Constitution was adopted in 1991. It was based on the concept of pluralistic, multiparty democracy, division of power, freedom of expression, and equality among all forms of ownership, excluding ethnic, religious and sexual discrimination. The policy towards the Turkish minority, put into practice in the late 80-s was fully denounced.

All this steps won international recognition. In May 1992 Bulgaria became a member of the Council of Europe - a precondition for which is showing a democratic political system and observation of human rights. With that Bulgaria began joining the Council's main conventions, starting with the European Convention on Human Rights in 1992 and ending with the Convention on national minorities rights in 1999. In process is also ratification of the European Social Charter. All these prove that

Bulgaria has accepted the European values and norms of political and social life. It was a promising momentum, but many other substantial steps had to be made.

Nevertheless, many peculiarities of the Bulgarian political traditions and of the national economy, combined with timid efforts for structural reform and unfavourable international environment <sup>103</sup>, left the country far behind other Central European states, which today are on the short list for EU membership and Poland, Hungary and the Czech Republic already became full members of NATO.

The changes, undertaken in the last 10 years, appeared very controversial, bringing social insecurity, collapse of whole industries, losses of jobs, impoverishment, increasing criminal activity, destruction of health-care and education. The transition in Bulgaria has faced many difficulties and Bulgarians have suffered hard times. Although a state with more than 13 centuries history in modern times it has experienced only few short periods of democracy. That determines the shortcomings of the steps towards liberal, western-style political system and market economy. The young democracy emerged from a long lasting authoritarian regime. It had to formulate its own national strategy, independent from the 'Great brother' (the USSR), to organize its policy-making institutions, capable of facing the new challenges alone. This task could not be solved only by radical changes in legislation. Beside the rule of law democracy needs traditions, political culture, relevant institutions. For very long time the Bulgarian economy had not been based on the laws, which market economies obey. The changeover needed time and resources. The transition process was marked by acute polarization between the main left and right political parties in the country and it has blocked the possibilities for working out a national consensus on the main objectives and principles of the changes in Bulgaria. The polarization was stimulated to a great extent by the lack of clear vision on the future place of the state in the world order. At that time there were many speculations on what was agreed about Bulgaria between the United States and the Soviet Union in Malta in 1990. The initiated changes were also slowed down by some newly emerging private interests, which

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<sup>103</sup> Reimund Seidelmann, The European Union and Eastern Europe, Article in reference to the conference From Capitalism to Capitalism Brussels, March 13-14, 1998 (updated version); See also: Reimund Seidelmann (Guest-Ed), Special Issue des Journal of European Integration NR. 2-3/ 1997 "Problems of Eastern Europe: Transformation, Nation Building and Europeanization"

were relying on preservation of the old state-owned economic structures. All these make Bulgaria's transition a dramatic experience. Those facts are almost unknown for the rest of the world, because the transformations in that relatively small country do not produce spectacular effect. They hardly reach the headlines of the news. Neither Bulgaria nor Europe benefits from this obscurity.

However, Bulgaria is still a relatively stable place in the Balkans. The peace in the country was preserved in those years of transition. Bulgaria is not a source of tension in the international affairs, but a factor of stability in the turbulent Balkans. It maintains good relations with all neighbours. Bulgaria was the first to recognize the independence of Macedonia, together with the other former Yugoslav republics. The joint declaration of Bulgaria and Macedonia from February 1999 played a rather positive role in preventing a spread of the Kosovo crisis. Bulgaria had to take difficult and risky decisions, related to the Kosovo crisis, but it gave full support to NATO's policy and actions against Yugoslavia. Nevertheless, our country is perceived as part of the notorious region<sup>104</sup>, which turns out to be a powerful factor, keeping the country undeservedly aside from the mainstream processes in Europe.

#### **4.1.The Political Reforms**

The changes in Bulgarian foreign policy would be unthinkable without the democratic reforms after 1989. At the same time Bulgarians could hardly enjoy the flavour of democracy without the profound changes in the international system. At the turning points of history the interdependence between domestic developments and external relations is most obvious.

#### **4.2.Changing Bulgaria in Changing World**

Geographically Bulgaria is situated in South Eastern Europe, in the Eastern part of the Balkan Peninsula on a territory of 111,000 sq. km, bordering the Black Sea to the

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<sup>2</sup>As a Swiss diplomat has put it in 1933 "The Balkans, with the tension among the countries and their aspirations, always have been a threat for the European peace. While the inhabitants of the Balkans have to rely on themselves there is no reason for trouble. But in case the Balkan states are involved in the conflict of the Great Powers interests then the development of local aspirations is unforeseeable."



East, the Danube River and Romania to the North, Yugoslavia and Macedonia to the West, Greece and Turkey to the South. The population of Bulgaria is 8.6 million. 86 per cent of them are Bulgarians, 9 per cent Turks, 3.5 per cent Gypsies and some other ethnic groups as Armenians, Jews, Russians. The largest religious community - around 85 percent of the population, belongs to the Bulgarian Orthodox Church, almost 13 per cent are Muslims (Turks, Pomaks, some Gypsies). There are some Catholics and Protestants.

Bulgaria has emerged as an independent state in 681 A.D. and in competition and rivalry with the Byzantine Empire gradually has established its dominance in South-Eastern Europe in the medieval times. In the same time on the most of the territory of Western Europe have existed only barbarian states. Bulgaria was the first Slavic state to adopt Christianity in 865 and soon after that the Cyrillic alphabet. Russia adopts both of them later exactly from Bulgaria. On that basis our country has played an important role in the Orthodox and Slavic civilization. The well-developed original culture has helped preserving the Bulgarian nationality after the Turkish occupation in 1396 when the Bulgarian sovereign state ceased to exist. Many attempts to overthrow the dependency had failed. In 1878, as a result of one of the Russian-Turkish wars, the Bulgarian state was restored. Until 1946 Bulgaria was a constitutional monarchy. During that period it was involved in the Balkan wars (1912-1913), in the World War I on the side of the Central Powers. In the World War II it has joined the Tripartite Pact in 1941. In 1944, when the Soviet army was advancing to the west, an Anti-Fascist Block, lead by the Communist Party seized power. Being placed in the Soviet sphere of interests in the post-war period, Bulgaria, similar to the other countries in Central and Eastern Europe, established a single party political system and centrally planned economy. Bulgaria was a COMECON and Warsaw Pact member. That was determining its place and role in the Yalta international system.

With the events in November 1989 were started democratic political reforms and radical changes in the national economy. The changes in Bulgaria became an integral part of the fundamental transformations in the world. Substantial changes in the balance of power, mainly in economic and technological spheres, between the two blocks in favour of the West provoked the experiment with the so called “new political thinking” and “glasnost” in the Soviet Block after Gorbachov took power. The new atmosphere made possible expression of critics against the then existing

regime. A culminating moment was a letter from 24 October 1989 of the then foreign minister Peter Mladenov, containing his resignation and disagreements with the simulations of changes in Bulgaria. The most influential members of Politburo of the ruling Communist Party supported Mladenov and asked Zhivkov to resign. On 10 November 1989 at a meeting of the Central Committee of the party it was announced that Zhivkov had resigned. For him it was a surprise, but actually this was the start of changes in Bulgaria.

To great extent the developments in the country depend on and reflect the worldwide trends. Now Bulgaria is a parliamentary republic, member of the UN, the OSCE, the Council of Europe, the World Bank, the IMF, the European Bank for Reconstruction and Development, the CEFTA, the Organization for Black Sea Economic Co-operation and other international institutions. Bulgaria is an associated partner to the WEU<sup>105</sup>. It is a candidate for full membership in the EU and NATO<sup>106</sup>.

*Geographically and historically Bulgaria is a part of Europe.* It is situated in the old continent and deeply involved in the cultural, political and economic processes in that part of the world. There is no basis for questioning its European identity. For more than 13 centuries Bulgaria has been deeply involved in the events shaping the European leadership in world developments. But a combination of circumstances has determined for the country to remain apart from the industrial revolution in Europe in the 19-th century, later, in the second half of the 20-th century, to be aside of the process of integration in the Western Europe. All that had left important consequences for the relations of Bulgaria with the advanced European countries and with their new forms of institutionalised co-operation. Now Bulgaria is facing the challenges of overcoming its backwardness and is in process of integrating in, the advanced and

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<sup>105</sup> S. Panos Tsakaloyannis, *The European Union as a Security Community*, Nomos-Verlag, Baden-Baden 1996; Christoph Lotter/ Susanne Peters (Eds.), *The Changing European Security Environment*, Böhlau-Verlag, Weimar-Köln-Wien, 1996

<sup>106</sup> Bulgarian public opinion regards the eventual membership in NATO as an inevitable result more of outside decision than of a free choice of the country. It is not accidental that the now governing coalition, counter to all logics, declares to be completely against a referendum about the question, although the eventual membership will predetermine the life of the next generations. On the other hand the membership in NATO has only instrumental character – it is good to that extent to which it contributes the integration of the country in EU. Bulgaria would undoubtedly prefer the Finland model (EU, not NATO) to Turkish one (NATO, not EU), if it faced this choice anyway.

striving to revive its leading role in world's development, Europe. For Bulgaria's presence in Europe's economic processes the following Tables can give some idea:

**GDP of the Central and Eastern European Countries for 1998<sup>107</sup>**  
(1989 = 100)

Bulgaria	66.4	Poland	116.9
Croatia	78.1	Romania	76.1
Czech Republic	95.4	Russia	55.9
Estonia	76.6	Slovakia	99.6
Hungary	95.1	Slovenia	104.0
Latvia	55.6	Ukraine	46.2
Lithuania	62.6		

**Export from Bulgaria<sup>108</sup>**

in million lev*			
Country	1997	1998	1999
<b>Total</b>	<b>8281386.5</b>	<b>7575806.4</b>	<b>7230.7</b>
incl.:			
Austria	90936.0	124158.3	124.0
Belgium	128070.9	270414.4	320.6
Czech Republic	31147.8	28156.8	27.9
France	223763.3	252364.2	328.3
FYR Macedonia	164414.6	171646.8	192.7
Germany	786284.0	788523.4	715.3
Greece	682497.0	664631.8	623.7
Hungary	39166.2	58998.1	44.9
Italy	968723.9	972878.7	1019.9
Netherlands	126957.5	140031.0	151.2

<sup>107</sup> Source: *Business Center Europe*

<sup>108</sup> Source: Статистически справочник 1999, p. 168-169. (Statistical Yearbook 1999, pp.168-169.)

Poland	49721.0	98717.7	53.8
Romania	110669.6	93491.7	101.1
Russia	658201.9	417507.0	343.6
Slovakia	25124.8	38098.6	14.6
Switzerland	47902.5	46675.0	82.1
Sweden	47579.8	33017.9	37.7
United Kingdom	219698.5	190358.8	183.1
<u>Ukraine</u>	<u>246433.4</u>	<u>201437.2</u>	<u>122.7</u>

\*Exchange rates:

1995 - 1\$= 67.168Leva

1997 - 1\$=1676.50Leva

1998 - 1\$=1760,39Leva

### Import in Bulgaria<sup>109</sup>

	in million lev*		
Country	1997	1998	1999
<b>Total</b>	<b>8268462.2</b>	<b>8827515.3</b>	<b>9971.3</b>
incl.:			
Austria	200918.3	248411.4	297.8
Belgium	103903.1	156166.6	166.3
Czech Republic	106483.0	169517.5	180.8
France	265182.9	393125.6	521.9
FYR Macedonia	44608.9	67719.9	45.2
Germany	972408.7	1210914.1	1492.7
Greece	3481374.4	518997.7	564.7
Hungary	71878.7	66067.3	90.7
Italy	593382.9	675221.5	843.0
Netherlands	153759.5	181034.6	199.5
Poland	96223.5	74245.2	
135.4			

<sup>109</sup> Source: Статистически справочник 1999, с. 169-170. (Statistical Yearbook 1999, pp.169-170.)

Romania	81854.9	102178.9	131.6
Russia	2317230.0	1756337.2	2064.6
Slovakia	35468.8	46367.6	55.9
Switzerland	132342.2	126271.7	134.3
Sweden	68769.7	81065.4	
136.5			
United Kingdom	215861.3	214590.5	239.8
<u>Ukraine</u>	<u>305051.5</u>	<u>336609.8</u>	<u>239.1</u>

\*See the remarks to the former Table.

The political changes, initiated in 1989, have opened the possibility for Bulgaria to become part of the European area of modern society, based on common values and principles. The integration with the European structures depends to a great extent on the success or the failure of the political and economic changes in the country. The public opinion is well aware of the consequences of missing the historic opportunity and shows high sensitivity on the rationality of the European orientation of the state's foreign policy.

### **4.3.From Dictatorship to Democracy**

After the political changes in November 1989 Bulgaria has chosen to follow the path of radical and speedy political and economic reforms. A crucial role in Bulgarian transition played the organized in 1990 National Round Table. After five months discussions (from 3 January to 15 May) the participants - representatives of the then ruling Communist Party and of the opposition reached agreement on abolition of the totalitarian regime and establishing a democratic political system. At the Round Table was decided:

1.to abolish article 1. of the Constitution proclaiming the leading role of the Communist Party in all spheres of social life and defining the Bulgarian state as a socialist one;

2.the political police to be disbanded;

3.to disband the party structures in the administrative system, in the army, police, justice, diplomatic service; to stop any political activity in those institutions;

4.to disband the party organizations in the state owned enterprises and also in the cooperatives;

5.the State Council to be replaced by a Presidential Institution;

6.to organize elections for Greater National Assembly with a single task to adopt new democratic Constitution.<sup>110</sup>

The new Constitution, adopted by the Greater National Assembly in July 1991, and the numerous laws passed by the Parliament, gave the legal frame of a democratic political system in the country. It was tested in the parliamentary elections in 1990, 1991,1994 and 1997, in which many political parties took part with changing positions in the National Assembly. The main rivals in the recent 10 years are the Union of Democratic Forces and the Socialist Party. Now in the Parliament are represented also the Alliance for National Salvation (a coalition of the Movement for Rights and Freedoms - supported mainly by the ethnic Turks, the Liberals and monarchists), the Euro-Left Party (which unified the most careerist part of the ex-nomenclature) and the Bulgarian Business Block. In alliance with the Union of Democratic Forces is the Popular Union, while with the Socialist party - a small agrarian party and Ecoglasnost. Among the achievements of the political process in Bulgaria are the joint declarations of the parliamentary represented parties on peaceful transition (1990) and on national consensus (1997). According to the last one the MP's (with the exception of the socialists) of the so-called "reformist majority" in the 38-th National Assembly agreed on:

1. Support for the agreements of Bulgaria with the International Financial Institutions, including the introduction of Currency Board;
2. Just division of social burdens of the reform;
3. Quicker effective restitution of farming land and establishment of conditions for its effective use;
4. A determined fight against crime and organized crime in particular, regardless of its political colouring, on all levels and in all state institutions;

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<sup>110</sup> Кръглата маса. Стенографски протоколи. Фондация "Д-р Желю Желев", с. 5. (The Round Table, Foundation Zhelyu Zhelev, p.5.)

5. Opening up of the “dossiers” of politicians, high magistrates and administrators, in order to neutralize their dependency from the former security services;

6. Full-fledged membership of Bulgaria in the European Union and all specific efforts to this end;

7. Membership of Bulgaria in the North Atlantic Treaty Organization.<sup>111</sup>

The reached at this stage balance of power in the political life in Bulgaria, despite the delay, provided conditions for such important steps on the way of reforms.

#### **4.4. The Transformation Efforts in Bulgaria and the Isolation from the West**

One of the important factors for slowing down the reforms in Bulgaria was the not quite successful development of contacts with the new priority partners from Western and Central Europe. The very optimistic expectations for establishing intensive contacts with the advanced democracies brought some disappointments. The last 10 years left the feeling in Bulgaria of being misunderstood. The lack of positive response to the reform efforts from abroad discouraged the romantic enthusiasm of the early 90-s.

##### **4.4.1. The Prejudice**

There is no doubt that the main factor in the process of changes in Bulgaria is the West with its example to follow and with its ability to influence the events in different parts of the world. From the very beginning of the reforms Bulgaria has chosen the western model of liberal democracy and market economy. Usually the choice of an alternative is a dramatic one, but the Bulgaria’s drama comes from the lack of alternatives, or of not quite clear ones, whenever such exist. The attraction from the West does not give substitute for the economic ties Bulgaria had before with the former Soviet Union and with other COMECON countries. But *with the collapse of the communist block the relations with the countries, formerly belonging to it are no*

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<sup>111</sup> Bulgaria: Challenges and Chances. Democracy daily, Special edition, October ’97.

*more an alternative, relevant to the new objects, set after the rejection of the communist past.*

For the drama of Bulgaria's transition the West also has its contribution. It is hidden in the general reluctance of the "winners" of the cold war to share the burden of restructuring the international system and the lack of clear strategy towards this country in South-Eastern Europe. The vague western approach towards Bulgaria is determined on one hand by the poor reform performance and on the other hand by the bias, shaped in the communist past and sustained now a day. But the success of the reforms in Bulgaria is needed not only for the sake of the country. It would have a positive effect on the developments in the turbulent region and on Europe as a whole. As the former Prime Minister Dimiter Popov has put it "the changes in Bulgaria take place not only in her own interests. They mean something for the new status of Europe. It should not only wish the reforms in our country, but it must share their cost."<sup>112</sup>

*For Bulgaria it is not easy to overcome the image of the former Soviet satellite.* Among the people still exists anti-capitalistic mentality. Some bias was shown towards the fact that for the most of the last 10 years the socialist party has dominated the political scene in the country. Most of the western structures and particularly NATO and to some extent the European Union were cautious, if not hostile, towards Bulgaria in the time, when the former communists had the majority in the Parliament.

In Catholic and Protestant Europe there is some prejudice about the possibility for an Orthodox Christian country to join the western structures. It seems that the problem of compatibility of religions and civilizations in Europe still exists. Still in the continent exist doubts, apprehension, mistrust and suspicion. All these facts prevent the West to work out a clear strategy towards Bulgaria. Probably that is the reason why the countries from the European Union, and not only they, are in practice inaccessible for Bulgarians. The people, who have to maintain the contacts between Bulgaria and the

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<sup>112</sup> Д. Попов, Да се затвори Козлодуй? Това би било лудост. В. Стандарт, 26 октомври 1999. (Dimiter Popov, To Close Kozloduy? That Would be Madness. Standard daily, 26 October 1999.)



West, have to suffer unbearable humiliations in order to get a Schengen visa<sup>113</sup>. It is not far-fetched to say that for the common Bulgarian Europe ends where the Schengen curtain starts – the new shameful Berlin wall. According to Government Decision 265 from 14 March 1997, Bulgaria does not demand entering visas for the citizens of the European Union countries. In 1998 our country was visited by 873 116 people from the 15 countries-members of EU. The statistic doesn't give information for the number of the visitors from Portugal, Luxembourg and Ireland. According to the information by Consul department in the Foreign Ministry, a single visa for foreigners for one-month stay, until 1997 cost \$ 30. If we accept as a basis 1998, this would mean that Bulgaria loses \$ 26.2 million annually from the abolishment of the visas for the people of the EU countries. For the past 4 years the total amount of the loses runs up to \$ 100 million.<sup>114</sup> Although the multiple assurances from the chairman of the European Commission Romano Prody, that he will personally insist on solving the visa question for Bulgaria, until this moment nothing concrete was done. At the same time the efforts of Bulgaria for restraining the illegal border traffic are much bigger than these of the central European countries.<sup>115</sup>

At the same time Bulgaria is expected to comply with western values and policy.<sup>116</sup> *The European Union and NATO are encouraging it to follow the path to membership in them, without giving explicit signs that it fits with their views on Bulgaria's role in their concept for security in the Euro-Atlantic region and Europe's unification. It will be absolutely unfair Bulgaria to be packed with other countries, and because of their weaknesses to be treated in a group in an unacceptable for us way.*<sup>117</sup> The decision of the European Council in Helsinki in December 1999 to invite Bulgaria to start

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<sup>113</sup> The problem sharply concerns all social groups, but mostly businessmen and intellectuals. Accepting the existing situation as a punishing regime. In the same time favorable conditions exist for blooming of the corruption in the Western Embassies and connected to them Burros for ensuring Schengen visa, announcing their guaranteed receiving by big advertisings in the newspapers. In an interview for the National Television on the 30 October 2000 the Foreign Minister talked about the discriminative attitude towards Bulgarian citizens

<sup>114</sup> Trud Daily , 30 September 2000

<sup>115</sup> In 1999 Bulgarian custom-house officers caught 1540 kg heroin, compared to 1700 caught in all the rest European customs: Democracy daily, 27 October 2000, Novinar Daily 27 October 2000.

<sup>116</sup> If we want to be objective we have to point out that at the beginning of December a procedure for Bulgaria's taking out of the negative Schengen list was started

<sup>117</sup> In a statement before a science conference in Sofia on 26 October 2000, concerning the enlargement of EU, the Premier Minister I.Kostov declared that the principle challenge facing the EU enlargement is the way it is accepted – whether as increasing the number of the countries-candidates for assistance, or as a way to raise the European competitive power in the globalizing world. According to the Prime Minister, the Euro-commissioners have a problem with the way they speak for the enlargement.

negotiations for EU membership leaves for now the first serious step to prevent Bulgarians from blank despair.

