



GLOBAL GOVERNANCE INSTITUTE

National Backgrounders – European Foreign Policy

Country Profile

Bulgaria

Capital:	Sofia
Geographical Size:	110 899.7 km ²
Population:	7 245 677 (2014)
Population as % of total EU population:	1.4% (2014)
GDP:	€ 39.94 billion (2013)
Defense Expenditure:	€ 611 million (2013)
Official EU language(s):	Bulgarian
Political System:	Parliamentary republic
EU member country since:	1 January 2007
Seats in European Parliament:	17
Currency:	Bulgarian Lev (BGN)
Schengen area member?	No
Presidency of the Council:	First time to be in 2018

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a. Political System

Since its first general election in 1991, the Republic of Bulgaria has been a parliamentary constitutional democracy. The country is divided into 28 provinces that are progressively becoming more autonomous. The country recently underwent a period of instability, with four governments in 18 months. The current government (in place since 2014) is highly fragmented with a variety of political parties.¹

Bulgaria's head of state is the President, who is directly elected by the people for a renewable five-year term. He/She holds the executive power to sign international treaties, address the National Assembly, and grant asylum. The President is also the Supreme Commander in Chief of the Armed Forces. If he/she wants to pass a decree, the latter needs to be countersigned by the Prime Minister. The current President is Rosen Plevneliev, who took office in January 2012 after winning the October 2011 presidential elections. The Prime Minister (currently Boyko Borisov), chosen by the legislature, is the head of government. He/she presides over the Council of Ministers, which is the most powerful executive body.²

The National Assembly, elected by the people every four years, holds legislative power and parliamentary control. It passes laws and the budget, as well as set taxes. The National Assembly consists of 240 representatives with an independent budget. This body currently has three major parties: the Bulgarian Socialist Party (*BSP*, center-left coalition), the Citizens for European Development of Bulgaria (*GERB*, center-right), and the *MRF* (representing the Turkish minority)³. The incumbent parliament has the most fragmented composition in Bulgaria's democratic history.

In the 2014 parliamentary elections, Citizens for European Development of Bulgaria (*GERB*, center-right) led with 84 seats, followed by the Bulgarian Socialist Party (*BSP*, center-left coalition) with 39, the Movement for Rights and Freedoms (*DPS*, liberal) with 38, the Reformist Bloc (right-wing coalition between Democrats for a Strong Bulgaria and the Bulgaria for Citizens Movement) with 23, and the nationalist Patriotic Front with 19. A new populist party, Bulgaria without Censorship (*BBT*), took 15 seats, while the Alternative for Bulgarian Revival (*ABV*), a Socialist splinter group led by former president Georgi Parvanov, secured 11 seats. The ultranationalist *Ataka* party also won 11 seats. After a prolonged negotiation process, *GERB*'s Leader Boyko Borisov became Prime Minister by forming a coalition with the Reformist Bloc and securing the support of Alternative for the Revival of Bulgaria (*ABV*) and the Patriotic Front⁴.

In the judicial system of Bulgaria, the Supreme Court of Administration and the Supreme Court of Cassation make sure that the government passes acts that are legal and review the rulings of courts of lower instances; courts of appeal and regional courts complement the system. The Constitutional Court makes sure that all laws are in concordance with the Constitution⁵.

¹ K., G. "Bulgaria's Election: More Instability", *The Economist*, October 6, 2014. Accessed June 4, 2015.

<http://www.economist.com/blogs/easternapproaches/2014/10/bulgarias-election>.

² OECD. "Bulgaria", *Sigma Public Management Profiles*, No. 15, OECD Publishing, 1999. Web. Accessed June 4, 2015. <http://www.oecd-ilibrary.org/docserver/download/5kmk181vkgzq.pdf?expires=1442227645&id=id&accname=guest&checksum=38C44D764DBE4F0744BBECB63FB8127D>

³ *National Assembly of the Republic of Bulgaria*. Web. Accessed June 4, 2015. <http://www.parliament.bg/en>

⁴ "Bulgaria", *Freedom House | Nations in Transit 2015*, last modified May 10, 2015. Web. Accessed November 3, 2015. <https://freedomhouse.org/report/freedom-world/2015/bulgaria>

⁵ "Policy" *Republic of Bulgaria: Ministry of Foreign Affairs*. 2015. Accessed June 4, 2015. <http://www.mfa.bg/embassies/belgiumpp/en/309/index.html>.

b. Foreign Policy

According to the Bulgarian Constitution, the main priorities of Bulgaria's foreign policy are:

- National security;
- Independence of the country;
- Fundamental rights and freedoms of Bulgarian citizens; and
- Promotion of a just international order.

