
HOW LONG CAN BULGARIA KEEP FACING BOTH EAST AND WEST?

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Bulgaria's first stint holding the rotating EU presidency, from January to June 2018, was neither the disaster some observers predicted nor the PR coup Sofia had hoped for.

Sofia can hardly be blamed for the biggest turmoil currently roiling Europe, considering the ongoing spat over migration which has far more to do with Italy and Austria's current EU presidency's hardline policies.

But while the Bulgarian presidency averted catastrophe, it hardly represented a major step forward for the European Union.

Firstly, there was the matter of enlargement. While Bulgaria had labelled Western Balkan integration as one of the priorities for its presidency, French and Dutch opposition ensured that accession talks with Macedonia and Albania have been postponed for another year.

It isn't fair to hold Bulgaria accountable for failing to push Western Balkan enlargement to the top of the EU's geopolitical agenda; the six-month duration of the rotating presidency heavily constrains countries' abilities to promote certain topics. With Brexit and migration issues on its plate, the EU is naturally skittish about enlarging the bloc further.

What Bulgaria can be held accountable for is its inconsistent foreign policy and difficulty complying with fundamental EU principles. As I wrote at the beginning of Bulgaria's presidency, the country has made a habit of demonstrating enough progress to avoid the sanctions and blame that bedevil other problematic EU members such as Poland or Hungary.

But Bulgaria is still under special supervision from Brussels. The cooperation and verification mechanism (CVM) intended to help close gaps between Bulgaria and the rest of the European bloc remains in place 11 years after Bulgaria joined the EU - for good reason.

Bulgaria technically meets the formal criteria to join the eurozone and banking union, with low inflation and balanced public finances.

Corruption and bank collapses

However, its fragile banking sector (Bulgaria's fourth-largest bank collapsed in 2014), lack of transparency and rampant corruption make its integration into the eurozone an unacceptably high risk.

Bulgaria's economy continues to be fraught with problems: in spite of a decade of encouraging growth - Bulgaria's GDP grew 3.4 percent in 2016 and 3.6 percent in 2017 - the World Bank noted: "Productivity will need to grow by at least 4% per year over the next 25 years for Bulgaria to catch up with average EU income levels and thus boost shared prosperity".

Bulgaria is the poorest country in the EU in terms of GDP per capita but also the most corrupt.

Its judiciary is far from independent and inefficiently prosecutes corrupt officials. Corruption is deeply enshrined in Bulgarian society: more than one in five Bulgarian adults report having taken part in a corrupt transaction. This rampant graft and failing judiciary are hampering the country's growth and scaring off foreign investors.

Despite these widely-acknowledged problems, it's still fortunate [\[1\]](#) for Bulgaria and for the rest of the bloc—that Bulgaria is an EU member state.

Had Bulgaria not joined the Union, it would certainly not have made the progress it has over the last decade and would have represented a greater threat to the bloc's security.

However, Sofia may be wearing out its welcome with Western democracies by trying to play both sides [\[2\]](#) closer integration in Europe while cosying up to Moscow and Beijing, claiming to work towards hitting EU targets while putting its own interests first.

Bulgaria's energy sector offers a good example of this double-dealing.

Sofia has committed to liberalising its energy industry and abiding by EU clean energy targets, and yet continues to subsidise the very coal-fired power plants that are the main obstacle to meeting the EU benchmarks.

It's trying to develop highly controversial energy projects with Russia and China and is seeking Moscow's help to restart its Belene nuclear power project, threatening European energy security at the very time other member states are weaning themselves off dependence on Moscow.

Its recent attempts to challenge the power purchase agreements it had with Western companies AES and ContourGlobal [\[3\]](#) plants produce 20 percent of Bulgarian's electricity at a fraction of what Belene will cost [\[4\]](#) another concerning sign that Sofia's favour is shifting to Moscow and Beijing.

Foreign investors have cited this hostile business climate as they leave the Bulgarian energy market, with the latest example being the Czech-owned utility CEZ. Bulgaria's lack of a transparent energy regulator similar to those found in other EU countries casts a further shadow on its ability to maintain a free and fair energy market.

Murky media

Nor is the energy sector the only Bulgarian industry affected by papered-over corruption concerns.

The parliament recently discussed legislation, drafted by controversial media mogul and politician Delyan Peevski, to make media ownership more transparent, but the draft law does not provide for the release of information about loans, advertisement revenues and EU indirect funds despite the fact that those kinds of funding are the main sources of corruption and influence in the media sector.

This opaque media landscape is one reason why [] in Romania, Poland, or Hungary [] citizens rarely take to the streets to oppose their flawed justice system, permanent corruption or the pervasive influence of foreign powers on their domestic politics.

Bulgaria is certainly not the only EU country whose politicians' greed allows foreign powers to gain sway in highly strategic sectors such as energy.

But the rest of Europe has stronger checks and balances on this influence than Bulgaria does. Boyko Borisov cast himself as the candidate least tainted by the growing Russian influence on Bulgarian politics, and he has carefully avoided alienating the other 27 member states.

At the same time, however, he has made multiple concessions to Moscow; Borisov personally apologised to Putin and assumed responsibility for the failure of the South Stream project and is helping Moscow plan alternatives, and broke with European allies by refusing to recall diplomats from Moscow after the poisoning of former spy Sergei Skripal.

How long will the EU allow Bulgaria to walk this tightrope?

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