#### **4.4.2. The Cut Roads to the West**

There is another factor, helping Bulgaria's isolation from the West. That is the Yugoslav crisis. At the time of desperate efforts to establish active contacts with Western Europe Bulgaria faced the barriers of instability in former Yugoslavia. Its ties with, the perceived as priority partners, Central and West-European countries were hampered by the events in the western neighbour. Bulgaria was literally cut off from her preferred new partners, on whom it has relied to conduct the reforms. Particularly negative in that respect was the effect of the imposed by the UN Security Council sanctions and the NATO's air strikes against Yugoslavia in connection with the Kosovo crisis. Simply the roads, connecting Bulgaria, including the Danube, with the West were cut. Bulgaria's ties with Central and Western Europe, i.e. the changes in the country, became a hostage of its geographic position. The lack of normal contacts with that part of Europe, on whose values are based the reforms in Bulgaria, makes the outcome uncertain. Bulgaria has suffered and continues to suffer severe losses from the side effects of the actions of the international community for bringing peace and stability in South-Eastern Europe and nobody cares for any compensations. It was estimated on the basis of UNDP methodology that during the period of applying the sanctions against Yugoslavia (1992-1996) as a side effect Bulgaria has suffered losses, amounting up to 10 billion US dollars.<sup>118</sup> It had a terrible impact on the reform process in the country. At the same time neighbouring to Yugoslavia countries that are members to EU and NATO collaborated for violating the sanctions against the country and by this they de facto supported actively the Milosevic's regime.<sup>119</sup>

The prime-minister Ivan Kostov has stated that the international community has not taken any obligations towards Bulgaria, with the exception of political declarations. In an interview for BBC he has concluded that Europe is Bulgaria's debtor for

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<sup>118</sup> Round Table "UN Sanctions: the Case of the Former Yugoslavia", Copenhagen, 24-25 June 1996, p. 9.

<sup>119</sup> See for example "Milosevic's Friends Inside the EU and NATO" in: The Wall Street Journal, October 13-14, 2000

Kosovo.<sup>120</sup> During all those years of crisis in South-Eastern Europe Bulgaria has behaved as a good partner to the EU and NATO, sometimes undertaking dangerous risks. For that Bulgaria was receiving promises that it will enjoy the Western support for stabilization and reconstruction of the region. Still, everything remains in the sphere of good intentions. *It is a shame that the countries and international institutions of the West have done so little to encourage and help serious reforms in one of the promising states in South-Eastern Europe.*

By now the results of the reform efforts are quite doubtful. During the Cold War Bulgaria, as part of the Eastern block, was respected as an integral element of that system. Now, facing the conditions for accession to the western political, economic and security structures, the country is likely to remain a part of the notorious Balkans. There is a real trouble among the Bulgarians that instead of progress the reforms may return the country back to the full of conflicts and left behind the modern times region. The NATO's military operations against Serbia in 1999 have caused a new drama for Bulgaria and new difficulties for its relations with the western partners. Only the Bulgarian merchant fleet suffers daily losses over 30 000 DM from closing navigation on the Danube river.

History shows that sanctions, organized on an international basis for attainment of specific political goals have yielded controversial results. The yugosanctions have overburdened the neighbouring countries and the United Nations failed to organize substantial relief measures for them.

#### **4.5. The European Objectives of Bulgaria and the Armed Forces Reform: the Impact on the Society**

The issue of civil-military relations appeared to be one of the basic problems in Bulgaria's transition to democracy. The last decade was time for accepting and implementing the values of civilian democratic control on the armed forces and on the

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<sup>120</sup> Костов, И. Европа е наш дължник за Косово, 24 часа, 26 октомври, 1999г. ( Ivan Kostov, Europe is our Debtor for Kosovo. 24 hours daily, 26 October 1999.)

defence policy-making. It was based on the understanding that the civil-military relations are part of the very substance of the radical changes in Bulgarian society. The developments in this field were influenced by the new security and defence agenda of the post-Cold War Europe and also by the conflicts in the Balkans. The support of the Western security structures and individual member-countries was a crucial factor in both conceptualizing and practical transformation of the civil-military relations in a country, where the armed forces had been built on the ideological bias that they have to serve to the communist ideal. The activities of NATO, mainly within the Partnership for Peace Program and the enlargement strategy of the European Union contributed to the establishing of new type of civil-military relations in Bulgaria. The adoption of the Stability Pact for South-Eastern Europe and particularly its Third Working Table gave new impetus in Bulgarian efforts. Bulgaria was involved in a project, supported by the international community and designed to create a climate of confidence and security throughout the region, including by realization of defense planning and spending, the general demilitarization of societies within the region, transparency in defense issues and other confidence building measures, democratic control of the armed forces and paramilitary troops, effective control and reduction of small arms".

The reorganization of the Bulgarian armed forces from typical totalitarian status to the functions, size and structure, adequate to the new internal and international realities, is a process of extremely political importance. It contributes to strengthening the civil society and meeting the criteria for EE and NATO membership. However, the reform is consuming a significant part of the country's limited resources and is causing real social problems

The Bulgarian military traditionally perceive themselves as an important pillar of the nation. The campaign for establishing a civil control over the armed forces has given the impression that somebody is considering them as a threat to the society. Therefore strong political will and time was needed to make the democratic control of military, as well as intelligence services and the police, indisputable and to turn it into legal and ethical norm. Changing the role of the armed forces from political factor to a power that has to serve the democratically elected institutions and to preserve their pride was

a difficult task. Apparently it is not easy to achieve civilian control while acknowledging the military professionalism.

The whole complexity of transition, the slow economic reform and the turbulent Balkan region - all that could hardly back up a radical reform of the armed forces. The attempts at launching restructuring and cutting in the armed forces were facing immature economic environment and strong arguments against it, related to the permanent post Cold War next-door crisis.

The new civil-military relations in Bulgaria were shaped in difficult internal and international circumstances. Still, the political parties demonstrated wisdom and from the very beginning of the changes they have never tempted to involve the armed forces in the political clashes. One of the significant agreements at the Round Table in 1989 was on excluding political activity in the armed forces. With the adoption of the new constitution in 1991 the legal basis for establishing democratic control over them has been set. According to it The Parliament (The National Assembly) is the institution that has the supreme control over the security structures and the army. This function is carried out through its legislative activity, budgetary allocation of resources, ratifying international treaties, maintaining permanent parliamentary control and adopting decisions. The National Assembly is the only institution that may declare war or peace. It has the final word on deployment and use of Bulgarian armed forces abroad. The President is supreme commander in chief and it is of his competence to appoint and dismiss the higher command of the armed forces and also to bestow all higher military ranks. All those acts should be based on proposals from the Government (The Council of Ministers). The latter is responsible for the state defence and military policy. It co-ordinates the overall defence planning and controls politically the armed forces. The Defence and Armed Forces Act, enacted in 1995 and amended in 1997 and 2000, is based on the constitutional texts.

With the adoption of the National Security Concept and the Military Doctrine in late 90-s the set of legal documents that define the role and the functions of Bulgarian armed forces was completed. They reflected the policy aimed at reforming the armed forces in compliance with the principles of maintaining democratic control over them.

and also with the conditions of the international environment, the economic, financial and demographic capacity of the country.

A serious step towards providing guarantees for the national security through interaction and integration in the European and Euro-Atlantic structures was made by adopting the Defence Reform Plan, started in 2000. Known as Plan 2004, it is designed to make the armed forces:

- adequate to the changing strategic environment;
- ready to face the new challenges;
- capable of reaching high level of interoperability with NATO no later than 2002;
- create potential for effective contribution in crisis response operations;
- with realistic size in accordance with the defence resources of the country.

Parallel to the political and legal steps towards establishing democratic control over the armed forces, very significant was the role of the media and also of the emerging structures of the civil society. The freedom of press gave its essential contribution in defining the new role of the armed forces in the period of transition.

The implementation of Plan 2004 has brought the Bulgarian society closer to the real problems of the armed forces reform. It appeared that for the most of Bulgarians cutting the strength of the army from 110 000 to 45 000 is unacceptable. Apart from the contradictions with patriotic feelings and considerations about the insecure situation in the region, this plan is raising new economic and social problems. The attempts to achieve significant cuts in the armed forces are causing additional tension at the labour market. The coincidence of the structural reform in the economy and in the armed forces produced huge unemployment. Officially it is about 18 per cent, but the real figures are far bigger. The Government and some NGOs are making efforts to manage in a less painful way this effect of the reform. Some financial support and expertise from NATO and EU-member countries, Switzerland and others have been negotiated and have made possible the implementation of adaptation program for

those who had to leave the armed forces, but still for them and for the society that is not a satisfactory solution

Recently the recruitment of new soldiers has been facing disturbing lack of capacity to cover all young men, who have to enter the army according to their constitutional obligations (For every healthy male it is compulsory to serve in the armed forces by the time he is 27 years old.) Waiting for indefinite time to be called in the army, they have difficulties to find jobs. There is another problem with university graduates, who would prefer to continue their education. For a modernizing army it is difficult to provide opportunities for low educated people. From there comes on the surface the seeming that the armed forces are discriminating some of the ethnic minorities. Particularly special attention needs the Roma minority. The armed forces reform has to admit their very delicate role in strengthening the ethnic cohesion in the country. To fulfill their social mission the armed forces have to generate feelings of security and safety among the citizens, to contribute to the integration of the socially and ethnically isolated groups. They have to play their role in educating and qualifying the young people. All these considerations should not be neglected in establishing new civil-military relations. In addition to that the armed forces reform has to contribute to acceleration of Bulgarians integration in NATO and EU.

The last parliamentary elections in June 2001 and formation of the new government, headed by the former Bulgarian king Simeon II gave chance to critical assessments of the changes in civil-military relations. There are accusations that they have been undertaken on the basis of very abstract understanding of the national security issues. New arguments have been given against the radical cuts in the army, against the rapid disarmament and the plans for replacement of the Soviet/Russian aircrafts with ones manufactured in NATO countries. The military establishment rejects the intentions of the new civilian leadership of defence ministry to dismantle the missiles SS-23, on which the United States of America are insisting very strongly. Recently the head of the parliamentary Commission on Foreign Policy, Defence and Security Stanimir Ilchev has said: "It is unacceptable to have such imbalance between junior and senior officers in favour of the latter"

These are only few examples showing that the results of the armed forces reform are not satisfactory. To great extent its defects came as a result from the lack of sensible discussions on this important issue of Bulgaria's transition. Some of the steps were undertaken under pressure from abroad, other were designed to meet the requirements of some international agreements, but many of them were neglecting the severe political, economic and social realities. Therefore the new defence minister Nickolay Svinarov is insisting on meaningful public debate on the prospects of the armed forces. Obviously, a revision of Plan 2004 is forthcoming.

The terrorist attacks on New York and Washington D.C. in September 2001 gave new arguments for criticizing the armed forces reform. In the context of establishing democratic control over the notorious in the past Bulgarian intelligence its role and capabilities were degraded. Now it became evident that it has to play crucial role in fighting terrorism. Bulgaria is situated very close to regions (Middle East, Caucasus, Kosovo), where the state machine is lacking and the organized crime is executing its power. Bulgaria is on the road of drugs and arms trafficking, illegal trade, money laundering, smuggling and migration from Asia to Europe.

The notorious Balkans revived their fame and now the region is not *very* secure place. The asymmetric, in terms of military balances, environment is prompting the necessity of responsible approach towards the armed forces reform in Bulgaria. Some mistakes of NATO, regarding the events in former Yugoslavia, are also giving grounds for accepting more cautious approach in executing the adopted plans for reforming the civil military relations. The recent developments on the international scene have increased the public opinions mistrust in the social and geopolitical engineering. In addition to all that the policy-makers have to take into consideration the fact that the country is in the strategic plans of Islamic fundamentalists (only in the last two years the Bulgarian authorities have extradited over 150 Islamic radical preachers. Under these circumstances many considerations should be recognized. Therefore the initiated in September by President Peter Stoyanov debate on the need of revision of The National Security Concept is winning political and public support. It seems that the romantic euphoria of democratic changes has to give chance to realism.



#### **4.6. Change in Foreign and Security Policies: Bulgaria's Perception of the New International System: Forces, Patterns, and Dynamics of Change**

Shaping the new foreign and security policy was an important aspect of Bulgarian reform process. In the years of changes were defined the new orientation, the new objectives and priorities, the new principles and norms, the new style of making foreign policy, the new diplomacy.<sup>121</sup> The most devoted ally of the Soviet Union in the period of Cold War decisively reoriented its foreign policy priorities westwards.

In that period Bulgaria took part in the abolition of the political, economic and military structures of the Soviet block. In 1990 was signed a trade agreement with the European Communities. In 1991 Bulgaria joined the North Atlantic Council for Co-operation. In the following year it became a member of the Council of Europe. In 1993 was signed the European Agreement on Associations. A year later Bulgaria joined the Partnership for Peace Program, initiated by NATO. Soon after that Bulgaria received a statute of Associated partner of WEU. In 1995 the Bulgarian government officially applied for full-scale membership in the European Union and after many controversial assessments in February 2000, negotiations were started on that. All these steps changed the position of Bulgaria in the changing world.

Special attention was paid to the events in South-Eastern Europe. Bulgaria succeeded in establishing normal relations with most of its neighbours. In February 1991 was signed the Treaty on Friendship, Co-operation and Security with Greece. On 15 January Bulgaria recognized the independence of the former Yugoslav republics Slovenia, Croatia, Macedonia and Bosnia and Herzegovina. Bulgaria was the first country to recognize the Macedonian independence. That step dispelled all apprehensions about possible nationalistic claims towards this former Yugoslav republic, which is connected in a special way with Bulgarian history<sup>122</sup>. In that year were signed the bilateral treaties with Turkey and Romania. Bulgaria also reached

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<sup>121</sup> Желев, Ж. В голямата политика. Книгоиздателска къща "Труд", София, 1998, с.9. ( Zhelyu Zhelev, In the Big Politics, Publishing House LABOR, Sofia, 1998, p.9.

<sup>122</sup> A Bulgarian MP gave a witty expression to the ethnical relationship between Bulgarians and Macedonians: 'What will remain after giving a bath to a Macedonian? - Dirty water and a clean Bulgarian'.

Confidence-building agreements with Greece and Turkey. According to them the troops on both sides of the common borders were withdrawn. Later were signed treaties on the bases of the bilateral relations with Albania and Croatia. In this way the Bulgarian foreign policy managed to provide a good net of bilateral agreements with the other Balkan states, which ensured peaceful conditions for the reform process in the country. But the relations with remaining Yugoslavia were not easy. To a great extent the reforms in Bulgaria were victimized by the events in and around Yugoslavia.<sup>123</sup>

The emerging new structure of the international system appeared to be a serious challenge for the architects of the international security and co-operation and also for the driving forces of the radical changes in Central and South-Eastern Europe. Its layouts will include the inherited realities but they must also include the, still barely outlined, new tendencies in world development, in the changing military-strategic, political, economic and ecological environment. The Yalta epoch marked the beginning of the, still remaining in the shadow of the East-West disagreements, changes in the paradigms of the relations between the countries.<sup>124</sup> The bipolar model of international relations subordinated the interests of the state to the interests of the system to which it belonged. Till now, all the restrictions on the independence were connected with the confrontation of the two value-systems of social development. But still, the genesis of a new tendency, which came out not only as a result of the cold war, remains out of the attention of the people who analyse the post-war period. During that period began the real restriction and denial of the idea of the sovereignty of the countries in another context, connected with the advent of the clash between national fragmentation (especially of Europe) and the requirements which the Science-Tech Revolution and globalisation set for broad social organization in the different spheres of life. The revision of the attitude towards the, still accepted as a base of the international relations, principles of sovereignty will inevitably put its mark on the ideas for a new security system and will challenge the political class formed with the dogmas of the theoretical constructions of the nation-state paradigms.

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<sup>123</sup> This view was expressed many times by Prime Minister Ivan Kostov. For example look at *Демокрация*, 23 януари, 2000 г. ( Democracy daily, 23 January 2000.)

<sup>124</sup> See: Eric Remacle/ Reimund Seidelmann (Eds.) *Pan-European Security Redefined*, Nomos-Verlag, Baden-Baden, 1998.

Particularly serious will be the challenges of its representatives in the countries seeking their new role in the emerging new world order. The analysis of the new dimensions and contents of the category “national security” will be very difficult.

The restructuring of the international system and the redistribution of the roles of the, still existing and now emerging, factors will have a fateful effect on regions in which a “power vacuum” appeared. The place of these regions in the new system of international relations will be determined by the new trends in the relations of the dominant powers. One of the main reasons for retaining conflict potentials and turmoil in different parts of Europe is the practical preservation of dividing lines between countries at different level of their political and economic development, with differences in their culture, religion, with different images in the stereotypes of perception and so. However, the existence of differences between the leading powers on the concept of new world order and regional co-operation is crucial. In the new conditions these factors are the European Union (after the Maastricht Treaty) with its own common foreign and security policy, USA - seeking possibilities to preserve its status of a European power with key role on the continent<sup>125</sup> and, of course, Russia which is seeking its new identity in the international system. The relations in this triangle will redraw the political map of Europe. For the countries from these regions the problems of security will become painfully sensitive. It is highly probable that because of the difficult for analysis possibilities their foreign policy priorities will not coincide with the variety of strategies and policies of the determining factors. In the multi-polar system this lack of cohesion will become a source of tension in the international relations.

With the end of the cold war began a radical restructuring of the international system, which inevitably exerted influence on the ongoing regional and worldwide processes. The last decade of the 20<sup>th</sup> Century will remain in the history as a turnover in the developments in the changing entities and in the relations among them. Currently there is a process of overcoming the diatomic character of the international

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<sup>125</sup> See ,for example ,Richard N. Haass, What to Do With American Primacy, Foreign Affairs ,September/October 1999 p.37 – 49;Speech by the President of India Shri K.R. Narayanan at the banquet in honor of His Excellency Mr. William Clinton, President of The United States of America, New Delhi March 21,2000

community and the, connected with it, ideological, economic and military-political gap. In contrast to other turning points in the history of international relations, now the change came without an outbreak of a global military conflict. In the frameworks of the bipolar system the two opposing sides had mobilized enormous potentials which, without being put into action, made their specific mark on the current events. They forced the mankind to rethink the whole absurdity of the military-strategic situation, which contains in it the possibility for self-destruction.

The main form of denial of the absurdity of divided Europe is the realization of the idea of regional and continental co-operation. The idea of united Europe has never been so close to its practical application. A step to that end is the regional co-operation in the historically differentiated parts of the continent. The European Union is the most impressive example. A kind of regional co-operation is organized within the European Free Trade Association. Efforts are made to organize co-operation in Central Europe, in the Baltic and Black Sea regions, on the Balkans. Stimulating the efforts in that direction is the position of the European Union, putting as a precondition to candidates for membership for starting talks on that the active participation in other regional forms of cooperation.

The efforts to organize new societies have to comply with the notion for new world order. Until now, the international systems were based on the national idea and the states were their basic elements. Those states, large or small, powerful or weak, were considered equal by the international law. Now we are witnessing abandoning this concept. The idea of sovereign equality is jeopardized by the understanding that the attitude to every state should be formed on the basis of its commitments to values as democracy, market economy and human rights. *There is something new in the international atmosphere.* The new world order perceives as threats to security and well being any deviation from the mentioned values. This gives ground for undertaking actions against regimes, responsible for establishing domestic order in contradiction to the rules, pretending to be new international norms. They are presented as accepted by "*the international community*". The need of action on its behalf is measured by the humanitarian costs of failing to influence such regimes. The case of Yugoslavia and the regime of S. Milosevic give good confirmation of such conclusions, although it is difficult to consider for example China and Russia

members of this international community. But still Russia is something quite different from the Soviet Union. Today's China is also different from the time of Mao's rule.<sup>126</sup> Today, in the relations of the former rivals can be witnessed signs of partnership.

But in those conditions the SEE countries in transition are in some kind of hesitation – which of the favorite models of social development (of EU or of the USA) to follow. It appears that they came to the difference very late. The outcome will depend on the interests and the policy of those important factors in the international system.

These are only few of the observations on the trends, shaping the new world and the future of the SEE countries. Related to the adopted policies by the various succeeding governments of Bulgaria in the period of transition it is difficult to trace signs that they are based on such perceptions. For example, looking for its new place in the world, Bulgaria attempted to capitalize on anti-Soviet and anti-Russian feelings. *Years were needed for the Bulgarian political elite in the whole spectre to realize that the long dispute for pro-Western or pro-Russian orientation has been meaningless.*

*Bulgaria had difficulties to make sense of the new realities in South-Eastern Europe.* On one hand in the region dominates the transition to democracy and market-orientated economy. There is a total orientation of all countries from that part of the continent towards integration in the European political, economic and security structures. On the other hand some events on the Balkans still manifest their notorious characteristics they have acquired in the early beginning of this century - political crises, turmoil, military conflicts, involvement of non-regional powers. The clash between the tendencies of europeization and re-balkanization of the region produces dramatic events.<sup>127</sup>

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<sup>126</sup> Compare with: Achim Gussgen/ Reimund Seidelmann/ Ting Wai (Eds.), Hong Kong after Reunification. Problems and Perspectives, Nomos-Verlag Baden-Baden 2000.