As a former Soviet country, Bulgaria is still undergoing many changes. It is trying to join the Eurozone and the Schengen area, to reinforce its national security, and to become part of the global market. So far, Bulgaria has been successful being on a continuous route towards democratization, promoting universal democratic as well as human rights values.

It is important for Bulgaria to keep close ties with **Romania, Serbia, Greece, Cyprus and Turkey** in order to guarantee regional security as well as stability. The European integration process in the Balkans, whose results are an example of peace and good-neighborly relations today, inspires Bulgaria's foreign policy tendencies⁶. With this regard, Bulgaria promoted the creation of the **South-East European Cooperation Process (SEECP)** in 1996. Today, this non-institutional framework includes Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Greece, Kosovo, Macedonia, Moldova, Montenegro, Romania, Serbia, Slovenia, and Turkey. The basic goals of regional co-operation within SEECP include the strengthening of security and the political situation, intensification of economic relations and co-operation in the areas of human resources, democracy, justice, and battle against illegal activities. SEECP considers itself to be complementary to the Stabilisation and Association Process. It aims to strengthen good neighborly relations and foster peace and stability in the area through the European and Euro-Atlantic structures. On 1st July 2015, Bulgaria assumed the one-year SEECP rotating Chairmanship. Bulgaria's top priorities within SEECP are: interoperability of the transport sector, energy, infrastructures, and migration. Regarding energy, Bulgaria seeks to encourage Balkan states to pursue a consistent policy aimed at guaranteeing and diversifying energy supplies and transport, at increasing energy efficiency and at developing a competitive energy market. The **interaction between SEECP and EU** – in order to achieve these goals – is of fundamental importance for Bulgaria⁷.

However, according to Stefan Ralchev from the *Institute for Regional and International Studies*, Bulgaria lacks a coherent, if any, foreign policy in the region of the **Black Sea**. In his view, Bulgaria is in search of its own identity. On the one hand, it is formally part of the Western family of nations (confirmed with its 2004 NATO and 2007 EU accessions). However, the historical legacy of its relations with Russia, its vassal position during the Soviet years, and the current total dependence on energy resources from Moscow have led Sofia to take foreign policy decisions vis-à-vis the Black Sea area that hardly in line with its own or EU interests and conforming more to a desire not to be in Russia's way⁸. This behavior has resulted in a growing number of **missed opportunities** to strengthen Bulgaria's political, economic, and cultural ties with the Black Sea countries. In Ralchev's view,

⁶ Leviev-Sawyer C., "Plevneliev: Transport, energy links common priority for Bulgaria and Serbia", *Foreign Policy News*, March 14, 2015. Web. Accessed November 4, 2015. <http://foreignpolicynews.org/2015/03/14/plevneliev-transport-energy-links-common-priority-for-bulgaria-and-serbia/>

⁷ "About SEECP", *Ministry of Foreign Affairs of Bulgaria*, last modified June 9, 2015. Web. Accessed November 5, 2015. http://www.mfa.bg/SEECP/index.php/About_SEECP

⁸ Ralchev S., "Elusive Identity: Duality and Missed Opportunities in Bulgarian Foreign Policy in the Black Sea Region", *Institute for Regional and International Studies*, June 11, 2015, p. 122. Web. Accessed November 5, 2015. http://www.iris-bg.org/fls/Ralchev_-_Elusive_Identity-Duality_and_Missed_Opps_in_Bulgaria_Foreign_Policy_in_Black_Sea_Region_-_Jun_15.pdf

Bulgaria – among other things – should: adopt a strategic blueprint for a coherent and consistent foreign policy in the Black Sea region (to be followed by alternating governments), work toward a solid economic base for an effective foreign policy, first by decreasing energy dependence on Russia, work more effectively with Central and Eastern European states within the EU for a unified EU approach to the Eastern Neighborhood, and step up trade and economic ties with individual Black Sea countries⁹.