<sup>127</sup> In a lecture before the Club of the World Politics in California in September 2000 (before the fall of Miloshević) under the title "After Kosovo – the perspectives for peace and prosperity of the Balkans", Bulgarian President Petar Stoyanov pointed very correctly that the changes in Bulgaria and Romania did not bring the expected prosperity and in Serbian's estimation both countries do not offer a reasonable alternative to the communist nationalism of Miloshević

The development of the processes in this region is a function both of the local factors and the policy of the main, out-of-the-region, powers, which have interests in this part of the world. It is probable that they will find common formula for the division of labour in this difficult region. *The USA can remain a European power through strongly felt American presence in the Balkans, accepted by the European Union and Russia.* The crisis in Yugoslavia set the path for this way of development. The European Union is not very enthusiastic about the acceptance of the countries from this turbulent region as new full members. Russia, which lost a great deal of its influence in the region in which the country is traditionally interested, would be pleased if the European Union and the USA allow her to preserve its position in this concentration of interests. This outlines the perspective of South-Eastern Europe becoming an arena for compromises between the interests of the main factors on which depends Europe's security. This means that security and co-operation in this part of the continent will be a resultant of correlation of powers among the three centres. And the ratio is destined to be ever- changing. The redistribution of the roles between them, changing their functions in the international system, global powers will have fateful effects on the people from South-Eastern Europe. It is already discerned that the foreign-policy initiatives for South-Eastern Europe, the Balkans and the region around the Black Sea synthesize in themselves the new moments in the attitude of the European Union, USA and Russia. On that will depend the direction of NATO's and EU's enlargements and the way they will cover South-Eastern Europe. Absolute support for this conclusion gives the discussion on USA's initiatives for the development of the cooperation in South-Eastern Europe and recently, in connection with the Kosovo crisis, on the so-called Stability Pact.<sup>128</sup>

The processes on the Balkans after the end of the cold war create conditions for the synthesis of new formula of compromise between the two Atlantic power-centres with a specified role for Russia. The events make the USA prone to strengthening their presence, including military build up, in South-Eastern Europe as counterbalance to the weakening reasons for US military presence in Western and Central Europe. Meanwhile, *USA's engagement with the responsibilities of changing the notorious fame of the Balkans gives chance to the European Union to set apart from the difficult*

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<sup>128</sup> [www.europa.eu.int/comm/dg1a/see/stapact/10\\_june\\_99.htm](http://www.europa.eu.int/comm/dg1a/see/stapact/10_june_99.htm)

*problems in the region* which can cause unpredictable effect on its ambition to develop as an absolutely new entity in the international system.

The intention of the new US administration to withdraw the American forces from South-Eastern Europe provides conditions for new developments. It might engage the EU with new role in the region. The peace in Bosnia and Herzegovina and in Kosovo is kept by foreign military presence. In case of US withdrawal the EU will have to increase its military functions. That might change the Russian attitude towards the EU enlargement. Now Russia is against NATO's enlargement in Southeastern direction, but it never declared negative position towards accession of Balkan countries to the EU. Changing the roles of the USA and the EU in the region may change Russian position on EU's enlargement with all the consequences for the prospects for EU membership of Balkan countries.

Because of this division of labor between the USA and the European Union, the efforts of the countries from South-Eastern Europe to strengthen the foreign guarantees for their security will oscillate between the attracting force fields of the two power-centers. The new conditions can give the countries from the region unspecified, for them, place and role in the new system of international relations. This tendency can set them apart from the European and Atlantic structures. This can be unacceptable for the choice already made by the countries from the South-Eastern Europe, but it is at least a variant for reconciliation of the interests of USA, European Union and Russia. If the, overloaded with historical responsibility for the destiny of their people, political class does not navigate well, considering the new tendencies in the restructuring of the international system then the region may find itself, for one more time, a victim of the compromises in the "great politics".

This situation gives chances for more active role of the neutral and non-allied countries in South-Eastern Europe. They can give their positive impact directly and through international organizations. Some of the Bulgarian foreign policy initiatives could be of some interest for independent countries, but I would like to stress on the fact that after starting talks for EU-membership Bulgarian foreign policy is coordinating its steps with the Common Foreign and Security Policy of the Union. Most of the efforts are aimed at the developments in South-Eastern Europe.

For example Switzerland has accepted the Bulgarian proposal for swap agreements with some of its creditors on “debt for environment”. Based on bilateral arrangements, a successful project is under way.

It is my personal view that independent countries could pay a special attention to the proposal within the Stability Pact for establishing a special fund, accumulating part of the foreign debt payments of the SEE countries and those financial resources to be used for financing some of the approved by the Stability Pact projects. It is an attempt to find solution of the problem, coming from the difficulties in raising capital in support of the multilateral initiatives. I do not expect enthusiastic support for that proposal from the creditors, but still it gives chances for Swiss banks and other companies to play a role in realizing the idea, in case it is accepted.

For independent countries it might be of special interest to follow the steps towards establishing regional Combined Joint Task Forces in South-Eastern Europe, in which Bulgaria is playing a leading role. This is a new military structure and, although initiated by NATO, Swiss firms could find some opportunities for supplies.

Although in certain cases it seems that in Bulgaria the chances for more active role as a neutral and for now non-allied country are neglected. It would not be an exaggeration to say that *in this period of changes Bulgarian decision-makers were perceiving the new realities primarily through the old concepts of the bipolar world*.<sup>129</sup> That prevented them from adequate assessment of the fast changing international environment and the trends, shaping its future. The drama came from the strong will for implication of Bulgaria’s development in the modern world, on one hand, and the lack of clear understanding for the ongoing processes at global scale, on another.

#### **4.6.1.Overcoming the Satellite Syndrome**

One of the explanations of the drama of Bulgaria’s transition is based on its specific relations with the former Soviet Union. *For centuries Bulgaria has been fatefully connected with Russia and after the World War II with the Soviet Union*. After the

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<sup>129</sup> As a Capital daily paper said “Bulgarian politicians salute before the order is given to them”. Here we are coming to the political culture of people whose way of behavior and style of work, created in the totalitarian period, have not changed. If it was not a pity, it would be funny.



restoration of the Bulgarian state in 1878 with Russia's help the relations with the liberator have played an important role in the developments in the country and for defining its position in the international system. A long range of historic, cultural, political and economic reasons determines the whole peculiarity of the bilateral relations. The oddity of Russo-Bulgarian relations reached its climax in the post-war period, when the Yalta deal among the Soviet Union, the United States and Britain gave legitimacy to the course of bilateral all-round rapprochement. For almost half a century Bulgaria was the closest ally of Moscow. The Soviet Union was Bulgaria's main economic and trade partner. More than half of the Bulgarian foreign trade was with the Soviet Union. In the 80-s it amounted up to 14 billion US dollars. The Bulgarian economy was fully dependent on Soviet resources and its market. For the Bulgarian political elite then this course was a synthesis of the way the world was perceived by it and showed reconciliation with the predetermined position of Bulgaria in the bipolar world.

At the turning point of history at the end of the 20-th century a process of moving away in the relations between Bulgaria and Russia is witnessed. The bilateral relations became a hostage of the changes in the international system. The rearrangement of Bulgaria's foreign policy priorities has acquired anti-Russian dimensions. With all its problems Russia could not be chosen by Bulgaria as a reliable partner. Bulgaria was the first among the former allies of the Soviet Union to denounce the bilateral Treaty for Friendship, Co-operation and Mutual Assistance in August 1991. The government of D. Popov made a proposal to the Parliament for denunciation of the treaty and stood against immediate signing of new one.<sup>130</sup> With majority it was supported by the National Assembly.

It seems that for a definite time Bulgaria was feeling awkward about keeping active contacts with Russia. There were some apprehensions that they could be an obstacle for establishing active interaction with the new priority partners. For a while in Bulgaria the negative attitude to the out of tune "friendship for ever" has been transformed into totally negative attitude to Russian goods, market, capitals, culture. The supply of energy is dependent on Russia, including the fuel for the nuclear power

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<sup>130</sup> Отечествен фронт, 31 юли 1991 г. ( Fatherland front daily , 31 July 1991)

station. Nevertheless, one could trace a tendency of increasing anti-Russian sentiments as a basis for getting more sympathy from the west. At the same time, when Bulgaria was seeking more sympathy from the West for deteriorating its ties with Russia, the western countries and Russia were establishing partnership in their relations.

#### **4.6.2. On the perspectives of the SEEC-Russian relations**

No doubt Russia will stick to the traditions of its foreign policy to pay a special attention to the developments in the Balkans. Of course Russia is not the super power the Soviet Union used to be, but its role in International Relations is still quite significant. The West itself bears this in mind by not excluding Russia from all the important initiatives, concerning South-Eastern Europe. The most recent example in this respect, of course, is the Stability Pact. So, Southeast European countries (SEEC) must perceive the new trends in International Relations. Today's system is different from the one, established by the Yalta summit. The West already considers Russia a partner, rather than an enemy. So, SEEC need not be hostile towards Russia. The hostile attitude towards it won't improve their chances in the aspiration to full-fledged membership in the Euro-Atlantic structures. The acceptance of the norms and values of the West does not enter in collision with the relations with Russia. Moreover, most of the SEEC are dependent on the energy supplies from Russia. And this is something that Russia can always use as leverage in its relations with the abovementioned countries. To some extent Russia will predetermine what would be the role of the region in transportation of gas and oil. It is of special interest for the SEEC to facilitate transportation of the strategic energy resources through their territories. So the relations of these states with Russia must get rid of the emotions from the past and must be based on a new, modern pragmatic approach. In the recent years there was enough evidence that Russia was encouraging investments of its companies in SEEC. But obviously the authorities of the former Soviet allies did their best to prevent participation of Russian capital in the privatization. The political emotions contributed for deteriorating the trade relations and countries like Bulgaria had lost positions on the Russian market.

#### 4.6.3. The Foreign Policy of Bulgarian Governments After 1989.

Every one of all succeeding governments, which have ruled Bulgaria in the 90-s, gave its own contribution in paving the roads to the new Bulgarian priority partners. Important factors in shaping the new foreign policy of the country were the three presidents Peter Mladenov (1989-1990), Zhelyu Zhelev (1990-1997) and Peter Stoyanov (after 1997). For 18 years (1971-1989) Mladenov had been minister for foreign affairs and played a crucial role in letting Zhivkov step down. Becoming head of the state he demonstrated his reformist views on foreign policy, stressing on the need of Bulgaria's opening towards co-operation with all countries.<sup>131</sup> Zhelev, as opposition leader, was more radical in establishing pro-western foreign policy priorities. According to his understanding the first task of the new Bulgarian foreign policy was to overthrow the dependence on the economic, political and military structures, which were binding the country to the international communist system and only after that could be undertaken constructive steps towards affiliation with the European and Euro-Atlantic structures.<sup>132</sup> Dr. Zhelev became a spokesman for the aspirations of democratic Bulgaria. In a speech at the 45-th session of the UN General Assembly he declared that Bulgaria is no more a communist state. Peter Stoyanov stressed many times that the integration of Bulgaria in the Euro-Atlantic structures is a top priority of Bulgaria's foreign policy, based on the fact that the country is an integral part of the European history and civilization. Anyhow, the constitution defines restricted role of the president in elaborating and executing the foreign policy. It lies within the competence of the government. Therefore it might be useful to outline some of the priorities of the governments, which had ruled Bulgaria in the period of transition.

From February till the end of 1990 prime minister of Bulgaria was one of the architects of the changes in Bulgaria *Andrey Loukanov*. His two governments were formed by the Socialist Party but he demonstrated will for involving the opposition in

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<sup>131</sup> Външната политика на България след 10.11.1989. Национален институт за международни изследвания, Фондация "Фридрих Еберт", София, 1997, с.31. ( The Foreign Policy of Bulgaria after 10 November 1989. National Institute of International Studies and Friedrich Ebert Foundation, Sofia 1997, p. 31.)

<sup>132</sup> Желев, Ж. В голямата политика. Книгоиздателска къща "Труд", София, 1998, с.9 ( Zhelyu Zhelev, In the Big Politics. Publishing House LABOR, Sofia, 1998, p.9.)

discussing the new foreign policy orientation. Part of these efforts was the election with the support of the socialist majority in the parliament the opposition leader Zhelev<sup>133</sup> for president. In May 1990 was signed the Trade Agreement with the European Communities. In November 1990 Lyuben Gotzev (an ex-general from the Intelligence service) was the first Bulgarian foreign minister to visit the NATO's headquarters in Brussels. Loukanov visited all neighbouring states, stressing on the peaceful regional policy of Bulgaria. In early 1990 a meeting of foreign minister Boyko Dimitrov with his Turkish counterpart Mesut Yalmas gave a new start in the bilateral dialog, after their blocking in connection with the policy of the former regime towards the Turkish minority in Bulgaria.<sup>134</sup>

The rule of Loukanov's government is associated with a rather controversial step. A commodity crisis comes in the country.<sup>135</sup> In early 1990 it declared a moratorium on debt payments. That meant exclusion of the country from the international financial markets. In that context were interpreted the three visits of the prime minister to Paris, but obviously they were not successful. The authority of Loukanov in Moscow was considered as an important factor in the relations with the Soviet Union. But the swift changes there left little chance for such factors.

The next Bulgarian government was formed on the basis of compromise among the main political parties. They shared the understanding that for overcoming the crisis in the country a coalition government is needed. *The coalition cabinet of Dimiter Popov* (December 1990-November 1991) had the important task to preserve the social peace and it was not supposed to make radical changes in the foreign policy. But pressed by the developments in the international environment it had to react to them. The collapse of the Soviet Union brought disappointments for the leftist majority in the

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<sup>133</sup> This choice is shrouded in mystery even to this day. There is some talk that Zhelev was recruited by Security service before 1989. However the only thing for sure is that the boss of Intelligence service at the time of his presidency today is a leading figure not elsewhere, but exactly in the socialist party.

<sup>134</sup> The regime has put into practice a ridiculous policy of forcing the people of the Turkish minority to change their names with Bulgarian ones. It was done according to an approved by the authorities list of names. Restrictions on circumcisions, traditional among Muslims, were imposed. The arguments were that the Muslims in Bulgaria were successors of forcefully converted to Islam Bulgarians during the Turkish rule.

<sup>135</sup> It is not accident that one of the most popular daily papers wrote: "The shelves in the stores are empty like the heads of MP-s. Today the most of Bulgarians, seeing the already full shelves, comment the progress of the passed 10 years as a substitution of the empty shelves for empty pockets. And empty still are the heads of MP-s and politicians."

parliament and encouraged further steps towards establishing active relations with Western countries and organizations. In January 1991 the USA granted Bulgaria with the most favoured nation status. In March 1991 a group of MP, representatives of all political parties, initiated a campaign for dialog with NATO. That government had to sign the Protocol for closing down the Council for Mutual Economic Assistance.<sup>136</sup> The Warsaw Pact ceased its existence formally on 1 July 1991.<sup>137</sup> In the atmosphere of prevailing pro-Western mood the government had to decide what would be the future of the Treaty on Friendship, Co-operation and Mutual Assistance with the Soviet Union. Its term was expiring on 4 August 1992, but the parties had to decide, according to the provision of its Article 10, a year earlier whether it would be prolonged or denounced. The proposal of the government to denounce the treaty<sup>138</sup> was supported by a majority in the parliament.

A success of the new European priorities of Bulgarian foreign policy was the Treaty on Friendly Co-operation and Partnership in Europe with Germany, signed on 9 October 1991.<sup>139</sup> In it was stressed on the readiness of Germany to provide support for the economic development of Bulgaria.<sup>140</sup>

The Yugoslav crisis came as a great challenge for Popov's government. Next to the Bulgarian border began a military conflict. In that very complicated domestic and international situation the government managed to formulate a sound position. It took a stand against interference in the conflict.

Popov visited Greece twice - in February and in October 1991. His government managed to consolidate the positive trends from previous times in Bulgarian-Greek relations in the changing environment. The bilateral Treaty on Friendship, Co-operation and Security<sup>141</sup>, signed in November 1991 was a remarkable success.

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<sup>136</sup> The Protocol was approved by the Greater National Assembly on 25 June 1991 (Държавен вестник, бр. 55 от 12.07.1991/ Official Gazette, No 55, 12 July 1991) and was signed by the deputy Prime Minister Tomov in Moscow on 28 June 1991.

<sup>137</sup> That Protocol was signed in Prague by president Zhelev.

<sup>138</sup> Отечествен фронт, 31 юли 1991 (Fatherland Front daily, 31 July 1991)

<sup>139</sup> Международни отношения, кн. 2, 1992, с.52 (International Relations, No 2, 1992, p. 52)

<sup>140</sup> Ibid. p. 56.

<sup>141</sup> Държавен вестник, бр. 91, 1993 г. (Official Gazette, No 91, 1993.)

*The government of Philip Dimitrov (November 1991-December 1992)* came to power after the parliamentary elections in October 1991, when the Union of Democratic Forces (centrist and right-wing parties) won a tiny majority of 1,5 per cent. At first that government had the support of the Movement for Rights and Freedom, perceived as a party of the Turkish minority. The prime minister declared the following foreign policy priorities of his government:

1. Rapprochement and establishing friendly relations with the NATO's neighbours and respecting the sovereignty of all Balkan states and the right of self-determination;

2. Search for international guarantees for border stability;

3. Participation in conflict resolutions within international institutions;

4. Activity for accelerated European and Euro-Atlantic integration.<sup>142</sup>

In December 1991 the foreign minister Stoyan Ganev formulated the strategic goal of his government - integration into NATO in the context of a single European security space.<sup>143</sup> This orientation was encouraged by the West. With Italy was signed a Treaty on Co-operation<sup>144</sup>, with France - a Treaty on Understanding, Friendship and Co-operation<sup>145</sup>. In May 1992 Bulgaria became a member of the Council of Europe. Soon after that were started negotiations for signing the European Agreement on Association of Bulgaria to the European Communities.

At that time the Yugoslav crisis provoked a special attention of Bulgarian foreign policy to the developments in the region. It was declared that Bulgaria has no territorial claims towards Serbia and insisted on reciprocal step from Serbian side.<sup>146</sup> Then was launched the Bulgarian initiative for "Balkan Helsinki". It was based on the idea that after the transformations in the region could be organized a conference of all Balkan countries. It was a Bulgarian proposal at such conference to be signed a Balkan Charter, confirming the existing borders and rejecting any territorial claims.<sup>147</sup>

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<sup>142</sup>Международни отношения, кн. 5 -6, 1995 (International Relations, No 5 - 6, 1995)

<sup>143</sup> The statement was made at the Constituent Assembly of North Atlantic Council for Co-operation on 20 December 1991.

<sup>144</sup> Държавен вестник, бр. 30, 1993 г.(Official Gazette, No 30, 1993.)

<sup>145</sup> Държавен вестник, бр. 94, 1993 г.(Official Gazette, No 94, 1993.)

<sup>146</sup> Демокрация, 29 февруари 1992 г. (Democracy daily, 29 February 1992)

<sup>147</sup> Демокрация, 1 март 1992 г. (Democracy daily, 1 March 1992)

The maturity of the declared new foreign policy of Bulgaria was tested when Macedonia declared its independence. From Bulgarian side was demonstrated readiness to recognize the independence of the former Yugoslav republics, but the USA's and European Communities hesitation discouraged such step. Nevertheless on January 15, 1992 the Bulgarian government decided to recognize Slovenia, Croatia, Macedonia and Bosnia and Herzegovina as independent states. Till then no one country had recognized Macedonia and Bosnia and Herzegovina Bulgaria was the first to do that and the reaction abroad caused some tension among the ruling coalition. On the day when the decision was taken the speaker of the parliament and the foreign minister were abroad. The latter was for consultations in Bonn, Athens and Rome. The advises were not to do that. Greece called it hasty step. In that situation officially was declared that recognition of the Macedonian state does not mean recognition of Macedonian nation. Recognizing Macedonia the government wanted to prove that Bulgaria had no territorial claims and was ready to accept the new realities in the region. In that context were the treaties on friendship and co-operation with Rumania and Turkey.

In June 1992 president Zhelev took part in the Conference on Black Sea Economic Co-operation and together with other 10 heads of states signed the Istanbul Declaration on co-operation in the Black Sea region.<sup>148</sup>

Bulgaria was visited by the Russian president Eltsin in August 1992 and then was signed the bilateral Treaty on Friendly relations and Co-operation.<sup>149</sup>

The new course of Bulgaria in the international relations was stimulated also by the election of foreign minister Stoyan Ganev to chair the 47 Session of the UN General Assembly. But being away from the events in the country he lost positions in the ruling coalition. That contributed for deepening the crisis in the parliament, where the government lost confidence.

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<sup>148</sup> Международни отношения, кн. 7, 1992, (International Relations, No 7, 1992)

<sup>149</sup> Държавен вестник, бр. 43, 1993 г.(Official Gazette, No 43, 1993.)

At the end of 1992 was formed a new government (December 1992 - October 1994), with the mandate of the Movement for Rights and Freedoms (which played an important role in the losing confidence of the former government). Prime minister and minister for foreign affairs became *Prof. Lyuben Berov (an advisor of the president until then)*. His government had no clear support in the parliament. It was a non-party government, which tried to gain wider support with attempts to take off the edge of the political confrontation. Mainly it depended on the support of the Socialist Party and the party of the Turkish minority. Its foreign policy program was very moderate in comparison to the former one. In its policy statement was said that it would follow a “policy of co-operation with all democratic states and international organizations”<sup>150</sup> Nevertheless this government had the chance to sign in January 1993 the chemical weapons ban treaty and in March 1993 the European Agreement on Association with the European Union. During the visit of Prof. Berov in Moscow was reached an important for the Bulgarian economy agreement on gas supplies from Russia. In 1993 Bulgaria was visited by the German chancellor, the Greek, Albanian and Yugoslav prime ministers. In February 1994 Bulgaria joined the Partnership for Peace Program. In 1994 the Bulgarian foreign minister Stanislav Daskalov chaired the Council of Europe and had delicate but successful missions in Russia, Ukraine, Belarus, Moldova and Albania. In October 1993 Bulgaria became a member of the French-speaking Commonwealth - Francophonie.

Unfortunately the government of Prof. Berov had to cope with problems, caused to Bulgaria by the UN sanctions against Yugoslavia. As a side effect of the collective measures of the international community Bulgaria was cut from Central and Western Europe and the Bulgarian economy suffered severe losses. The embargo increased the criminal activity in the country. The government of Prof. Berov practically did not take any efficient steps against it. The shadow economy blossomed. The isolation of Bulgaria due to the sanctions let the government to be very active in discussing the infrastructure problems of South-Eastern Europe. Proposals were made to Rumania for construction of bridge over river Danube, and to Greece for opening three new checkpoints on the common border. This issue was linked with the talks for

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<sup>150</sup> БТА, Прескуриер, бр. 255, 29 декември 1992. БТА, Прескуриер, бр. 255, 29 декември 1992. (Bulgarian Telegraph Agency, Presscourier, No 255, 29 December 1992)



agreement on the waters of river Mesta. To Macedonia was proposed to connect the railways of both neighbouring countries.

The government of Prof. Berov tried to stress on developing relations with Western Europe, to maintain well-balanced relations with the Balkan countries and to revive the contacts with the partners from Eastern Europe.

In October 1994 the government unexpectedly stepped down, the parliament was dissolved and according to the constitution the president formed a *transitional government headed by one of his advisors Reneta Indjova (November 1994 - January 1995)*. In this period the president was more active in the international field. He represented Bulgaria in Budapest at the CSCE, when the OSCE was established.

After the parliamentary elections in December 1994 a *government of the Socialist Party, led by Jan Videnov was formed (January 1995 - February 1997)*. As a result of the conflicts within the party this government was not successful. In its Platform the Socialist Party declared that it will seek “hastened integration of Bulgaria in the European and Euro-Atlantic structures, equal in rights and more active relations with Russia and the United States of America and restoring the Bulgarian positions in the former Soviet Republics, the Middle East and Asia”. In February 1995 the European Agreement was put in operation. In December 1995 Bulgaria applied for EU membership. In December 1996 Bulgaria entered the World Trade Organization. Still the government of Videnov failed to formulate clear view on its relations with NATO. That let the Western countries and institutions hold aloof.

After the end of the war in Bosnia and Herzegovina the Bulgarian government managed to organize in Sofia in June 1996 a meeting of the ministers of foreign affairs of countries of South-Eastern Europe. A special role in making this meeting possible played the Bulgarian foreign minister Gueorgui Pirinski. In Sofia the representatives of Albania, Bosnia and Herzegovina, Bulgaria, Greece, Rumania, Turkey and Yugoslavia committed themselves “that every effort shall be made to transform the region into an area of stability, security and co-operation in line with the

general developments throughout Europe”<sup>151</sup>. They stressed that these endeavours were aimed at contributing to the construction of a new Europe - a Europe of democracy, peace, unity and stability, thus enabling all nations in the region to live together in peace with each other as good neighbours.<sup>152</sup> The ministers agreed to launch a comprehensive process of multilateral cooperation in enhancing good-neighbourly relations including confidence- and security-building measures, development of economic co-operation through cross-border co-operation, upgrading transport, telecommunications and energy infrastructures, trade and investment promotion, development of humanitarian, social, and cultural contacts, co-operation in the field of justice, combat of organized crime, illicit drug and arms trafficking and elimination of terrorism.<sup>153</sup> Undoubtedly the ministerial meeting in Sofia was one of the few foreign policy successes of the Videnov’s government. It gave chance to the representatives of the Balkan countries to express their view on the regional co-operation after the Cold War. It came after the launching of several initiatives for co-operation in South-Eastern Europe, coming from power centres out of the region.

The relations with Russia and China fell short of the government’s expectations. The hopes for establishing economic contacts with the two giants were in vain. Referring his visit in China in 1996 the prime minister admitted himself that “the visit did not reach the so strongly wished and expected results”<sup>154</sup>. Those attempts only hampered developing relations with the West. The Videnov’s government lost the support of the international financial institutions, which was badly needed, having in mind the big foreign debt. The unsuccessful foreign policy detonated the financial system of the country. The economic and financial crisis turned into political one and the government had to step down.

The *transition government of Stefan Sofianski (February - May 1997)*, appointed by President Peter Stoyanov, undertook a decisive step towards NATO-membership. In contrast to Ukraine for example, which still does not have “made a permanent

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<sup>151</sup> Sofia Declaration on Good-Neighborly Relations, Stability, Security and Co-operation in the Balkans, 7 July 1996.

<sup>111</sup> Ibid.

<sup>112</sup> Ibid.

<sup>113</sup> Nickolay Petev, *Beyond the Political Theatre*, Publishing House Christo Botev, Sofia, 1998, p. 281.)

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strategic choice in its foreign policy”<sup>155</sup> on 17 February 1997 it declared officially the will of Bulgaria to become a member of NATO.<sup>156</sup>

The government of Ivan Kostov (Minister of Finances in the governments of Dimitar Popov and Philip Dimitrov) managed to make further steps in developing the relations with the priority partners and mainly with the European Union, NATO and the Balkan neighbours. It was a success to receive the invitation from the European Union for starting accession talks. During the Kosovo crisis Bulgaria behaved as a member of NATO. In 1997 was reached an agreement with Turkey on demarcation of the common border along the river Resovska. There are good prospects for opening three new checkpoints on the border with Greece in compliance with the agreement from 1996. The joint declaration with Macedonia from 24 February 1999<sup>157</sup> gave new start of the bilateral relations and brought a positive effect on the developments, related to the Kosovo crisis. After long discussions with Rumania in February 2000 was found a solution of the problems hampering construction of new bridge over river Danube. The Bulgarian government has initiated a concerted action of the states neighbouring Yugoslavia to achieve refocusing of the sanctions against the regime in that country and to diminish the negative effect on them and on the civilians in Yugoslavia. As the Bulgarian prime minister put it “the only sufferers from the sanctions are the neighbours and the ordinary Serbs”<sup>158</sup>. That was the main topic discussed at the meeting of the prime ministers of Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Hungary, Macedonia and Rumania on 22 January 2000 in the Bulgarian balneologic centre Hissar. The seven governmental leaders declared that the economic sanctions are an important political instrument, which has its high price and they stressed on the negative effect on the region.<sup>159</sup>

The strong polarization of the political life in Bulgaria in the last decade did not allow the governments in that period to elaborate and follow a consistent and sound foreign

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<sup>155</sup> Volodimir Vergun and Oleksiy Kuznetsov, “Ukraine” – paper, p.65

<sup>156</sup> Решение NR 192 на Министерски съвет от 17 февруари 1997 г. За пълноправно членство на Република България в Организацията на Северноатлантическия договор. (Decision NR 192 of the Council of Ministers from 17 February 1997 for full-scale membership of Republic of Bulgaria in the North-Atlantic Treaty Organization).

<sup>157</sup> Besides Bulgaria gave to Macedonia 150 tanks and 150 guns to a total value of 3,5 million \$

<sup>158</sup> 24 часа (24 Hours daily), 23 January 2000.

<sup>159</sup> Ibid.

policy. In the countries with longer existing democracy some balance is reached by changing of left-wing and right-wing governments. A balance like this is very difficult in countries in transition such as Bulgaria. The profound differences between the Socialist Party and the Union of Democratic Forces, which dominated the political scene, made the foreign policy continuity impossible. That let the priority partners to refrain from establishing more active relations with the country.

#### **4.6.4. Southeastern Europe Nowadays and Bulgarian Foreign Policy**

In the 90-s South-Eastern Europe is gaining features of one of the regions with most dynamic geopolitical, social and economic changes. They reflect the radical transformations in the international system and give new dimensions of the regional problems. On the eve of the new century the Balkans have the chance to brake with their notorious past and become an integral part of united Europe. But the Southeastern part of the old continent remains the most distant from the dominating trends, shaping new Europe. In spite of their efforts, the people from this region cannot overcome the fact that their countries are far behind in their development from the rest of the continent, which keeps them apart of the modern international structures. And after the end of the cold war the future of South-Eastern Europe remains uncertain. In contrast with the triumph of the ideas of Jean Monet in Western Europe, in South-Eastern Europe the unsolved national problem brought into being new states. Inevitably they will have to pass a period of seeking recognition in the old-style nationalism, stressing on sovereignty. All that brought the potential danger of reviving the notorious fame of the region as the most troublesome places into reality. For years, at the end of the 20-th century a war is carried out in Europe. The collapse of the Yugoslav federation degenerated in many conflicts. The Bosnian one grew into a serious international crisis, which needed great efforts of the world community to find a temporary solution.

A complex mixture of contradicting realities and myths brought the Kosovo problem also to the stage of acute international crisis. Kosovo became good occasion for letting the public opinion get better understanding for the radical changes which had taken place in the international system. In the most obvious way was applied the new right to intervene in sovereign country where internal violence was breaking the new

values. In response to the need to be stopped the ethnic cleansing in the Yugoslav province, which earlier had proclaimed itself independent republic NATO undertook a military operation against Yugoslavia in the form of air attacks. It was an unprecedented action and that is why politicians, military experts and academics will deal with it long time ahead. One has to bare in mind the discussions on how successful was the NATO operation, supported by many other countries, including all neighbours of Yugoslavia, and many international institutions. Still some lessons can be drawn from the events, related to the Kosovo crisis.

1. The Kosovo crisis proved that any intervention in single country or region in defence of the new values couldn't be unilateral action, even of mighty structures like NATO. The only way to overcome suspicions for pursuit of selfish interests in such case is building a multi-state coalition with mandate from widely recognized international institution. The initial attempt of NATO to neglect the United Nations failed, because there was no alternative to legitimate the action.

2. One cannot expect that the regional co-operation should be fully subjugated to the interests of global powers. Regional co-operation is possible only when it meets the interests of the involved countries.

3. Regional co-operation can't be organized against powers with declared interests in the region. The nervousness in the Russian policy in the Balkans came as a reaction to NATO's disregard to its vision for the future of the region. The regional co-operation in South-Eastern Europe can't be organized without co-operation among the non-regional powers with important strategic, economic and political interests in that part of Europe.

4. The reluctance of NATO and EU to enlarge in Southeast direction causes the need to look for an odd solution of the problems in the region. There is some doubt whether establishing protectorates (Bosnia and Herzegovina and Kosovo, Montenegro and Macedonia may join the list) is more acceptable than enlargement of structures of security and co-operation.

5. The Kosovo crisis gave evidence that South-Eastern Europe is perceived as a peculiar entity (the Stability Pact, the observations of some politicians come to confirm this perception). George Soros is advising the Balkan states to unite their efforts and insist on joining the European Union together. Regional co-operation can't give ground for one and the same attitude towards all co-operating countries in the region from other international structures and states. Considering the Balkans as one

entity, without differentiation of the countries in the region, may lead to hampering the process of enlargement of the European Union in that direction. That is unacceptable for some of the countries in the region. They would not agree the Stability Pact to replace their accession to the European Union.

6. Obviously the Yugoslav crisis is far from final resolution.<sup>160</sup> Even after Milosevic's stepping down the uncertainty in Yugoslavia and in the region remains. One could only guess what would follow in case of further desintegration of that federation. Steps of Montenegro and Kosovo in that direction would have unpredictable consequences. That threatens the sense of Bulgaria's pro-Western orientation. Alternatives of more reliable communications with the Western partners are needed. The destruction of the bridges over Danube in Serbia has cut the main roads, connecting Bulgaria with Central and Western Europe. Those who have bombed the bridges and closed the navigation along the river now do not care for sooner clearing it.

The new conditions in the global system will seriously challenge the orientation to co-operation in South-Eastern Europe. Avoiding the unfavourable effect from the new configurations and tendencies in the relations among the global factors remains a task for adequate analyses of the future development of the events for the statesmen from the region. There is no doubt that a common political choice and acceptance of the European values will transform the turbulent South-Eastern Europe into a homogenous stable integral part of the continent with new identity. For the countries from the region it is of crucial importance to harmonize their policy with the comprehensive approach to security and co-operation in Europe and the ongoing within OSCE process of developing a model for the 21st Century.

Bulgaria stands firmly for building stability and cooperation on the basis of international recognition and guarantees for the borders between the states in the region. Any attempt for moving borders or proclaiming "pure" ethnic states is dangerous not only for the region. In that context for Bulgaria Kosovo is part of Yugoslavia.

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<sup>160</sup> The special envoy of UN Dambiar yesterday qualified the activity of the international community in Kosovo until today as a full failure, according to Reuters from 20 March 2000.

After the end of Cold War the problems of regional co-operation in South-Eastern Europe were addressed by several initiatives, but two of them worth mentioning - the Royaumont Platform<sup>161</sup> of the European Union (1995) and the Shifter Plan<sup>162</sup> of the United States (1996). These ideas for cooperation in South-Eastern Europe came from outside the region. Then a Bulgarian initiative made an attempt to combine the views of the European Union and the United States with the understanding for co-operation of the countries from the region. A proposal for meeting of ministers for foreign affairs of all states from South-Eastern Europe was made. To that meeting were invited representatives of the United States, Russia, the European Union and international organizations.

The countries from South Eastern Europe take a course towards creating a functioning market economy and integration into NATO and EU, as well as other European structures. Those events represent a favourable condition for economic development of the region. In that context most of the SEE countries have undertaken serious efforts towards democratisation of their political systems, restructuring their economies, establishing civil control over the military structures. In many of them new security concepts and military doctrines were adopted.

Till now, in the policy for regional cooperation of all the countries from South-Eastern Europe dominates the European orientation. Though to a different extent of certainty, they consider the co-operation among them a way to build in the common European processes. This became a basis of the platform for regional cooperation in the Sofia Declaration for good-neighbourly relation, stability, security and co-operation on the Balkans, which declaration was adopted on the meeting of foreign ministers of countries from South-Eastern Europe. On this meeting the ministers analyzed the future opportunities for broad co-operation in European perspective,

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<sup>161</sup> Royaumont Platform of the European Union for stability and good-neighborly relations in SouthEastern Europe - a specification of the Stability Pact in Europe.

<sup>162</sup> In March 1996 the special counselor of the US President and member of Council of National Security Richard Shifter offered a plan for development of cooperation in this region which, in November of the same year, was made official with messages from Bill Clinton to prime-ministers of the countries in this part of the world. The initiative is offered with the goal of helping for the strengthening of the economic basis of the process of stabilization, which began with the signing and applying of the Dayton Agreement. The Shifter Plan is aimed at the strengthening the regional economic and ecological cooperation by creating conditions for attraction of private capitals for realization of projects, which are of the interests of two or more countries.

coming out as a result of the endeavor of each country to integrate in Europe. In this context they declared their readiness to cooperate with other forms of regional integration as the Central-European Free Trade Area and the Black Sea economic cooperation. The ideas in the Sofia Declaration received further development at the next ministerial meeting in Thessaloniki (1997), Istanbul (1998) and Bucharest (1999), at the informal meeting of head of states and prime ministers on Crete in 1997 and in Bucharest in 2000. On 12 February 2000 the prime ministers of six Balkan countries (Albania, Bulgaria, Greece, Macedonia, Rumania and Turkey) signed a Charter on good neighbourhood, stability and security. This summit showed that the countries from South-Eastern Europe could coordinate and harmonize their interests and defend them in the international relations. The European dominant of these initiatives can assure a strengthening effect on putting the regional co-operation on a broader plan. There is no doubt that the countries from South-Eastern Europe show firm will to gain from the advantages of regional co-operation. But there is another problem - how to make the co-operation of the Great Powers possible in the region.

A symbolic step towards putting the Balkans closer to the modern trends in providing security was the first attempt for regional implementation of NATO's concept of Combined Joint Task Forces.<sup>163</sup> In September 1998 the Defense Ministers of Albania, Bulgaria, Greece, Italy, Macedonia, Romania and Turkey have signed the Agreement on organizing a Multinational Peace Force in South-Eastern Europe. This Force (a brigade) will be available for possible employment in UN or OSCE mandated NATO, or WEU-led operations for conflict prevention, peace support, or humanitarian missions.<sup>164</sup> The location of the brigade headquarters (HQ) will be on four years rotational basis. The initial location is in Plovdiv (Bulgaria). The HQ of the Multinational Peace Force South-Eastern Europe was activated on 31 August 1999. This Force is an essential precedent to generate security in the region by local sources. For this breakthrough towards a comprehensive approach to security and defense issues Bulgaria, as a serious applicant for full membership in the Euro-Atlantic security structures, has played a leading role. This country in transition has assumed

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<sup>163</sup> This concept has been drafted and developed since 1993.

<sup>164</sup> Agreement on the Multinational Peace Force SouthEast Europe, Article III.



the main burden of the common burden. Among all seven member-countries Bulgaria provides 23.53 per cent of the Forces budget.

It is true that South-Eastern Europe is overwhelmingly occupied by its history. But the people from this region can't live in its past. They have to cope with the severe realities of transition to a new international system and to face the challenges of the future. As the Bulgarian president Petar Stoyanov has put it recently in Warsaw at an international conference "Partners in Transition" "the political instability on the Balkans, caused by the conflicts in former Yugoslavia lets countries like Bulgaria, Romania and Macedonia make twice bigger efforts for their economic reforms, than Poland, Hungary and the Czech Republic".<sup>165</sup> He continued that the region badly needs strategic investments, but the shadow of the events in former Yugoslavia lets the potential investors restrain.<sup>166</sup>

On the finding the right way to co-operation in South-Eastern Europe depends not only the future of Balkan people. *Only europeization of the region can prevent balkanisation of Europe.* All attempts to exclude it from the prospective European structures lay the risk for failure of the idea of United Europe - idea, which can revive the crucial role of Europe in global developments.

A promising attempt in that direction is *the Stability Pact for Southeastern Europe*. It is a joint effort of the international community to

1. Secure lasting peace, prosperity and stability for South-Eastern Europe;
2. Foster effective regional co-operation;
3. Give a firm European anchorage to the region, in which the European Union will play a leading role.
4. Facilitate the objectives of the countries in the region to integrate into Euro-Atlantic structures.<sup>167</sup>
5. The Stability Pact sketches out mechanisms and working procedures for achievement of the stated objectives. The special coordinator is responsible for promoting them within and between the individual

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<sup>165</sup> "24 часа" Daily (24 Hours), 5 October 1999.

<sup>166</sup> Ibid.

<sup>167</sup> Stability Pact for South Eastern Europe. Workplan. p. 2.

countries. Appropriate structures tailored to need have to support him. Their special task is to prepare and forward work to the South-East Regional Table and the Working Tables and to ensure the appropriate follow-up to the decisions of these forums. The special coordinator has to be in regular contacts with all Stability Pact participants, facilitators and observers, in particular EU institutions and states of the region. The stability Pact office is in Thessaloniki. The World Bank and the EU Commission have to co-ordinate the donor's activity. The Regional Table has to ensure that the Working Tables focus on areas of work decisive from the point of view of stability in the region and engage on issues where the Stability Pact process can create added value in relation to other existing processes and initiatives. The Stability Pact sets up three Working Tables: on democratisation and human rights, on economic reconstruction, development and co-operation and on security issues.

The main strategic aim of the Working Tables is to:

1. Anchor democracy and respect for human rights throughout the region, including by institutionalising OSCE commitments and principles in the countries in the region, also through membership of the Council of Europe;
2. Promote greater prosperity and confidence throughout the region and progressive integration into the European and global economy, including by strengthening market economy and its institutions, rules and regulations, promoting healthy business practices, contributing to the sustainable re-integration of refugees and encouraging private investment in the region, promoting economic co-operation, and progressively creating free trade in the region and between the countries in the region and the European Union;
3. Help create a climate of confidence and security throughout the region, including by realization of defense planning and spending, the general demilitarisation of societies within the region, transparency in defense issues and other confidence building measures, democratic control of the

armed forces and paramilitary troops, effective control and reduction of small arms.<sup>168</sup>

Bulgaria understands the Stability Pact as a mechanism for overcoming the risk of isolating South-Eastern Europe from the processes in the rest of the continent. The Pact can provide keeping the US and EU interest towards that region. Bulgaria stands for deeper NATO involvement in strengthening the security in the region. In its understanding the Pact should be a joint effort of many factors in the world community - not only the European Union, but also the USA, Japan, the international financial institutions. It is Bulgaria's view that recipients of the assistance should be all the countries in the region and the Pact should not be limited to liquidation of the consequences of the Kosovo crisis. On its side Bulgaria does not want to be only a recipient. It is eager to be a factor in the Stability Pact implementation. Supporting the idea of organizing Working Tables, Bulgaria has already proposed:

1. To host a regional conference on democratisation of the region and Yugoslavia;
2. In Sofia to be organized a Centre for Sustainable Development, or Centre for Successful Models;
3. To be established a Fund for financing the development of the regional infrastructure as part of the European infrastructure. Its resources to come from the debt payments of the countries in the region to the creditors from the Paris Club. This Fund can be an element of a swap of debts against investments;
4. Within every Stability Pact project at least subcontractors from the countries in the region to be involved and not less than 30-40 per cent of the resources to be mastered by them;
5. A model for the law standards and the new legislation of the countries in the region to be the Accession Partnership criteria.

Bulgaria warns that the ideas and the projects, discussed within the Stability Pact may cause jealous competition and relies on the new framework for cooperation to resolve the problems, caused by the rivalries in the region.

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<sup>168</sup> Stability Pact for South Eastern Europe. Workplan, pp. 5,7,9.

In its contribution to make the Stability Pact a working mechanism Bulgaria pays a special attention to the problems of the regional infrastructure. The arguments come from the understanding that a modern infrastructure is a prerequisite for regional co-operation. The political diversity of the region has led in the past to such kind of infrastructure, which had to divide, but not to connect the countries in the region. Bulgaria insists on fast opening of river Danube for navigation. Along the long border between Bulgaria and Romania along the Danube there is only one bridge. The need of bridge over the river on European corridor number 4 is quite obvious. The Pact could help overcoming the differences between Bulgaria and Romania on that problem. A promising step in that direction is the agreement between Bulgaria and Rumania, reached in Brussels in February 2000 and signed also by the member of the European Commission G. Verhaugen and the Stability Pact coordinator B. Hombach on building a bridge near Vidin and Kalafat. Bulgaria is taking the responsibility for providing the investment, relying on financial support within the Stability Pact.