Good relations are kept with the US market through an increasing dialogue between the two states. At the same time, Bulgaria would like to keep friendly and predictable relations with **Russia**, who is an important trading partner¹⁰. Although Bulgaria – with the help of the European Commission – effectively stopped the Russian-led South Stream gas pipeline project (in accordance with the EU’s energy union policy), discontinued construction of the planned Belene Nuclear Power Plant (which would have used Russian reactors), and toed the line on the EU sanctions imposed on Russia¹¹, Bulgaria’s relations with Russia have always counterbalanced its European and North Atlantic integration (especially when the Socialists were in power). The *European Council on Foreign Relations* (ECFR) reports that, given the long-standing economic relationship between Bulgaria and Russia, **the majority of Bulgarians (61%) does not support the imposition of severe sanctions against Russia**. Yet, the importance of the commercial and tourist exchanges with Russia, or simply the fact that a portion of the people sympathizes with this country, do not put into question the European and Euro-Atlantic choice of Bulgaria for the great majority of the Bulgarian population. On a hypothetical referendum regarding the foreign policy future of the country, 63% would vote “yes” for the **conservation of the orientation towards NATO and the EU**. The desire for a political union with Russia usually dominates among supporters of the Bulgarian Socialist Party, Alternative for Bulgarian Revival, and *Ataka*¹².

European Union (EU)

Bulgaria is a proud EU member and wishes to build a closer partnership with the EU and its Member States in order to overcome its economic difficulties. Association Agreements were signed in 1993, 1995, and 2005, allowing Bulgaria to come closer to the EU. Despite not meeting all the requirements, Bulgaria joined the EU in 2007 for security reasons; as a side-effect Bulgaria was closely monitored for a while. Millions of euros of funding for Bulgaria were however frozen in 2008, reflecting the EU’s concern about **corruption and organized crime** in the country. In 2010, the EU called on Bulgaria to take urgent action in these fields. Another cause of friction has been the Kozloduy nuclear power plant, which supplies over a third of Bulgaria's electricity. Amid concerns over the safety of communist-era nuclear facilities, four of Kozloduy's six reactors were shut down as a price for Bulgaria's EU membership¹³. Even though Bulgaria is not yet part of the Schengen and Euro areas, it is contractually obliged to join them once it has met the necessary requirements. A National Action Plan for the Adoption of the Schengen Acquis is currently followed, as well as a Strategy and Action Plan on Integrated Border Management.¹⁴

⁹ *Ibid.*, p. 123.

¹⁰ "Foreign Policy", *Embassy of the Republic of Bulgaria, London*, 2015. Web. Accessed June 4, 2015. http://www.bulgarianembassy-london.org/index.php?option=com_content&task=view&id=35&Itemid=103.

¹¹ Smilov D., "Letter from Sofia", *Judy Dempsey's Strategic Europe*, Carnegie Europe, May 22, 2015. Web. Accessed November 4, 2015. <http://carnegieeurope.eu/strategieurope/?fa=60147>

¹² "Public Opinion Poll: Bulgarian Foreign Policy, the Russia-Ukraine Conflict and National Security", *European Council on Foreign Relations*, March 26, 2015. Web. Accessed November 4, 2015.

¹³ "Bulgaria country profile - Overview", *BBC News*, last modified April 16, 2015. Web. Accessed November 4, 2015. <http://www.bbc.com/news/world-europe-17202996>

¹⁴ Hill, C. and Smith, M., *International Relations and the European Union*, 2nd Ed., New York: Oxford University Press, 2008.