Bulgaria and Macedonia are the only two European neighbours without a railway connection. They are sharing a common will for solving this problem and the needed capital could be found within the Pact. Bulgaria has made concrete proposals for constructing new border checkpoints, a 400KV power grid connecting Bulgaria, Macedonia and Albania, an oil pipeline from Ihtiman in Bulgaria to Koumanovo in Macedonia.

The Stability Pact has provoked hopes and expectations that at last the world community will help South-Eastern Europe to leave its notorious fame in the past. But the continuing discussions on different aspects of the Pact and the fact that still it remains only a good idea causes some concern. It would be shame on the world community to miss the chance for europeization of the Balkans. Another disappointment would be too much and it would put doubts on the idea of United Europe.

A special concern for Bulgaria causes the possibility of replacing the idea of European Union's enlargement in Southeastern direction with the Stability Pact. If it leads to isolation of the region as a special entity in the international system for some

countries like Romania and Bulgaria it would be unacceptable. They have made some progress on the track of accession to the European Union and would not agree the Pact to be a reason for delay in their talks for full membership. The prospect of remaining “Balkan” these countries would provoke in them a negative attitude towards all the efforts within the Pact. Developments in such direction would have a dramatic effect on the public opinion in Bulgaria with difficult to be foreseen consequences. The chance the objectives of the Stability Pact to be achieved depends on the art of the politicians to find the formula for stabilization of South-Eastern Europe which is acceptable for all the participants. *Otherwise the Pact will make no difference and the Balkans will remain the Balkans.*

#### **4.6.5. The New Foreign Policy Priorities**

Gradually the reforms in Bulgaria are providing favourable conditions for elaboration and following a security policy, based on the national interests and eliminating the satellite syndrome, deeply rooted in it in previous periods.<sup>169</sup> The possibility for establishing a new European defense and security system in which all European states could aspire to play a part has discovered new opportunities for Bulgaria to provide new guarantees for its national security. They are seen in the new roles of OSCE, NATO, EU, and WEU.<sup>170</sup> However, kept aside from the most reliable security structures, Bulgaria suffers from a deficit of provided foreign guarantees. This severe reality might be explained with the developments in the global system, in Europe and in the Balkans, with the doubtful success of the reforms in the country, with the lack of adequate perception for the surrounding world and with ineffective foreign policy.

Already the majority of the public opinion does not accept anything else but a single Bulgarian foreign and security policy. The time, when the decision-making process was paralysed by the partisan sole foreign policy steps of the different institutions, is

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<sup>169</sup> For a very long time the basic weakness of Bulgarian foreign policy was that it was looking not for friends, but for protectors.

<sup>170</sup> See also: Christoph Lotter/ Susanne Peters (Eds.), *The Changing European Security Environment*, Bohlau-Verlag, Weimar – Köln – Wien 1996.

in the past. Although with difficulties, but among the driving forces of transformation was reached consensus on the country's integration in the European and Euro-Atlantic structures as top foreign and security priority. Since 1990 *the European Community and later the European Union is the preferred partner for Bulgaria*. The signed in March 1993 European Agreement is considered by Bulgaria as a basis for developing relations, leading to its full membership. Although left in group "B" among the candidates, Bulgaria is following its National Strategy for Accession to the European Union, adopted by the Government in March 1998. The good progress made in the recent years in the process of democratisation, financial stabilization and guaranteeing human and minority rights gave ground to the European Council in December 1999 in Helsinki to decide to invite Bulgaria to start accession talks. There is a pretty good support for the view that already Bulgaria has made sufficient progress in satisfying the conditions for membership defined by the European Council in Copenhagen - namely: 1) stability of institutions guaranteeing democracy, the rule of law, human rights and respect for the protection of minorities; 2) existence of a functioning market economy and 3) ability to take on the obligations of membership, including adherence to the aims of political, economic and monetary union.<sup>171</sup> But there are voices proving that Bulgaria is far from matching the requirements for starting negotiations for membership. Most of them wage on the bias discussed above.

Bulgaria is doing its best to comply with the EU's Common Foreign and Security Policy. In this context and in view of the role of the Western European Union, integrated to some extent according to the treaties of Maastricht and Copenhagen into the new EU mechanisms, Bulgaria is paying special attention to its ties with that oldest organization of European integration. Official contacts were established in 1991 and since 1995 *Bulgaria is an associated partner of the WEU*. Bulgaria is maintaining special military forces, suited for participation in WEU operations. However, Bulgaria may aspire for full membership in WEU only in case of acquiring membership in EU and NATO.

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<sup>171</sup> Accession Partnership. Bulgaria. The European Commission, Directorate General for External Relations, Information Unit (DG 1A F/6), p. 2.

Crucial for the Bulgarian foreign and security policy in the years of changes was the *attitude towards NATO*. After a long debate in March 1997 was submitted the application for membership in the organization.<sup>172</sup> Bulgaria is very active within the partnership for peace since 1994. An important element of Bulgaria's transition became the transformation of civil-military relations, which has followed the line of democratisation in the country.<sup>173</sup> It led to changes in security planning, programming and budgeting. At the end of 1995 the Law on the Defense and the Armed Forces of the Republic of Bulgaria was passed through the National Assembly. It has legitimised the civilian control over the armed forces. In April 1999 the new Concept for the National Security of Republic of Bulgaria was approved by the parliament. This document gives consideration of the real threats for the national security and establishes revised policy priorities and gives the guidelines of the reform of the armed forces. In the Concept it is declared that Bulgaria has no territorial claims against other states and does not recognize any claims of other countries against its territorial integrity.<sup>174</sup> Article 30 says that the Bulgaria's security is guaranteed by the worlds and Euro-Atlantic security structures.<sup>175</sup> It is explained that the declared wish for NATO membership aims security guarantees and that it is not directed against third countries.<sup>176</sup> The problem is in the fact that Bulgaria relies on these structures without having their explicit obligations. During the Kosovo crisis the Government in Sofia had to take difficult decisions. The Parliament gave permission for using Bulgarian territory and air space by NATO's forces for the operations against Yugoslavia and logistic support was provided. They had to prove that Bulgaria is on her way to NATO-membership, but the public opinion has got the impression that the Bulgarian gestures were not duly assessed. During his visit in Sofia in February 2000

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<sup>172</sup> Compare with: Ivo Samson, *Die Sicherheitspolitik der Slowakei in den ersten Jahren der Selbständigkeit. Zu den sicherheitspolitischen Voraussetzungen der Integration der Slowakischen Republik in die euroatlantischen Verteidigungsstrukturen*, Nomos-Verlag, Baden-Baden 2000

<sup>173</sup> Georgi Stoilov, *Democratic Management of the National Security System in Bulgaria*, Groningen, 2000.

<sup>174</sup> Държавен вестник, бр. 46, 1999 г.(Official Gazette, No 46, 1999.)

<sup>175</sup> Ibid.

<sup>176</sup> Ibid.

the Secretary General of NATO Lord G. Robertson said that NATO did not succeed in Kosovo alone, but with the support of all partners, including Bulgaria.<sup>177</sup>

Now Bulgaria is adopting a new strategy to meet the requirements for membership in NATO. In October 1999 the government has approved the so-called "Plan 2004". It is a framework for action in compliance with the priority objectives of the national security policy. The Plan defines the risks and possible threats for the national security, as well the new missions of the armed forces. It considers the political and economic realities in the country and the future membership in NATO. According to the Plan the now numbering about 80 000 the Bulgarian army should have at peacetime personnel not exceeding 45 000. It foresees restructuring the ministry of defense as well as the military forces in compliance with the requirements for membership in NATO. Within the Plan were worked out two programs - "Security Through Co-operation" and "Security Through Integration" and they were started with the start of the new budget year on 1 January 2000. They aim at reaching operational compatibility of the Bulgarian armed forces with those of NATO.

In the countries of our region there is a strong feeling for self-respect and dignity. That's why it is very important that there won't be even a trace of paternalism, arrogance and mentorship in the outside influence. However most people are aware of the right of the force, but not of the force of the law. And this is just one of the most important elements of the civil activity of political culture in the long run.

One of the serious challenges for Bulgaria's transition is faced by its security policy, which has to provide the possibly most favourable national and international environment for successful political and economic reforms. It seems that the partners on whom Bulgaria relies don't care much about the real cost of the reform of the armed forces that Bulgarian people have to pay. They are exerting pressure for reforms meeting only their interests, neglecting the realities in the country and in the region. The forthcoming cuts in the army are going to cause additional tension in the society. The public opinion has some doubts whether the time of the crisis and

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<sup>177</sup>Лорд Робертсън , Дж. Идвам да ви насърча за НАТО. 24 часа, 9 февруари 2000 г.(Lord George Robertson, I am Coming to Encourage You for NATO. 24 Hours daily, 9 February 2000.)



neighbouring conflicts is the right moment for restructuring and reduction of the armed forces.

After the end of the cold war Bulgaria has got a chance to enter the structures defining the European identity. In the period of transition Bulgaria has put on the top of its priorities the accession to the European Union. Such will was expressed officially by the Greater National Assembly in December 1990. The commercial part of the European Agreement for Association Between the European Communities and Bulgaria for liberalization of their mutual trade is applied since 1 January 1994 and after the ratification the entire Agreement came into force on 1 February 1995. Now it is the basis for the relations between Bulgaria and the European Union. Our calculations show that the average growth per year of the bilateral trade between Bulgaria and the European Union during the period 1990-1998 is 20 per cent. Now the European Union is the main trade partner of Bulgaria. About half of its foreign trade is carried out with the European Union member countries. In December 1995 Bulgaria applied for full membership. In the Memorandum of the Bulgarian government was stated that the membership in the European Union is a strategic objective, reflecting the national interests of Bulgaria.<sup>178</sup> The integration in the European Union is seen as a way to overcome its backwardness and to secure sustainable development. On the other side the membership in the European Union could provide opportunities for Bulgaria to give its own contribution for enriching and developing the European values. With its geographical position, with its intellectual and material potential Bulgaria could be a positive factor in united Europe. Bulgaria's membership in the European Union would be a stabilizing factor in the Balkans and that would have a strengthening effect on Europe's security. But the above-mentioned arguments are not the ones, determining the European Union's attitude towards the Bulgarian candidature.

*The European institutions are demonstrating reluctance to accept it.* Their prejudice, based on perceptions from the past and lack of adequate idea for the real situation now, has contributed for putting Bulgaria aside from the other Central European states

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<sup>178</sup> Memorandum of the Government of Republic of Bulgaria, handed to the European Council in Madrid on 14 December 1995.

in their aspiration for accession to the Union. In early 90-s the main indicators for Bulgaria were not worst in comparison with those for the Central European countries, but they were favoured, Bulgaria was not. The European Agreement with Bulgaria was signed later than those with the Central European countries and it was rather discriminatory. All that in combination with other factors had determined Bulgaria's lagging behind the other former socialist countries, applicants for European Union's membership.

Only the meeting of the European Council in Luxembourg in December 1997 has accepted the so-called "equal start" for the applicant countries. It is true that Bulgaria had lost momentum in satisfying the Copenhagen conditions for membership, but there is a feeling that its efforts are not appreciated properly and it seems that in front of its candidature are raised additional obstacles. A clear example was the Opinion of the European Commission from October 1999. It suggested Bulgaria, together with some other countries, to be invited to begin negotiations for accession.<sup>179</sup> However, for Bulgaria to receive an invitation for starting accession talks there was a specific precondition, having nothing to do with the Copenhagen criteria. Bulgaria had to take obligation to close the first four reactors of the Kozluduy nuclear power station in the near future. For Bulgaria would be difficult to meet such requirements. This station gives about 40 per cent of electricity, generated in the country. There are no alternative energy resources. The earlier closure of the reactors means losses from not generated electricity amounting up to 7 billion US dollars. The earlier closure will need additional spending for conservation and still security problems can arise. The Bulgarian reactors are similar to those of Slovak Republic and Lithuania, but they are not facing similar conditions. Again there is a feeling that Bulgaria is placed at a disadvantage.

*Bulgaria, encouraged to stress on its preparation for membership in the European Union, is following that path, neglecting any other alternatives for participation in the international processes.* Now it seems that Bulgaria has accepted very optimistic

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<sup>179</sup> See also: Reimund Seidelmann (Guest-Ed.), Special Issue des Journal of European Integration "Eastern Europe: The candidates for the second round of Eastern enlargement", 2001 ( in preparation)

approach, based on idealization of the European Union. Nevertheless, from there are coming both encouraging and disturbing signals, prompting possible disappointments.

#### **4.6.6. Summary**

In the last decade of 20-th century Bulgaria managed to carry out a dramatic but peaceful transition from dictatorship to democracy. A pluralistic, multiparty political system, with division of power among institutions, was established. Indisputable are the achievements in reinforcing the rule of law and providing protection for individual and minority freedoms. Although the difficulties of full integration of minorities are still there, Bulgaria is following successfully an original model of solving ethnic problems. In that period democratic control of the army, police and secret service was assured. A reform in the civil service was started. The successful democratic changes received international recognition. They were one of the arguments of the European Council to invite Bulgaria in December 1999 to start negotiations for full EU membership. In January 2000 the Council of Europe lifted its surveillance on the country for violation of human rights.

The relations with the international entities and countries, proclaimed by Bulgaria as priority partners, have caused some disappointments in the period of transition. Long after the radical political changes this country was perceived as a pro-communist one, sticking to its special ties with the former Soviet Union. The Yugoslav crisis helped for preventing establishment of normal contacts with Western Europe. The UN sanctions against Yugoslavia made physically impossible maintaining international relations adequate to the new Bulgarian orientation. That turned to be a factor for slowing down the rate of changes in the country and it lagged behind the other former socialist states in the reform process and in integrating into the Euro-Atlantic structures.

In the period of transition the Bulgarian foreign policy orientation changed radically. After 1989 the former Soviet ally is seeking security within the Euro-Atlantic structures. Nevertheless differences among the main political parties on foreign policy issues persisted. Those from the right see NATO-membership as the only guarantor for successful political and economic reforms. The Socialist Party for very long time viewed eventual accession to NATO as a risk of confrontation with Russia. Only recently there are signs that pro-Atlantic segments of that party, now in opposition,

are gaining stronger positions. The Bulgarian foreign policy was preoccupied by the developments in South-Eastern Europe. Guided by the understanding that developing relations with any of the countries in the region must not hamper developing relations with the others, Bulgaria managed to be a positive factor, and not only an island, in that part of Europe. There is wide spread conviction among the public opinion that deepening cooperation and eventual membership in EU and NATO can help the country to overcome the problems of transition and produce a stabilizing effect on the Balkans.

Having in mind the developments in Bulgaria in the last decade, its new foreign policy orientation and its changing image in the international community, one can expect different scenarios for the future. The trends and recent events are heralding not calm prospects. Still the reform process in Bulgaria is a hostage of partisan interests. The most typical features of the state administration are incompetence, greediness and laziness.

In June 2000 the General Negotiator from the EU *Rutger Wissels* sent to Bulgarian Government the following directions for development with the recommendation to be widely announced in public and to be bring to the knowledge of all that are interested in them.

In spite of that they were kept in secret by the government officials and is familiar only to the representatives of the Delegation of the European Commission to Bulgaria:

1. Strengthened institutional capacity in key ministers for policymaking and well-informed public expenditure allocation
2. A coherent National Development Plan that actively informs Bulgaria's own development strategy, and is not simply used a basis programming EC assistance
3. A fully functioning, privatized, well-supervised and stable financial system that efficiently allocates loan and equity capital and broad range of financial services on appropriate terms to the productive sector of the economy, with particular attention to alleviating the constraints of finance for small and medium-size enterprises.

4. A functioning land market, in which reliable information on property rights is freely available; sale, leasing and development of land can take place without onerous transaction costs and delays; and without barriers for foreign ownership.
5. An effective and transparent commercial and contractual legal framework for business, including streamlined procedures for bankruptcy and liquidation, and appropriate mechanisms for enforcement and appeals.
6. An improved environment for the private sector and inward investment, with a business-friendly tax, regulatory and licensing system that makes Bulgaria an attractive place in which to start and develop business.
7. A support network for small and medium-sized enterprises that facilitates their access to finance, management, know-how and information on administrative requirements.
8. Appropriate market orientated sectoral strategies to promote the sector, in which Bulgaria has, or could have, comparative advantage.
9. The adoption and effective implementation of key area of the acquit that contribute to the environmentally sustainable growth of output and trade, with particular attention to areas such as veterinary, phitosanitary and food safety and quality standards, and high standards of environmental protection and pollution prevention.

Bulgaria needs to strengthen public administration at all levels including the judiciary, and *eliminating corruption*. Further measures that would contribute to achieving this objective include:

1. Further development of the properly trained and remunerated, accountable, impartial, meritocratic and permanent civil service at central and local level.
2. Enhancing capacity at the centre of the Bulgarian administration (in the Prime Minister's office and Council of Ministers) for strategic and medium-term policy development.
3. An effective and independent judiciary, capable of applying and enforcing the law impartially and in a timely and transparent way.
4. Strengthen the fight against organized crime, money laundering and drug trafficking, and implement impartial, timely and deterrent sanctions against all forms of corruption.

Bulgaria needs to nurture its fledgling democratic traditions and foster social integration, with proper respect for human rights, adequate protection for vulnerable groups, and measures to combat social exclusion. Further measures that would contribute to achieving this objective include

1. Further development of an active and dynamic civil society with self-sustaining *non-governmental organizations*, including business associations and employee organizations.
2. An integrated effective and fiscally sustainable social protection system.
3. High professional standards in journalism.

Every serious business, which is not connected, somehow with the ruling classes is doomed sooner or later to failure.<sup>180</sup> The recent corruption scandals<sup>181</sup> have come just to prove that.<sup>182</sup> The disappointments from that reformist government can have far reaching consequences for the changes in Bulgaria and its integration in the European structures.

The record of a dozen of years or so of Bulgarian transition to democracy is five elected and two caretaker governments. The newly set up, in early 2001, National Movement Simeon II ruling currently the country in coalition with the ethnic Turks' Movement for Rights and Freedoms, ousted the Bulgarian Socialist Party and the Union of Democratic Forces as the two major players during Bulgaria's transition, by winning 50 percent of the votes for the National Assembly. Headed by former king

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<sup>180</sup> A typical example in this respect is the only one in Bulgaria till now GSM operator MobilTel. With support by high functionaries of the governing party and already former members of the Government the company kept its monopoly position and thanks to the people's manipulation by an expensive advertising realized huge profits although abnormally high, even for the Western standard, prices. After the withdrawal of the political support, now we can observe a decline in its activity.

<sup>181</sup> On 18 April 2000 the former minister of interior Bogomil Bonev accused the Prime Minister Ivan Kostov for providing political umbrella for corrupted members of the government and political elite of his party. В. Новинар, 18 април 2000 г. (Newsman daily, 18 April, 2000.) In fact he only gave an open expression to what was known a long time ago. The difference comes only from the fact that he probably has a lot of evidences as an former minister of interior. Against the background of these events, the well acquainted with Bulgarian history reader can easily understand, to great extent the positive attitude of the wide strata of society to the coups in 1923, 1934 and even in 1944 which at least for a start were directed towards restraining the partisan bias, the corruption and serving another's countries interests.

<sup>182</sup> The names of outstanding representatives of the leading coalition and their relatives are involved in corruption scandals, besides there is enough proving material for that in the most of the cases. The problems here, however, are two: the dependence of the legislative power from the governing, and giving the bribes abroad, which is difficult to prove. Most urgent is the cooperation with international specialists and institutions

Simeon II who returned in the country after long years of exile, the new movement legitimised itself firstly through the authority of its leader, then through its commitment to fight corruption and curb economic suffering, and finally - by constituting itself into a regular party. Fading hopes, however, that the promised changes will take place soon, have considerably decreased the popular support for the Movement with speculations over prospects for new elections long before its mandate expires. But by stressing continuity in its performance, the ruling party has managed to stay in power. In February 2002, it adopted an Accelerated strategy for Negotiations with the EU as if to emphasise again that external factors inform the backbone of transition. It also became the first government to have launched an information campaign addressing the needs and expectations of Bulgarian citizens upon accession to the EU. The country's President in a recent address to students, on 9 May 2002, once again voiced the importance of the foreign factor in Bulgaria's transition. He recalled that a double denial of Bulgaria's membership in the EU and NATO would provide a chance for eurosceptics and extremist groupings<sup>183</sup>. As Wagner<sup>184</sup> put it flatly:

the non-NATO participants, especially Bulgaria and Romania, clearly regard it mainly as a further step on the road into the Alliance, sticking to what has been their characteristic outlook all along. For them, membership in the 'Euro-Atlantic structures' ranks first, regional integration is decidedly secondary and worth only the additional effort if it can somehow support their Western aspirations.

### *In Toto*

The thirteen years of transition have brought about radical changes in Bulgaria's economy. The banking sector seems to be on a more sound footing and steps have been made to build up the public framework by drafting and enacting market-oriented primary legislation. However, it is not clear yet when the people will start feeling the real benefits of change, i.e., those affecting their standards of living. A recent study concludes optimistically that the 1989 GDP level in Bulgaria is most likely to be

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<sup>183</sup> Standart daily, 10 May 2002.

<sup>184</sup> Wagner, Peter EU, NATO and Romania: Beyond "Sultanism", in: OSTEUIROPABUCH, Part 2, pp.1-87

reached in the second decade of the century<sup>185</sup>. A series of reform incentives are still ahead such as: to promote growth and improve living standards; boost private and public investment; deepen structural reforms, as a priority. Further on, investment in human capital and strengthening of the administrative and judicial capacity will be needed with special emphasis on enforcement, ethics and accountability. Moreover, corruption - still a matter of serious public concern - needs to be dealt with<sup>186</sup>.

Recent opinion polls in the country show that general support for joining the European Union is extremely high. This may be quite well among the reasons for the European Commission to conclude that 'Bulgaria continues to contribute substantially and actively to regional stability'. Nevertheless, people seem more and more inclined to inform their pros and cons on specific issues rather than on generalisations. More and more, it seems to be a well measured 'yes' against a well measured 'no'<sup>187</sup>.

That Bulgarian politicians may have started viewing transition and membership into the EU and NATO as something ordinary citizens can profit from, is a beam of light in the tunnel of peoples' hopes<sup>188</sup>. In the sense of 'the immediate context' approach, that would mean the establishment of new institutions leading to lessening of corruption practices and corporate interests promoted by political privileges. Healthy and stable institutions and enforced modern legislation will bring about new investments and minimise fears from new recession. Faster and easier transition in the future will be the most likely outcome then. More and more people will learn to maximise their ends. A collision of freely expressed individual interests constrained by a rule of law would probably mean a return to normality. This is an ideal scenario to the extent that Bulgaria's transition was poor-driven and eventually finished off with the impoverishment of the greater part of the population. Thus a mechanism of making the new rich richer and the greater majority of the people poorer replaced the

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<sup>185</sup> Statev, Stati Macroeconomic Imbalances of Transition, Banki Investitsii Pari, 2:25-37, 2002

<sup>186</sup> The World Bank The Dual Challenge of Transition and EU Accession, Country Economic Memorandum, 2001

<sup>187</sup> As a recent report by Financial Times on EU accession concludes 'the latest ideas [of the European Commission] are certain to cause anger in the applicant states, which insist on equal treatment for their farmers from day one.

<sup>188</sup> As Reuters reported, on 19 January 2002, 'Bulgaria's new president... vowed at his inauguration... to try to speed the country's entry into the European Union and NATO and improve the lives of ordinary people.



communist flat distribution at moderate but mass levels. Such is the new starting point of Bulgarian society at the end of political and economic transition. However, one of the most valuable assets of change is the rise in differing opinions on matters of individual or corporate interest - a transition from the state of mediocrity and acceptance to the state of critique and evaluation. Such inner transition in people's minds and hearts is taking place almost unnoticed. With no prejudice to Bulgaria's efforts to join the EU and NATO, it may be reasonably inferred that where euroscepticism begins, a certain level of normalcy is accomplished. It may as well signal the end of l'homme-masse, which may be the end of the transition era. But whether it will be the end of change on the way to mature democracy and free market competition, a hope remains that it never will.

## **5. Bulgaria and EU and NATO**

### **5.1. Bulgaria and the West. The Challenges of the Enlargement**

Since Bulgaria relies so much on membership in the military-political and economic organizations of Western world in order to develop its own democratic political system and achieving quick economic growth, it practically ignores other alternatives for its foreign-policy orientation. The selected priority directions in the development of Bulgaria's foreign relations determine the need for adaptation to those directions of the political, economic and social systems of the country. The great enthusiasm of the democratic spirit and the nurtured hopes for a final solution of the economic backwardness on one side, and the impossibility for satisfying the criteria for membership created a conflict, which practically destroys Bulgarian society.

The destruction, which is strongly encouraged from abroad, of everything even remotely related to the Soviet model of development (i.e. single-party political system, state ownership, cooperative agriculture, state monopoly of trade, financial services, social security, security agencies and all other mechanisms for providing total state control) does not automatically lead to membership in the Western structures. People started realizing that they have to pay very high, if not unbearable, price for membership in European Council, World Trade Organization, international financial institutions like the World Bank and the International Monetary Fund,

European Union and NATO. Following the “prescriptions” of West, most countries reduced their productivity income as a result of which unemployment reached its highest level in 50 years. Also the system of social and health care is completely blocked and the redistribution of wealth reached morally unacceptable levels. All that threatens social peace and stability. In these difficult conditions all former socialist republics are required to satisfy high political, economic and social criteria in order to be granted a membership in the above-mentioned structures. This creates an absurd situation, because if those countries were able to achieve on their own all goals required for membership, then they would not need that membership any more. Given the deliberate lack of clarity in the framework and deadlines for the expansion of European Union and NATO, it will be very difficult to sustain optimism and enthusiasm among people. That becomes even more evident given the fact that people already had to swallow the disappointment from the “bright” prospects of communism.

The development of the processes after the end of the Cold War foretell in the beginning of the 21<sup>st</sup> century the European Union to embark on new, unprecedented enlargement, which will be radically different from the enlargement of the 70s, 80s and 90s. The EU is getting ready for an expansion eastwards, as a result of which the former socialist countries (with combined population of 100 million people) will be accepted as members. Negotiations are in process for full-right membership of countries with long-gone democratic traditions and obsolete economies. There is still no answer whether current members of the European Union are ready to accept part of the, obviously significant, burden of the countries willing to become new members of this radically new community and international system.

Even if there is a clear determination about new enlargement and accepting 11 more countries as members, the economic and social homogeneity of the EU will be seriously challenged. The results of such changes are impossible to predict.

The new enlargement will create a new geo-political situation. It is quite probable that the European Union will span over the entire Europe. That will also be a great challenge for EU. Hence the question whether the European Union has the capacity to be the main driving force of such unification of the mainland, without that

undermining its ambitious goals to become one of the primary factors in the new international system.

## **5.2.The strategy of Bulgaria for membership in NATO and European Union**

NATO is the only organization that provides the transatlantic connection vital for European security. NATO's role is further strengthened by the Organization for Security and Cooperation in Europe and the Western-European Union.<sup>189</sup> The transition to a new stable model of security is possible only through the integration of the countries from the former Eastern block. Bulgaria understands the view about "security through integration and cooperation" and is clearly against the formation of regions with different degree of security and buffer zones.

Even before his election as President of the country, Petar Stoyanov emphasized the necessity for improved strategy for guaranteeing national security, fundamental to which must be "accelerated practical (i.e. before the completion of formal procedures and deadlines) and parallel integration into the European and Euro-Atlantic structures, which will culminate into a full-right membership in both structures"<sup>190</sup>.

At the same time, membership in EU also fits the national interests of the country.<sup>191</sup> In the Program for National Security of Bulgaria is written: "The process of joining NATO and EU has positive influence over Bulgaria's security. But only full-right membership in both structures will unconditionally guarantee that security. Bulgaria's national priority is membership in NATO and EU, which also fits the long term interests of the country."<sup>192</sup>

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<sup>189</sup> S. Christoph Lotter, Die parlamentarische Versammlung der Westeuropaischen Union. Zur Gewährleistung demokratischer Kontrolle durch eine transnationale Versammlung, Nomos-Verlag, Baden-Baden 1997

<sup>190</sup> Петър Стоянов, Годишите до края на хилядолетието са преломни за България, в."Демокрация", 1 октомври 1996 г. ( Peter Stoyanov, The Years by the End of the Millennium are the Turning Point for Bulgaria, Democracy Daily, 1 October 1996)

<sup>191</sup> Compare with: Reimund Seidelmann (Ed.), EU, NATO and Eastern Europe. Impact on transformation, problems, and perspectives, Nomos-Verlag, Baden-Baden 2001.

<sup>192</sup> КОНЦЕПЦИЯ за националната сигурност на България, Държавен вестник, 22 април 1998 г. ( Concept for National Security of Republic of Bulgaria, Official Journal, 22 April 1998.).

In a Declaration of the Parliament from July 23, 1997 it was stated “Bulgaria’s candidacy for membership in EU is a long term strategy, supported by a clear national consensus to build a democratic country and social market economy, as well as to increase the welfare of all Bulgarian citizens.”<sup>193</sup> With a decision of the Parliament from May 26, 2000, which was unanimously supported by all political parties (only 3 votes in objection), it was stated that together with integration into EU Bulgaria also seeks membership in NATO and the Western-European Union<sup>194</sup> and the government’s so called Common Foreign and Security Policy in the negotiations for joining EU received significant support from all political parties in the Parliament.

In accordance with Bulgaria’s candidacy for membership in NATO raised in February 1997<sup>195</sup> also was accepted a National Program for Bulgaria’s Preparation and Joining NATO<sup>196</sup>. In that program were formulated the key points of the strategy for achieving that goal

1. Active and efficient participation of Bulgaria in the continuation of the intense dialogue with NATO on the problems of expansion and membership.
2. Carrying out bi-lateral political consultations with current NATO members.
3. Increased cooperation with other candidates for NATO membership, accompanied by looking for new opportunities to coordinate efforts and study the experience of leading candidates in their preparation for membership.
4. Carrying out policies for improvement of the good-neighbor relations and increasing the security and stability in South-eastern Europe.
5. Development of Strategy for National Security, fully compatible with the philosophy and main principles for the Strategic Concepts of NATO and Joint Concepts for Security of the 28 current members of Western-European Union.

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<sup>193</sup>В. Демокрация, 24 юли 1997 г. (Democracy Daily, 24 July 1997.)

<sup>194</sup>В. Стандарт, 27 май 2000 (Standard Daily, 27 May 2000)

<sup>195</sup> Решение NR. 192 на Министерски съвет от 17 февруари 1997 г. (Архив на Министерски съвет). (Resolution N 192 of the Council of Ministers, 17 February 1997, Archive of the Council of Ministers of Republic of Bulgaria).

<sup>196</sup> НАЦИОНАЛНА ПРОГРАМА за подготовката и присъединяването на Република България към Северноатлантическия съюз, приета на заседание на Министерския съвет на 10 март 1997 г. (Архив на Министерския съвет). (NATIONAL PROGRAM for preparation and accession of Republic of Bulgaria to the North Atlantic Alliance, adopted by the Council of Ministers on 10 March 1997.)

6. Development of a Military Doctrine, in which the main principles of the Strategic Concepts of NATO and its members will be used as a foundation.
7. Review of the national legal framework so that all legal obstacles for membership can be removed.
8. Establishment and improvement of social control of the military forces and development of social-military relations.
9. Education of experts for cooperation in the negotiations with NATO and future participation in the military and political structures of the organization.
10. Improvement of the operational compatibility of Bulgarian military forces with those of NATO members.
11. Training of special-task forces for participation in joint multi-national operations under NATO's command.
12. Clear commitment of NATO for Bulgaria participation in Joint Task Forces.
13. Adaptation of the national system for military research, military production and delivery of military equipment under the standards of NATO and its members.
14. Organization of specific information activity in close cooperation with non-government organizations.
15. Development of necessary government structures for coordination of the national efforts for preparation and joining the Euro-Atlantic Union.<sup>197</sup>

In the last three years that program has been successfully carried out. The Military Doctrine of Bulgaria was also developed. The reform of military forces is being aggressively carried out. The Individual Program for Partnership and Peace is also in action.

The purpose of the National Strategy for Bulgaria's accession to the EU is to put the integration efforts within the frameworks of a consistent and elegant policy, as well as to determine the priorities and identify appropriate tasks, to mobilize resources and create organization for achieving the goal. The tasks for satisfying the membership criteria formulated in Copenhagen in 1993 were divided into three groups – short term, mid term and long term. The first task was to create prerequisites for positive evaluation of the preparation for accession and subsequent invitation for membership negotiations. Bulgaria received an invitation for membership negotiations and in

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<sup>197</sup> These are abstracts from the National Program. Ibid.

March 2000. 6 out of 31 topics were opened for negotiations. By the end of May 2000 the negotiations on 4 of the topics were successfully completed. Another 5 topics will be opened for negotiations shortly.

In a mid-term perspective (by 2001) the reforms in Bulgaria must produce solid results, which should bring the country closer to the Maastricht criteria for membership in the economic and currency union.

In long-term perspective (by 2006-2008) the negotiations for Bulgaria's full-right accession to EU should be successfully completed.

Integral parts of the National Strategy are specific programs for development of different branches of the national economy. Those programs contain measures for carrying out the recommendations pointed out in a statement of the European Commission for Bulgaria's candidacy for membership in EU.

The National Strategy is a subject to frequent reviews and further improvements within the frameworks of the mechanism developed for government bodies' activities in regards to the country's preparation for accession to EU. Bimonthly the government holds special meetings to discuss questions of European integration. A special committee was established at the Parliament to deal with Bulgaria's accession to the EU. The Foreign Ministry has been endowed with specific functions and tasks for the inter-department coordination. The person in charge of the negotiations has at his disposal a team of highly qualified experts. The endeavour to maintain active dialogue about those matters with non-government organizations and business circles is strongly emphasized.

The cooperation with other candidates for membership is also one of the priority tasks of the Strategy. In that direction, Bulgaria was greatly facilitated by the multinational cooperation within the frameworks of the Accession Partnership.

The fact that Bulgaria is a candidate for membership in the Euro-Atlantic structures, which assumes support from all current members, determines the importance in closely monitoring the relations among those members. They are not immune to the

influence of national instincts in that new community. It is imperative that Bulgaria remains neutral in conflicts between separate countries, as well as in conflicts between countries and the supranational institutions of the EU.

### **5.3.The attitude of society towards the strategy for NATO and EU integration**

All major political parties in Bulgaria declare their support for the country's membership in EU and NATO. In regards to membership in the EU the consensus among the political parties was established as early as 1990. However, there was a difficulty in achieving a single opinion about membership in NATO. The first time Bulgarian Socialist Party declared that "Bulgaria will be in better position to protect its national interests if it is a NATO member, then if it is not, and Bulgaria will be better off if it participates in taking the decisions rather than dealing with them *post factum*"<sup>198</sup> was on its 44<sup>th</sup> Congress in May 2000. The Bulgarian Socialist Party, The Green Party and The Political Club "Ecoglasnost" insist that the question of Bulgaria's membership in NATO must be solved through a national referendum<sup>199</sup>. In the years of transition the Union of Democratic Forces demonstrated greater, sometimes even naive, optimism while the Bulgarian Socialist Party was more sceptical about the perspective of the country's integration into the Euro-Atlantic structures. The positions of both parties reflected to some extent, and also influenced the formation of a social opinion.

According to the National Centre for Research of Social Opinion, which was carried out after Bulgaria received invitation for starting accession negotiations in December 1999, about 77% of the population clearly supports EU membership, 16% are hesitant and about 7% are clearly against<sup>200</sup>. About 60% declare support for accelerated integration as means for faster transition and overcoming the economic crisis. However, about 36% state that Bulgaria must be accepted as a member after it solves its transition problems.<sup>201</sup> The most optimistic opinion comes from people with good

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<sup>198</sup> Георги Първанов, Политически доклад пред 44-ия конгрес на Българската социалистическа партия, 6 – 7 май 2000., с.17.(Gueorgi Parvanov, Political Report at the 44 Congress of Bulgarian Socialist Party, 6 – 7 May 2000).

<sup>199</sup> Вж. 24 часа, 1 юли 2000 г. (See 24 Hours Daily, 1 July 2000).

<sup>200</sup> <http://www.parliament.bg/nciom/helsinki.htm>

<sup>201</sup> Ibid.

living standard, entrepreneurs, intelligentsia and the younger generation. Men are more sceptical than women. By the end of July 2000, after the European Parliament approved the European Commission's proposal for taking Bulgaria out of the list of countries with visa restrictions, about 88% of Bulgaria youth declare support for EU membership.<sup>202</sup> The majority of students support Bulgarian membership in EU, but more than 30% are hesitant. The weakest support for EU membership comes from retired and poor people. Most of the sceptics are supporters of the Bulgarian Socialist Party.

Dreaming of EU membership, Bulgarians still remain realists. They view the problem in the context of their specific interests, personal endeavours and intentions. About 36% claim that accession to the EU is extremely important to them; about 40% claim that the accession is somewhat important, while 15% declare that the accession is not important to them at all<sup>203</sup>. When the Institute for Marketing and Social Research MBMD asked the question "Do you agree, that EU membership requires sacrifice and deprivation, but is worth in the future?" about 24% answered strongly positive, 65% were hesitant, and 12% were strongly negative<sup>204</sup>.

- 55% of the population relates EU membership to the idea of unrestricted travel in Western Europe;
- 32% expect increase of income as a result of the membership;
- 50% expect financial support for the country as a result of the membership;
- 32% expect sudden surge of the economy.<sup>205</sup>

People relate EU-membership mainly to the opportunity for professional development, as a guarantee for human rights and a key prerequisite for successful business. Without any doubt, most Bulgarians relate EU membership to their hopes for better living standard. But according to a research of "Sova 5" Agency only 11% of the population accept as a membership requirement shutting down the Atomic Power Generator at Kozloduy<sup>206</sup>. During the negotiations for Bulgaria's accession to EU without any doubt people will have to rethink their interests more carefully and will

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<sup>202</sup> <http://www.parliament.bg/nciom/july.htm>

<sup>203</sup> Alpha Research, 15 May 2000.

<sup>204</sup> В. 24 часа, 13 декември 1999. (24 Hours Daily, 13 December 1999.).

<sup>205</sup> В. Труд, 6 декември 1999 г. (Labour Daily, 6 December 1999.)

<sup>206</sup> В. Кеш, 14 януари 2000 г. (Cash Weekly, 14 January 2000)



overcome the abstract optimism. The slow pace of negotiations and the difficult criteria for specific topics will probably lead to increased scepticism among people about EU membership.

A bit more different is the attitude towards NATO membership. About 57% of the voting population declare their support for Bulgaria's candidacy, but 24% are decidedly against it, while 19% are hesitant<sup>207</sup>. However, there is no social group (determined by age, profession or education) in which there is a prevalent negative attitude towards NATO membership. Despite the fact that there is already a consensus among the political parties about NATO membership, most of the supporters of the Union of Democratic Forces and the Euro left Party give their support. About 48% of the supporters of the Bulgarian Socialist Party are against membership<sup>208</sup>. At the beginning of July 2000 a Committee Against Bulgaria's Accession to NATO was created, which consists of three members of the Parliament, some ex-ministers, writers. However, there is no significant difference in the evaluation of Bulgaria's readiness for membership among the supporters of the different parties. About 47% of the voting population declare that Bulgaria is not yet well prepared for membership in both NATO and EU<sup>209</sup>.

Bulgaria's accession to the Euro-Atlantic structures enjoys relatively strong social support. This ensures conditions for consensus about Bulgarian foreign policy priorities among the major political forces. Gradually, those priorities lose their importance as instrument in the inner political struggles. At this point supporting or being against NATO/EU membership cannot exert serious influence on election results. Cooling down the radical opinions about the country's foreign policy orientation permits a more pragmatic attitude towards the accession process.

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<sup>207</sup> <http://www.parliament.bg/nciom/march.htm>

<sup>208</sup> Ibid.

<sup>209</sup> Ibid.

#### **5.4.How can Bulgaria's membership contribute to the development of NATO and EU**

It is naïve to expect that both organizations simply accept new members without evaluating their own strategic goals and interests. In order to be accepted as a member Bulgaria has to be able to contribute somehow to both organizations development. If the membership is good for Bulgaria, it has to be good for NATO and EU in order to be granted. This question has its own cultural, geopolitical, economic and other dimensions.

Bulgaria's cultural history is intricately entangled within the European traditions. As one of the centres of Orthodox Christianity and local unique culture, with more than 13-century long history, the country has significantly contributed to the development of European art, literature, music and science. A full-right accession of Bulgarian cultural and scientific potential will enrich the European identity.

From a geopolitical point of view Bulgaria's accession brings out serious questions. Such accession will destroy the traditional understanding of some natural dividing lines in Europe under religious-civilization, economic or geographic criterion, it will shatter the "natural spheres of interests" and other opinions created by European history. From one point of view Bulgaria lies in the heart of a strategically important region and its accession will create new opportunities for influence of both NATO and EU beyond South-eastern Europe. Bulgaria's membership does not contradict the political and economic interests of both organizations. The country has always been an important political and military factor in the region. Despite the deep economic crisis as a result of the restructuring of the national economy, the country has considerable production capacity in industry, agriculture and energy. It is a major transportation and communication centre. There are obvious natural and cultural-historical prerequisites for the development of modern tourism, for which there have been developed considerable resources. Thanks to the well-developed education system Bulgaria has highly qualified labour, including modern information technologies. Traditionally good is the presence Bulgarian production, engineering-technical and medical specialists on markets of former Soviet and Arabic countries. One should not underestimate the capacity of the Bulgarian market for accepting

production of the EU countries. As the director of the European Commission Romano Prodi put it “Bulgaria can give a lot to EU”<sup>210</sup>. But in the perceptions of West about Bulgaria there are two stereotypes that will greatly obstruct acceptance in the Western mechanisms for cooperation.

Bulgaria does not discuss the possible effect of EU expansion over Euro-Atlantic relations. There are no supporters neither of the opinion that EU membership is an expression of Euro centric tendencies and that it has anti-American context, nor of the evaluation that following common defence policy threatens the transatlantic relations. In Bulgaria the prevalent opinion is that in the future Europe and USA will continue to realize that they will need each other, which opinion is close to the position expressed by the secretary of foreign relations Chris Patten in June 2000.<sup>211</sup>

Bulgaria is one of the most advanced (probably second after Hungary) in the harmonization of its legislative system in accordance with the European one. In the last couple of years the discipline on the borders was put in accordance to the criteria for foreign borders established by the EU. Unfortunately, Bulgaria’s sincere efforts in its preparation for membership remain largely unnoticed and the country is still viewed on the basis of old biases.

The unnoticed political consensus and efforts of the country in the preparation for full-right membership, together with its strategic situation, cultural, economic and military potential make it a very serious candidate.