Bulgaria's foreign policy priorities in the EU are: Active involvement in the Common and Foreign Security Policy; Energy Policy; Building EU common space of Justice, Freedom and Security; and Further enlargement of the EU. Most Bulgarians believe EU integration is good for the country. As a result, Prime Minister Boyko Borissov puts a lot of effort into building an image of himself as a strong pro-EU politician and as a reliable ally of German Chancellor Angela Merkel in particular. Similarly, Foreign Minister Daniel Mitov and President Rosen Plevneliev have consistently articulated and defended **pro-European positions** over the last several years. The growing awareness of the strategic importance of the EU is clearly reflected in the issue of **energy**, as Bulgaria continues to be almost a hundred percent dependent on Russian energy¹⁵. According to the ECFR's 2015 Foreign Policy Scorecard, Bulgaria has been a leading actor in the diversification of gas supplies away from Russia¹⁶.

The **European refugee crisis** has become a sensitive issue in Bulgarian daily politics¹⁷. Deputy Prime Minister and former European Commissioner Meglena Kuneva stressed that Bulgaria could difficulty determine the identities of migrants without access to the Schengen Information System (SIS). Kuneva also said that without **Schengen** membership, it was not clear how Bulgaria could contribute to the strengthening of Frontex, the EU borders agency¹⁸. Moreover, Bulgaria, Romania, and Serbia are concerned that possible closing of borders for migrants by some European Union countries may cause a bottleneck stranding millions of refugees on their territories, forcing the three states to close their borders as well¹⁹.

c. Peace & Security Policy

Bulgaria has an active policy to regionally and globally deal with peace, stability, security, human rights, democracy, and prosperity. It also particularly aims to achieve stability in South-Eastern Europe and the Black Sea region. Following recent actions in Ukraine and Crimea, **Russia** managed to trigger negative attitudes in the generally Russia-friendly Bulgarian population. Bulgarians however continue to like Russia, but they do not believe that it can be a model for development nor provide more credible guarantees for prosperity and security than the **EU and NATO**²⁰. Russian President Vladimir Putin recently assured that Bulgaria's NATO membership would not compromise its relationship with Russia: he considers Bulgaria as a very close country both spiritually and historically and intends to develop cooperation with Sofia in various areas²¹.

¹⁵ Smilov D., "Letter from Sofia", *Judy Dempsey's Strategic Europe*, Carnegie Europe, May 22, 2015. Web. Accessed November 4, 2015. <http://carnegieeurope.eu/strategieurope/?fa=60147>

¹⁶ "Bulgaria", *ECFR's Scorecard 2015*, European Council on Foreign Relations. Web. Accessed November 5, 2015. <http://www.ecfr.eu/scorecard/2015/countries/bulgaria>

¹⁷ In October 2015, a Bulgarian border guard killed a Afghan refugee. Bulgaria's interior ministry claimed that a warning shot ricocheted into the man, who died on his way to the hospital (Waever M., "UNHCR demands investigation after Afghan refugee shot dead in Bulgaria", *The Guardian*, October 16, 2015. Web. Accessed November 5, 2015. <http://www.theguardian.com/world/2015/oct/16/unhcr-investigation-bulgaria-border-guards-shoot-dead-afghan-refugee>).

¹⁸ Gotev G., "EU in danger unless Bulgaria joins Schengen, says Sofia", *EurActiv*, October 19, 2015. Web. Accessed November 5, 2015. <http://www.euractiv.com/sections/justice-home-affairs/eu-danger-unless-bulgaria-joins-schengen-says-sofia-318610>

¹⁹ Okov S., "Bulgaria, Romania, Serbia Ready to Close Borders for Migrants", *Bloomberg Business*, October 24, 2015. Web. Accessed November 5, 2015. <http://www.bloomberg.com/news/articles/2015-10-24/bulgaria-romania-serbia-ready-to-close-borders-for-migrants>

²⁰ "Public Opinion Poll: Bulgarian Foreign Policy, the Russia-Ukraine Conflict and National Security", *European Council on Foreign Relations*, March 26, 2015. Web. Accessed November 4, 2015. http://www.ecfr.eu/article/public_opinion_poll311520

²¹ n.a. "Putin: Bulgaria's NATO membership does not mean an end to relations with Russia", *Foreign Policy News*, August 17, 2015. Web. Accessed November 4, 2015. <http://foreignpolicynews.org/2015/08/17/putin-bulgarias-nato-membership-does-not-mean-end-to-relations-with-russia/>