### **5.5.The price of the membership**

NATO’s capabilities to carry the burden of the transition of the newly accessed countries are very limited. The experience so far from previous expansions show that EU has compensated so far the losses accrued from the accession of new countries. However, the current Accession Partnership does not promise such benefits.

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<sup>210</sup> Europe. BG, седмично приложение към в. Демокрация, 21 юни 2000 г. (Europe. BG, Weekly Annex to Democracy Daily, 21 June 2000).

<sup>211</sup> Chris Patten, A European Foreign Policy. Speech, Institute Francais des Relations Internationales, Paris, 15 June 2000. [http://www.europa.eu.int/comm/external\\_relations.htm](http://www.europa.eu.int/comm/external_relations.htm)

In Bulgaria major branches of the industry like heavy, chemical, electronic, machine, military and agriculture were completely destroyed. The standard of living for most people dramatically fell. Privatisation and bankruptcy of certain companies increased unemployment to about 25%. Social insecurity increased greatly as well. Retired people – about 2.5 million – live in poverty. The reform of the health care system decreased the quality of medical service, which evidently has a very negative effect on the health of the population. The dearth of financial resources is destroying the education system. The transformations, which caused those results, are part of the country's adaptation to the requirements for NATO and EU membership. Certain social groups view the crisis mainly as a result of the membership efforts. For instance according to the Committee Against NATO Membership "...as a result of Bulgaria's endeavour for NATO membership our country destroyed completely its military industry, ceased its relations with Arab countries and turned Russia into an enemy"<sup>212</sup>. In the frameworks of social discussion about NATO membership questions have been raised whether there will be military bases on Bulgaria's territory and whether nuclear weapons will be deployed on Bulgaria's territory, which will automatically make Bulgaria a target for nuclear strike; also whether the country will be used for military actions against other countries.

One of the preliminary criteria for membership was that Bulgaria must shut off its nuclear power generators. According to the agreement signed by Bulgaria and EU, the country will start shutting off the generators in 2002. This contradicts Bulgaria's strategy, which aims establishing the country as one of the energy centres of the Balkans.

During its preparation for EU membership Bulgaria compromised a lot its national interests. Despite the fact that the mechanisms for trade liberalization in the European Accession Agreement were built on the principle of asymmetry to Bulgaria's advantage, the interests of Bulgarian producers are not well protected. European goods have already flooded Bulgarian markets, however European markets remain

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<sup>212</sup> 24 часа, 1 юли 2000 г. (24 Hours Daily, 1 July 2000)

inaccessible for Bulgarian goods. According to the European Agreement there are export quotas on some “sensitive goods” established for Bulgaria – metals, chemicals, textile and agricultural products. There is almost no ease on the restrictions for exporting Bulgarian wines – and that is major part of Bulgarian export. Bulgaria received modest help from the PHARE program, but it is required to be utilized mainly for restructuring of the economy, i.e. closing down unprofitable factories. Most of that help is in the form of loans, which have to be repaid with considerable interest. Practically, Bulgaria gets no help for stabilizing and developing its industry, agriculture, and tourism. In order to be applauded by EU Bulgaria has to satisfy criteria, which turn the country into a market for European goods, but on the other hand the country doesn’t get any help to organize modern production, which can be exported to Western-European and other markets, which on its turn will reduce unemployment. This strategy is very shortsighted. It doesn’t lead to capacity increase of Bulgaria’s market.

The EU accession negotiations determine future agreements that will put Bulgaria in new position in the world distribution of labour through fixing the production quotas. This will greatly affect agriculture, in which 25% of the productive population is engaged. Also the heavy industry will get affected too, as well as the food, textile and fishing industries, which give employment to a considerable part of the labour force.

Bulgaria’s accession to EU will put additional restrictions in its trade relations with traditional partners. Given that, Bulgaria will no longer be able to develop relations that are not convenient for the EU. For instance under the European Accession Agreement Bulgaria is not allowed to create free-trade zones with Russia, Ukraine and other countries without the explicit permission of EU. That means narrowing of opportunities for marketing of Bulgarian goods in these countries. However, those countries are the source for the Bulgaria’s raw materials needs. The serious trade misbalance with Russia already threatens the normal functioning of the energy and chemical industries. Until 1990 the value of the exchange of goods between Russia and Bulgaria was as high as \$14 billion. Nowadays that value is around \$1.5 billion, and of that value \$1 billion is due to import of fuels. EU membership will lead to restrictions in the trade relations with countries like USA, Switzerland, Japan, China, India, Vietnam, as well as the Arab countries.

Having paid such a high price, Bulgaria expects to receive certain benefits. As the ex-minister of Foreign Relations put it "...through its membership Bulgaria will get a greater security to realize its national goals"<sup>213</sup>. Bulgaria eagerly awaits the beneficial effect in the consolidation of the political and economic reforms. The integration in the unified European market will provide a stable and predictable economic environment, in which the country can achieve more efficient specialization. This will improve the investment climate in the country, which will present new opportunities for realization of Bulgarian goods. The current quantity and tariff restrictions will be abolished, as well as the current restrictions in the trade with metals; there will be new opportunities for competitive Bulgarian textile industry.

Bulgaria relies on the pre-accession funds to prepare for full-right membership. But the greatest hope is put on EU's structural funds (European Regional Development Fund, European Social Fund, European Agricultural Guidance and Guarantee Fund), as well as the Cohesion Fund whose function is to finance projects in the environment and transport infrastructure in the context of the Trans-European Network.

The unrestricted movement of goods, capital, services and labour should ensure Bulgaria's complete integration into the unified European market, with opportunities for the country to enter the Economic and Currency Unions. Bulgaria's accession to the most successful integration model will mean accepting its common policies (including the Common Foreign and Security Policy and the developed common defence policy) and participation in the mechanisms for its regulation.

## **5.6. Summary**

The last 10 years were hard times for Bulgarian people. They have started radical political and economic reforms. The whole reform process in the country is marked by the European accent. In its foreign and security policy Bulgaria didn't give chance

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<sup>213</sup> Станислав Даскалов, В ЕС България ще бъде играч на световната политическа сцена, Демокрация, 29 март 2000 г. ( Stanislav Daskalov, In EU Bulgaria will be a Player on the World Political Scene, Democracy Daily, 29 March 2000.)

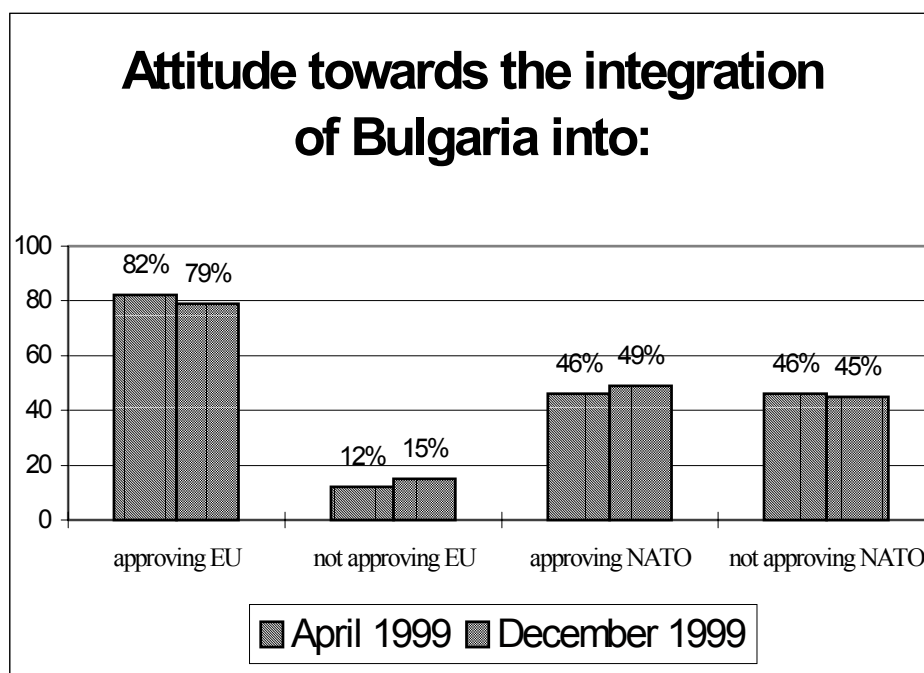
to any selfish tendencies. The country's economy has suffered heavy losses from the collective measures of the international community to restore the peace in the former Yugoslavia. Its policy in South-Eastern Europe is dedicated to help introduction of the European values in the region. The European priorities of Bulgaria have caused some difficulties in its relations with traditional partners. The transformation process in the country is gaining dramatic characteristics but it seems that its new priority partners do not care much about that. An eventual failure of the reform in Bulgaria may become a drama for Europe. Only some recent steps as the invitation from the European Union for starting negotiations for EU membership and NATO's recognition of Bulgaria's importance for the regional security<sup>214</sup> in connection with Kosovo crisis are inspiring some optimism.

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<sup>214</sup> Лорд Джордж Робертсън, Идвам да ви насърча за НАТО. 24 часа, 9 февруари. (Lord George Robertson, I Am coming to Encourage You for NATO. 24 Hours daily, 9 February 2000)

The hardships of changes had provoked much disappointment in people. It would be very difficult for the now ruling coalition to repeat in the next parliamentary elections the victory from 1997. With much certainty one can predict that the new government will be formed by a wider coalition, including centrist parties. But that would not cause substantial changes in the foreign policy priorities. On the top of the scale will remain the integration in the Euro-Atlantic economic and security structures. Any other alternative for Bulgaria is unthinkable.

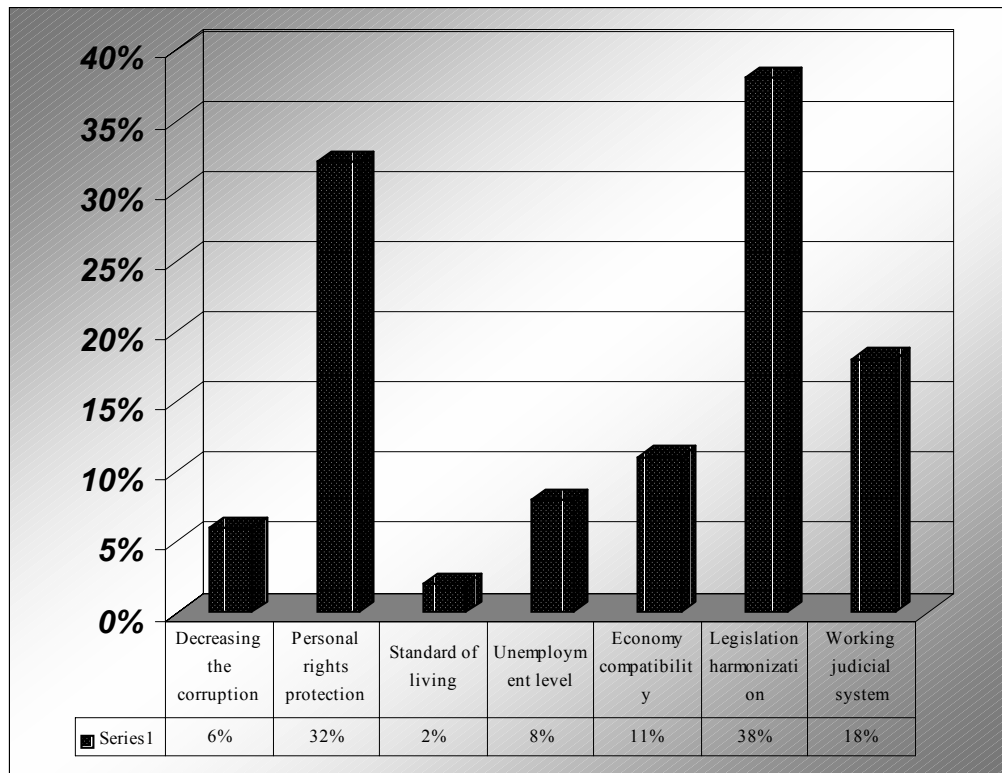
## APPENDIX 1





## APPENDIX 2

According to you which of the Council of Europe's membership criteria has Bulgaria accomplished?

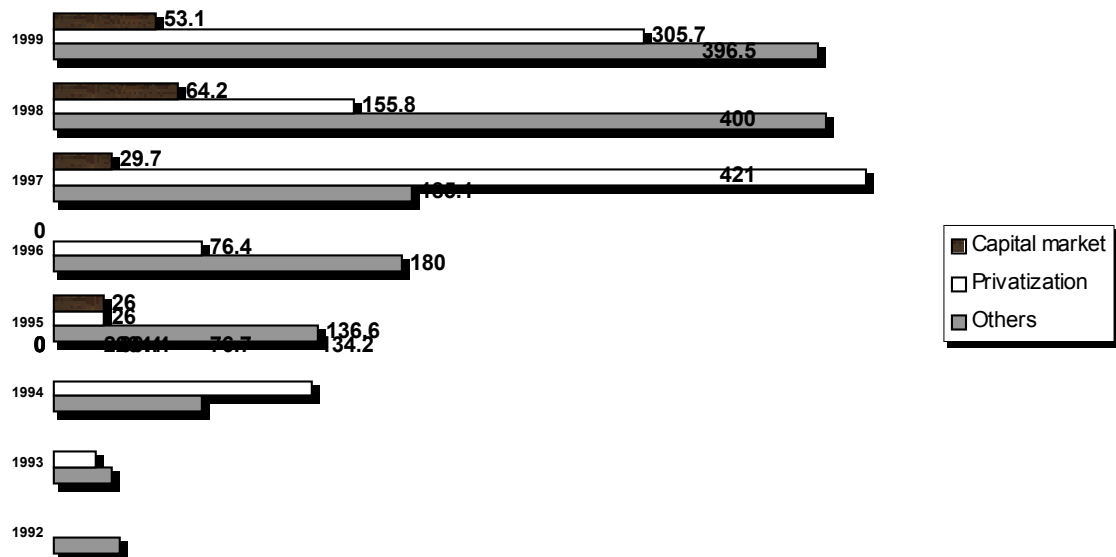


Source: Alpha research, 9-11 November 2000

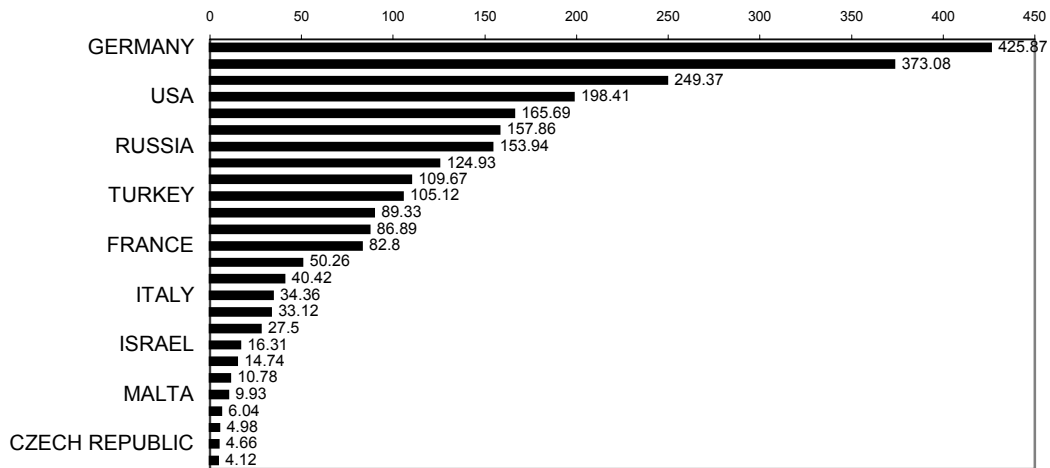
The consensus in this direction comes from the fact that the current Law is too liberal in the part concerning this point.

## APPENDIX 3

### FOREIGN DIRECT INVESTMENTS BY YEARS MLN USD



### FOREIGN DIRECT INVESTMENTS BY COUNTRIES in mln USD for the period of 1992-1999



### 5.7. New start in proving the European identity of Bulgaria

In June 2001 in Bulgaria has happened something extraordinary and very peculiar. As it was written in New York Times the new premier is the old king.<sup>215</sup> This country got its deposed Czar (King) Simeon II of Saxe-Coburg-Gotha back, albeit as prime minister Simeon Saxecoburggotski. Bulgaria gave the executive power in the hands of ex-monarch. This has never been seen not only in the former socialist republics, but also in the rest of the world. One of the influential aristocrats in Europe took the risk to become the head of executive power in the country, which had exiled him. This is the reason Bulgaria to step out of the shadow of disregard, with which the self-confident and preoccupied with many other problems world leaders have covered it. The phenomenal event in the country, “a haven of stability in the troubled Balkans”,<sup>216</sup> gives new dimensions of all the efforts to prove its European identity.

The King's party, the National Movement for Simeon II, founded only in April 2001, won exactly half of the 240 parliamentary seats in the National Assembly and joined in a ruling coalition with the Movement for Rights and Freedom, perceived as political party of the ethnic Turks, to ensure a working majority in the legislature.

For Simeon II, accepting the job is the culmination of a rush into Bulgarian politics that began in April when he returned home to found the political movement that swept the parliamentary elections. Simeon II did not run for Parliament himself, campaigning instead on behalf of his movement's candidates, and never made clear whether he intended to become prime minister. The slogans of his movement were ‘respectability in everything’ and ‘new time is coming’.

Simeon was proclaimed King by the Bulgarian Parliament after his father, Boris III, died suddenly in August 1943. After breaking the alliance with Germany in 1944, next year his uncle Cyril and the other two regents, who ruled in his name, were executed by the Communist-led forces of the Fatherland Front. According to the

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<sup>215</sup> <http://www.nytimes.com/2001/07/13/international/europe/13BULG>.

<sup>216</sup> <http://www.nytimes.com/2001/07/25/international/25BULG>.

results of the referendum in September 1946 Bulgaria was proclaimed a republic. Immediately after that 9-year-old Simeon and his mother and sister fled, first to Egypt and ultimately to Spain, where he lived and worked as a business consultant.

He always avowed that the restoration of the monarchy was not on his immediate agenda, though opponents say it is his long-term goal. When asked, he has said that Bulgaria has more pressing problems than the question of the monarchy.

There is no doubt that the results of the parliamentary elections in Bulgaria in June 2001 are an event not only of national, but also of wider importance. It may appear as a forerunner of changes in the vision of structuring and functioning of society. The peculiar political change is an attempt of people to take away the power from the irresponsible politicians and give it to men and women with a proven responsibility for the fate of the people and the country.<sup>217</sup> It was a reaction to the lost public trust in Bulgarian governments in the years of transition. The main political parties, which were supposed to carry out the radical changes in the country, are most responsible for this. Nevertheless, the irresponsibility of the Bulgarian politicians is just one of the aspects of the long period in the new world history, when the personal irresponsibility for the society is cultivated, which arouses crisis in the modern times values.

The previous government of the Union of Democratic Forces was credited with many reforms that brought financial stabilization and moved Bulgaria forward economically, and the country has improved its international image for the last four years. But voters were angry because living standards are still low, unemployment is high and the badly managed economy remains the most pressing issue for Bulgarians. They were fed up with corruption scandals involving members of Ivan Kostov's government and close associates.

The Bulgarians set out for political change not by violence. They chose the most democratic instrument – parliamentary elections. Significant changes were made in legal way. The merciless disappointment caused by the former governments prompted

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<sup>217</sup> (Генчев, Хр. Великата консервативна революция, 24 часа, 17 август 2001 г.) Genchev, Chr. The Great Conservative Revolution. 24 hours daily, 17 August 2001. (In Bulgarian)

for a change. People want a successful government with new faces in it, not burdened with participating in ex-governments. Simeon II comprehended the people's problems and aimed right at them, suggesting solutions, which are adequate to the public mood, and acquiring the support of the majority from all social layers, except the Turkish minority, which traditionally supports the Movement for Rights and Freedom.

People were tired of the utter politicization of transition, and of the abstract, but to the detriment of the national priorities, contradiction between communists and anti-communists, between "left" and "right", between the two main political parties - the Bulgarian Socialist Party (BSP) and the Union of Democratic Forces (UDF). As an alternative to these realities, Simeon II suggested: "Let's try to overcome the politicization, to get rid of the differences between "left" and "right", "blue and red" (the symbol colors of the BSP and UDF, respectively). His movement tenaciously refuses to be situated on the "left-right" axis. In the time of crisis in the "left" and the "right" political fields the ex-czar struggled to form non-party government, which can hardly be assigned to the traditional "left-right" scheme. The Simeon II's movement aimed its efforts at the current problems. While the governing parties in the last 10 years disputed about the past, no matter how strange it appears, the potential of the Simeon II's policy is not in the past.

The appearance of Simeon II on the political scene resulted in another strange looking effect. As a carrier of the royalist idea he maybe succeeded to change the consolidated with time stereotype for the monarchies in the Balkans as a symbol of personal power, excluding democracy, or at least he managed to recede from this tradition. This maneuver strengthened the contradictions between democratic parties about a problem, which is not supposed to cause any contradictions among them – the problem of the democratic system's functioning. Aiming the weapons at each other, these parties increased the chances of the ex-monarch to become a leading political figure. Not until the end of the elections campaign, UDF started a vigorous attack against the movement for Simeon II, but it was too dishonorable and it provided a reversed effect.

During the elections campaign Simeon II made it clear, that he rejects the rude intervention of the state in the religious matters. He did not accept the condition in the

Bulgarian Orthodox Church made by the former government. The Church has played a historic role for the preservation of the Bulgarian nation, and in some of the most difficult periods of foreign rule it has appeared as a substitute to the Bulgarian state. UDF pretends to be a Christian-democratic party, but it has made a lot for the split of the Orthodox Church and the weakening of its role as an important institution for the Bulgarian society. With the pretext that it does not accept Patriarch Maxim because he took office with the approval of the communists, UDF actually hasn't been accepting the existence of an independent moral-defining institution.