European Union (EU)

Bulgaria contributes to the Common Foreign and Security Policy (CFSP) by enlarging the European zone of security and stability, establishing the Eastern Partnership and participating to EU-led missions. Bulgaria is part of the Common Security and Defence Policy (CSDP) and has joined several missions already in 2003, before being a EU member. The country is currently part of the **EU Battlegroup HELBROC** together with Greece, Cyprus, Romania, and Ukraine. In the first half of 2014, HELBROC was put at readiness for a fourth time, and it will do the same also in 2016, 2018 and 2020²².

North Atlantic Treaty Organization (NATO)

Bulgaria has been a member of NATO since 2004 and actively supports it by strengthening the political dialogue and coordination within the organization. In doing so, the country gains support of Bulgarians, who believe that it is important to be part of this alliance. Furthermore, the US considers Bulgaria a reliable ally in an area of strategic importance to the United States such as defense cooperation. Sofia has supported efforts to strengthen NATO's **capabilities in Eastern Europe**, for instance by agreeing to host one of the Alliance's new coordination centers on its territory. The U.S.-Bulgarian Defense Cooperation Agreement gives the United States military access to and shared use of several Bulgarian military facilities. The access facilitates joint training between the U.S. military and the Bulgarian and Romanian militaries. Bulgaria has participated in NATO-led and coalition operations, including in Libya, Iraq, Afghanistan, Kosovo, and Bosnia²³.

In addition to its contributions to NATO missions, Bulgaria allocated 1.2% of its GDP to defense expenditures (NATO indirect funding system)²⁴ in 2015. It contributed to 0.32% of the NATO Common-Funded Budgets and Programmes (NATO direct funding system) in 2014-2015²⁵. Bulgaria reinforces NATO's **open door policy** and is in favor of the Alliance's enlargement. This has been achieved by inviting Western Balkan countries for the Partnership for Peace (PfP) initiative. Moreover, Bulgaria believes that partnership between NATO and countries such as Russia, Ukraine, and Georgia are of strategic importance.

United Nations (UN)

Bulgaria has been a member of the UN since 1955, an important organization to set up national foreign policy goals. Bulgaria is pushing for reforms in several sectors such as development, security, and protection of human rights. It has taken part in many peacekeeping missions and also has supported the reform process of these missions. As of September 2015, Bulgaria takes part in UNMIK (Kosovo) and UNMIL (Liberia), providing 3 nationals²⁶.

²² Nestoras, A. "The view from Europe's borders: Greece and the CSDP as a security provider", *In* Fiott, D. (ed.) *The Common Security and Defence Policy: National Perspectives*, Egmont Institute, No. 79, May 2015, p. 62.

Web. Accessed June 22, 2015. <http://www.egmontinstitute.be/wp-content/uploads/2015/05/ep79.pdf>

²³ "U.S. Relations with Bulgaria", *U.S. Department of State*, August 4, 2015. Web. Accessed November 4, 2015. <http://www.state.gov/r/pa/ei/bgn/3236.htm>

²⁴ "NATO publishes defence expenditures data for 2014 and estimates for 2015", Press release PR/CP(2015)093-COR1, *The North Atlantic Treaty Organization*, June 22, 2015, p. 1-10. Web. Accessed November 6, 2015.

http://www.nato.int/nato_static_fl2014/assets/pdf/pdf_2015_06/20150622_PR_CP_2015_093-v2.pdf

²⁵ "NATO Common-Funded Budget & Programmes", *The North Atlantic Treaty Organization*. Web. Accessed November 6, 2015.

http://www.nato.int/nato_static_fl2014/assets/pdf/pdf_2014_06/20140611_20140601_NATO_common_funded_budgets_2014-2015.pdf

²⁶ "UN Mission's Summary detailed by Country", *United Nations Peacekeeping*, September 30, 2015, p. 6. Web. Accessed November 6, 2015. http://www.un.org/en/peacekeeping/contributors/2015/sep15_3.pdf