The elections displayed the people's will of breaking with the policy of decay and downgrading of the national spirit. In the face of Simeon people see a personality, which synthesizes their wishes. He, on his side, makes promises, which are closest to these wishes. In this way the new political power in Bulgaria won the upcoming protest vote against the "right" policy of the preceding government and took the place of the anticipated "left" alternative. Dodging the question of the eventual monarchy restoration, the ex-monarch took the risk and after some hesitation became head of the executive power in Bulgaria. He did not have other choice, because at the elections the majority of the Bulgarians voted not for a party, but for his personality.

The political responsibility for the activities of the new government was accepted by National Movement for Simeon II and Movement for Rights and Freedom, but in the new government, beside politicians from those two parties, were also included young professionals educated abroad with working experience from Western Europe and USA (e.g. the Minister of Finance and the Minister of Economy), businessmen, professors from the academia, successful mayors. Simeon II attempted negotiations to include in the government representatives from UDF, but that party denied the offer. On the other hand, Simeon received the tacit approval of BSP by appointing two member of the party as vice-premier and minister of regional development, and minister of state administration. Another very prudent move of Simeon was attracting to his side many of the local government leaders. The King's movement has not participated in the last elections for local authorities and his party does not have its representatives in the local governments. However, the King appointed as members of the government four distinguished mayors and thus assured himself the good attitude of those circles.

The leader of the Movement for Rights and Freedom and a coalition partner in the government Ahmed Dogan stated that the foundations have been laid for “new coalition policy that aims creating a government transcending party interests and serving the interests of the nation.”<sup>218</sup> The Bulgarian Socialist Party evaluated the new government as put together single handedly by Simeon.<sup>219</sup> Some political observers have interpreted the moves of the ex-king as an attempt to weaken and eventually get rid off the political parties (similar to his father in 1930s) by attracting in his team experts from left and right political powers. Those interpretations might become even more plausible after the presidential elections in November 2001. Still, the Movement for Simeon II has not stated its official position and appointed its candidate. If Simeon decides to support the candidacy of the current president Peter Stoyanov, who is supported by UDF, the country will end up in a very peculiar situation. If the ex-king’s party and UDF end up as partners for the presidential elections, it will turn out that there is not real opposition for Simeon’s party.

Despite suspicions that he is trying to rule the country as an independent leader trying to unify the country and thus prepare restoration of the monarchy, so far he enjoys the support of more than two thirds of adult citizens.<sup>220</sup> The reason is not just his personality but also his choice of people for the cabinet satisfies social expectations. Only one out of ten people disapproves the government.<sup>221</sup> The people supporting Simeon most strongly are usually those above 60 years old, people living in villages, less educated people. Those sceptical of the new government are supporters of UDF, although so far supporters of the monarchy were those same people, or at least they voted for monarchy during elections. Sceptical about the validity of the king’s pre-election promises are also well-educated people and those in active age (between 25 and 50 years old).<sup>222</sup> It is interesting to look at the attitude of BSP supporters towards the government. Although this party denies affiliation with the government, many of its members and supporters express direct approval for the cabinet and for the participation of two BSP members in it. The strongest hope is that under this

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<sup>218</sup> Dogan, A. Speech to the Peoples Assembly, 24 July 2001.

<sup>219</sup> Parvanov, G. Speech to the Peoples Assembly, 24 July 2001.

<sup>220</sup> Капитал, 4-10 август 2001 г. (Capital weekly, 4-10 August 2001.)

<sup>221</sup> Ibid

<sup>222</sup> Ibid

government there will be an increase in average income and that the policy will be focused towards the problems that ordinary people face. There are also strong hopes associated with the promises for lowering the rate of unemployment and taxes. About 60% of the population believes that will happen. Almost the same number believes that this government will manage to eliminate corruption. More than half of the population believes that there will be improvement in health care. So far the criticism and doubts of the opposition do not significantly affect public opinion. People believe that the country finally managed to get a responsible government, rather than a gang of “partisans” whose only goal is to get more power and personal benefits. The majority of people give their support for what Simeon called a “transition from an era of destruction to an era of reconstruction”<sup>223</sup>.

The National Movement for Simeon II came on power with big promises and even bigger expectations. By declaring his intentions at the beginning of April 2001 to participate in Bulgarian political life, Simeon promised that he would change the country for good in the next 800 days. The ex-king won the elections by promising to introduce new morality in politics based on “integrity in everything”<sup>224</sup>, to improve life of people with low income and to immediately create incentives for private business by lowering the taxes and making borrowing of capital easier. Simeon has pledged to be more generous to Bulgaria’s poor and underprivileged.

There are many issues that his government has to deal with, issues on which depends the macroeconomic stability, real economic growth, lowering the rate of unemployment, increasing the average income, lowering the level of corruption, improving healthcare, providing acceptable living conditions for more than 2.5 million retired people, providing sufficient funds for the educational system, satisfying the conditions for membership in NATO and EU.

In his first speech to the Parliament on 24 July 2001 King Simeon outlined in broad strokes what he has called his 800-day drive for reform in Bulgaria. He promised a

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<sup>223</sup> Saxecoburggotski, S. Program Speech to the Peoples Assembly, 24 July 2001.

<sup>224</sup> That was the slogan on the election campaign posters with the Simeon’s portrait.



speeded-up improvement in living standards, a fight against corruption, an increase in foreign investment and the lowering of personal and corporate taxes.

After his election as a Prime Minister Simeon declared as major priorities for his government to be “full-right membership of Bulgaria in EU and NATO, decisive struggle with corruption, fast and maintainable economic growth”.<sup>225</sup> After being elected, the new government faces the problem of satisfying the expectation for miraculous results and what will happen given the impossibility to fulfil those expectations.

Bulgarian people voted with expectations for quick changes, but so far the new parliamentary majority and new government demonstrate inability to determine a starting point for work. Three months after the elections, the agenda of the government is still not ready. The problems with finding professionals for positions at different levels of the executive power are becoming more and more obvious. The impressions that the new government is not prepared to rule the country so far create only “charming chaos” but that innocent situation can easily transform into a feeling of insecurity.

This government also faces many international issues. One cannot neglect the historical burden that Simeon inherited from his dynasty. His grandfather Ferdinand and father Boris III have questionable contributions to the international politics. The period of Cold War blurred the facts, but one still cannot forget that the country, even though under strong pressure, allied with Germany during WW II and in 1941 declared war to Great Britain and USA. However, the new Prime Minister demonstrated convincing evidence that major priorities of his government will be membership in NATO and EU. The ministers of his cabinet have undoubtedly pro-Western orientation. Many of them have worked in Western companies and financial institutions. The most outspoken proponent for Bulgaria’s membership in NATO – the President of the Atlantic Club Solomon Passi – has been appointed as Foreign Minister. There are symptoms already that the West will accept the new government.

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<sup>225</sup> 24 hours daily, 25 July 2001.

A big test for Simeon's cabinet will be the future developments on the Balkans and Bulgaria's relations with neighbouring countries. The most delicate problem in Bulgarian foreign policy – events in Macedonia – is considered by the Bulgarian government as solvable in only one way – through cooperation with the main factors EU, NATO and the other neighbours according to the already set norms of regional cooperation.

Having Simeon as a leader of Bulgarian politics will probably introduce more aloofness in regards to the events in South-eastern Europe. On the other hand, the ex-king's return in Bulgaria might revitalize the efforts of other ex-kings from the region. The kings of Albania, Greece, Romania and Yugoslavia might be presented with new opportunities. This revitalization of the royal circles might bring a new element in the Balkan reality.

The results from the Bulgarian parliamentary elections in 2001 are a phenomenon that attracted the attention of political observers worldwide. An ex-king received a green light to carry out a policy entirely of his liking and to single handedly choose who gets to participate in the executive power. Ever since he took the reigns of the country he has been receiving domestic and international approval. Which one of the European monarchs can boast with such enviable position? Simeon has a unique opportunity to overcome the problems, which slowed down the transition in Bulgaria, and to ensure a full-right membership for the country in NATO and EU. As he has put it in his speech to the Parliament "today we stand a real chance of being able to usher Bulgaria into the new 21st century and take the place we deserve in united Europe"<sup>226</sup>.

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<sup>226</sup> Saxecoburggotski, S. Program Speech to the Peoples Assembly, 24 July 2001.

### **5.8. The future of the European Union: a view from Bulgaria. What is new in the EU model after Nice?**

In the second half of 20<sup>th</sup> century the launching of a series of intentional steps for overcoming the partition of Europe became possible. The undoubted success was due to the economic cooperation of countries from particular regions. The achievements in integration in these regions changed the face of the continent. Up to now the most successful is the method used in the European Union. Gradually, it became a model of unification of whole Europe. The transformation of the European Union into economic and monetary union, the highest level of integration known so far, practically makes it brand new body in the world system. The consolidation of EU as a major power centre lays the beginning of new European-centred phenomenon in the international relations.

Gradually, after the Maastricht Treaty some major problems became obvious for the European Union, i.e. improving its relationship with the citizens; increase the efficiency of the Union when dealing with the challenges coming from the rest of the world; adapting the Union to the prospects of its enlargement; reforming the structure of the Union. In order to stimulate a broad social dialogue and to find solutions to the above- mentioned issues, an inter-government conference was organized in 1996, which went on until the middle of 1997. As a result of this conference a new fundamental treaty for the European Union was signed on October 2, 1997. It was ratified in the middle of 1999. According to the treaty, there is an increased possibility to take decisions on institutional issues not with consensus, but simply with qualified majority, which leads to more dynamic and efficient common administrative organs. However, the conference abstained to take a decision on the issues of representation in those organs and the procedures for taking decisions after accepting new members. The solution of the problem of the balance of powers between large and small countries, members of the Union, was left for the future, when the anticipated changes in the membership would occur.

With the Amsterdam Treaty the EU attempted to adapt its ambitions, goals and tasks to the real world. The imperative issues and the possible prospects for the development of the European situation were taken into account, and special

consideration was given to the possibility of enlargement. A general consensus was reached that the expansion, i.e. accepting new countries as full-right members, should not depend entirely on the institutional development of those countries. The Amsterdam treaty was an important step towards the development of the constitution of the European Union as a new entity in the international system.

Another step in that direction was made with signing the Treaty of Nice at the end of 2000. The treaty was born as a compromise in the name of the common goal after the most dramatic battle between national and supranational interests. Many issues about the development of the EU were left for the next inter-governmental conference, but the Treaty of Nice gave a key on how to proceed with the institutional reform, taking into account the prospects for enlargement. Its parameters are presented in the following table:

Countries	Votes in the	Places in the
-	Council of the EU	European Parliament
Member countries		
Germany	29	99
France	29	72
Great Britain	29	72
Italy	29	72
Spain	27	50
Netherlands	13	25
Greece	12	22
Belgium	12	22
Portugal	12	22
Sweden	10	18
Austria	10	17
Denmark	7	13
Finland	7	13
Ireland	7	12
Luxembourg	4	6
Applicants for membership		

Poland	27	50
Romania	15	33
Czech Republic	12	20
Hungary	12	20
Bulgaria	10	17
Slovak Republic	7	13
Lithuania	7	12
Latvia	4	8
Slovenia	4	7
Estonia	4	6
Cyprus	4	6
Malta	3	5

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The Treaty of Nice gives opportunities for more flexible application of new forms of compromise among the countries after increasing by 29 the areas in which decision of the Council of Ministers could be taken, which on its own narrowed the areas where unanimous decision is required. The right of a veto was preserved in some sensitive areas such as tax policy, social security, immigration and border control, culture, education, and health care. The right to a veto on issues of immigration will be taken away after common rules for this area are devised. From the possible 342 votes, 258 votes will be enough to take decision, and 88 votes will be sufficient to form a blocking minority.

The prospects for expansion lead to restructuring the European Parliament. After 12 more candidates join the Union, the representatives in the Parliament will increase from 626 to 738.

In 2005 Germany, France, Great Britain, Italy and Spain will have to give up their second commissioner positions. All member countries of the Union will have one commissioner position until the number of members reaches 27.

The euro-crates made advancement in spirit of Jean Monnet ideas by devising the Treaty of Nice, but that will probably generate a new wave of euro-scepticism. A confirmation for that were the results from the referendum in Ireland in 2001, which in practice means that the country refuses to accept the decisions take in the French resort. There is a very real possibility for a conflict between two ideas for the future of Europe – the ideas of euro-crates with self-confidence of European elite on one side, and the ideas of nations on the other. There will be an interesting discussion about the different models of development of EU proposed by Germany, France and Great Britain.

Although many issues for the development of EU remain unsolved, the Treaty of Nice drew a clearer European perspective for the countries that have submitted their applications for full-right membership in EU. The future of EU is closely tied to their membership.

#### *Bulgaria's ability to assume the obligations of EU-membership*

Since the end of the 80s, Bulgaria is searching for its place in the changing international system. Maybe, for the first time in the new history of Bulgarian state, the country faces the opportunity to determine the priorities in its foreign relations independently and to make a sensible choice from among the civilization options. In the conditions of fundamental changes in the system of international relations Bulgaria confidently took on a course to embed itself in the European structures that had proved their vitality surviving the Cold War. Among them, particular importance is given to the European Union. There is a complete consensus among the major political powers in Bulgaria that the country should join the Union. The country's membership in EU remains a major priority for the new Bulgarian government headed by the ex-king Simeon Saxkoburggotski.

On March 8, 1993 the European Agreement For Association was signed between the European Community and its members, and Bulgaria. At the end of the same month an agreement was signed between Republic of Bulgaria and the European Free Trade Association and its members. With the help of these two agreements Bulgaria, together with other former European socialist countries, began a process of

association with the zones of free trade on the basis of the principles and rules devised within the frameworks of GATT. In December 1995, Bulgaria submitted an official application for full-right membership in the European Union. In December 1999, Bulgaria received an invitation to start negotiations for full-right membership. Negotiations were officially opened at the bilateral intergovernmental conference held on February 15, 2000. In March 2000, substantive negotiations started on six chapters of the treaty: science and research, education and training, small and medium-sized enterprises, culture and audio-visual policy, external relations, and common foreign and security policy. By August 2001 nineteen out of twenty nine negotiating chapters of the treaty were opened and 10 of them were successfully completed.

The European Union faced the challenges of the epoch, but it seems that Bulgaria tries to associate itself with those challenges intuitively, simply because everything accomplished by that part of the world is admired. The pragmatic understanding of the issues accompanying a membership in the European Union requires a deep analysis of the core of this new phenomenon. Little attention has been given to the different aspects of Bulgaria's accession to the European Union. The prospects this process offers are being evaluated with an optimistic model. However, the pessimistic variant should be considered too. Associating with this new entity (EU) in the international system requires the clarification that Bulgaria is joining supra-national structure, which brings in qualitatively new aspects in the European reality. One has to live with the understanding that taking on this course of development means giving up sovereign rights and delegating them to common institutions. This necessity has not been realized socially and that slows down the preparation for accession.

The European choice requires bringing together the priorities in the development of the national economy and international commitments. For example, the disparity between the declared priority in the development of agriculture and the prospects for membership in EU is very disturbing. This membership will not affect well Bulgarian agriculture.

Signing the European Agreement for association of Bulgaria to the European Union created legal basis for the development of close political relations, for gradually embedding the country in a zone of free trade and its complete integration into the

European Union. The share of the European Community in Bulgaria's overall foreign trade is over 50%. Bulgaria's main exports to the Community are textiles and base metals; its main import from the EU is machinery. Within the currency board the Bulgarian Lev is fixed to the Euro. The macroeconomic situation in Bulgaria is to great extent dependent on the prospects of the Economic and Monetary Union.

In Bulgaria, the development of the relations with the EU is considered as an additional guarantee for its political and economic interests. The country is already part of the circle of EU's privileged partners. Through the European Agreement for Association, the EU committed itself to providing a decisive support for the successful completion of the political and economic reforms in the country. In regards to Bulgaria's relations with third parties and other international organizations, the association gives additional credit of trust and offers better opportunities for expanding the role of the country in creating a system for security and stability on the Balkans and in Europe. One should not forget that Bulgaria's association with the EU has deep political meaning. It is a guarantee for carrying out a democratic reform in the political system and restructuring the economy to work according to market principles. Bulgaria's association with the EU is also a factor that gives the Balkans a more European outlook, i.e. brings better prospects to Europe's most turbulent region. This would justify the high costs of accession to the attractive European structures. In order to avoid disappointments, both parties should get to know each other better.

*For Bulgaria it is necessary to complete its legal and institutional regime so that the so-called "four freedoms" (free movement of goods, free movement of persons, freedom to provide services and free movement of capital) be guaranteed.*

The endorsed by the Accession Conference with Bulgaria negotiating principles and the pre-accession strategies of EU and Bulgaria prompt difficulties with the chapters treating agriculture, environment, persons' and capital free movement, transport and energy policy, services and taxation. The main problem comes from the constitutional ban on the acquisition of property rights over land by foreigners. Bulgaria requests a transitional period of seven years with regard to the acquisition of agricultural land and forests by non-resident legal persons and by non-national natural persons.



Bulgaria has no special requests on the provisions of the Common Foreign and Security Policy, as well as on the Common Defense Policy. Bulgaria is not eager to enter the discussions within the EU and between EU and USA on creating a EU's own military and security mechanism and its capabilities. The leadership in Bulgaria is keeping close eye on the plans for organizing rapid reaction forces, but it stresses on the membership in NATO as a top priority.

Since January 2000, there are three **pre-accession instruments** financed by the European Community to assist the applicant countries of Central Europe in their pre-accession preparations: the **Phare** programme; **ISPA** finances large-scale infrastructure projects in the fields of environment and transport; **SAPARD** supports agricultural and rural development. Bulgaria can rely on them, but in the foreseeable future there is no chance for accession to the structural funds of EU.

In the years 2000-2002, the indicative annual financial allocations for Bulgaria are € 100 million from Phare, € 52 million from SAPARD, and between € 83 and 125 million from ISPA.

## **5.9. Conclusions and Perspectives**

Bulgaria has clearly made further progress towards becoming a functioning market economy. It is not yet able to cope with competitive pressure and market forces within the Union in the medium term. Progress in macroeconomic stability has helped to improve the functioning of domestic markets, thereby increasing the ability to become competitive.

Bulgaria's ability to assume the obligations of membership - that is, the legal and institutional framework, known as the *acquis*, by means of which the Union implements its objectives is not unquestionable. One should keep in mind that there may be new *acquis* by the conclusion of the negotiations.

On the whole, the transposition of the *acquis* on the free movement of goods is progressing. However, major work remains to be done in order to start and complete transposition in a number of sectors. The adoption of European harmonised standards should be accelerated.

Bulgaria has already achieved substantial progress in the process of aligning to the *acquis* in capital movements. Although some uncertainties with regard to the regime still exist, the main outstanding issue concerns the constitutional ban on the acquisition of land by foreigners.

However, whilst reform of the judiciary is recognised as a priority by the government and has started with the adoption of legal changes, significant further efforts and resources are needed if the judicial system is to become a strong, independent, effective and professional system, able to guarantee full respect for the rule of law as well as for effective participation in the internal market of EU.

Besides maintaining a strong drive for full-right membership, it is especially important for Bulgaria to take coherent steps preparing it for future stages of development of its relations with the EU. In addition to the efforts for adapting the economy, the political and administrative systems; for harmonizing the legislature, Bulgaria has to give more attention to a number of organizational issues. There is a severe deficit of qualified specialists that could carry out the relations with the structures of EU and even work within those structures

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## LIST OF ABBREVIATIONS

BAPU – Bulgarian Agricultural People’s Union  
BBB – Bulgarian Business Block  
BCP – Bulgarian Communist Party  
BGL – Bulgarian Lev  
BMC – Bulgarian Military Complex  
BNR – Bulgarian National Radio  
BNT – Bulgarian National Television  
BSDP – Bulgarian Social – Democratic Party  
BSP – Bulgarian Socialist Party  
BTC – Bulgarian Telecommunication Company  
CEFTA – Central European Free Trade  
COMECON – Council for Mutual Economic Assistance  
CPSU – Communist Party of the Soviet Union  
CSCE – Conference for Security and Cooperataion in Europe  
DDR – Deutsche Demokratische Republik  
DFU – Democratic Forces Union  
DP – Democratic Party  
EEC – Eastern European Countries  
EU – European Union  
GDP – Gross Domestic Product  
GNP – Gross National Product  
GVA – Gross Value Added  
HQ – Headquarters  
IMF – International Monetary Fund  
IMRO – Inner Macedonian Revolution Organization  
ISPA – Instrument for Structural Policies for Pre-Accession  
ITTA – International Company for Technological Activity  
MC – Military Complex  
MIA – Ministry of Internal Affairs  
MP – Member of the Parliament  
MRF – Movement for Rights and Freedoms  
NATO – North Atlantic Treaty Organization

NGO – Non-governmental organization  
OSCE – Organization for Security and Cooperation in Europe  
PP – People’s Party  
PU – People’s Union  
RDP – Radical-Democratic Party  
SAPARD – Special Accession Program for Agriculture and Rural Development  
SEE – South-Eastern Europe  
SEEC – Southeastern European Countries  
UDF – Union of Democratic Forces  
UN – United Nations  
UNDP – United Nations Development Programme  
UNITA – União Nacional Parad Independencie Total de Angola  
UNS – Union for National Salvation  
USA – United States of America  
USD – United States Dollar  
USSR – Union of the Soviet Socialist Republics  
VA – Value Added  
WAZ – Westdeutsche Allgemeine Zeitung  
WEU – Western European Union  
WMU – Workers-Managers Unions  
WP – Warsaw Pact  
WW II – World War II