As an active participant in the UN, Bulgaria has been able to benefit from implemented UN projects in the field of environment protection, public and economic management, and development of information techniques. Cooperation with the UN Development Programme (UNDP) is especially strong as it has an office in Sofia.²⁷

Organization for Security and Co-operation in Europe (OSCE)

Bulgaria has been a member of the OSCE since 1973 (originally named the *Conference for Security and Co-operation in Europe*) and held its chairmanship in 2004. During this year, Bulgaria tried to raise the role of the Organization as a forum for dialogue, especially when common threats to security are involved. In 2014, Bulgaria contributed to 0.2% (€ 344,980) of the OSCE unified budget²⁸, while 11 nationals (8 of whom in field operations) worked for the Organization²⁹.

The OSCE deployed a Limited Election Observation Mission (LEOM) for the October 2014 parliamentary elections in Bulgaria. Firstly, while finding that the elections were efficiently administered and held in a competitive environment, the final report by the OSCE Office for Democratic Institutions and Human Rights (ODIHR) recommended restoring public confidence in the electoral process by addressing the persistent issue of vote-buying. Secondly, while fundamental freedoms of expression and political rights were respected, certain limitations on the rights of individuals to vote and to run as candidates remained. Some of the Bulgarian electoral law provisions on the use of national minority languages to campaign contradict OSCE commitments and international standards. Thirdly, additional recommendations relate to making efforts to promote the participation of women in the elections, improving voter education, and enhancing the transparency of campaign finance³⁰.

Council of Europe (CoE)

Bulgaria joined the Council of Europe in 1992, after the fall of the communist regime. In 2014, the European Court of Human Rights delivered 18 judgments that found at least one violation of the European Convention on Human Rights by Bulgaria³¹. Bulgaria's economic contribution to the Council of Europe is 0.27% (€ 1 136 690) of the total 2015 budget³².

Nils Muižnieks, Council of Europe Commissioner for Human Rights, released a report on his visit to Bulgaria carried out from 9-11 February 2015, raising some important issues. Firstly, the deinstitutionalization process for adults with disabilities remains very slow. Secondly, progress achieved in reception conditions and resources available to ensure basic assistance for asylum seekers are fragile. Thirdly, another issue of concern is the media environment. Lack of pluralism, opaque media ownership and financing, and editorial controls exerted by political figures through advertisement and information contracts are among the Commissioner's main concerns³³.

²⁷ "Foreign Policy", *Embassy of the Republic of Bulgaria, London*, 2015. Web. Accessed June 4, 2015.

http://www.bulgarianembassy-london.org/index.php?option=com_content&task=view&id=35&Itemid=103.

²⁸ The Organization for Security and Co-operation in Europe (OSCE), *Annual Report 2014*, July 2015, p. 105. Web. Accessed November 6, 2015. <http://www.osce.org/secretariat/169971?download=true>

²⁹ *Ibidem*, p. 109

³⁰ "OSCE/ODIHR final report on Bulgaria's early parliamentary elections recommends restoring public confidence in electoral process", Press releases, *The Organization for Security and Co-operation in Europe (OSCE)*, January 7, 2015. Web. Accessed November 7, 2015. <http://www.osce.org/odihr/elections/bulgaria/133576>

³¹ "Bulgaria – Member State", *The Council of Europe*. Web. Accessed November 6, 2015. <http://www.coe.int/en/web/portal/bulgaria>

³² *Ibidem*.

³³ "Progress in human rights remains slow in Bulgaria", *The Council of Europe*, June 22, 2015. Web. Accessed November 6, 2015. <http://www.coe.int/en/web/commissioner/-/progress-on-human-rights-protection-remains->

Strategic Culture

As a member of the EU and the NATO, Bulgaria believes that it is important to form stronger strategic cooperation between these two institutions, as the country desires a transatlantic response to common security challenges. **Bulgaria’s strategic culture conforms to both EU and NATO security policies.** Moreover, Bulgaria agrees with the prevention of proliferation of strategic weapons.

The *Bulgarian National Security Strategy* is an integral part of the EU’s and NATO’s efforts to eliminate all threats emanating from terrorism, extremism, failed states, regional conflicts, cyber terrorism and energy security. The concept of national security is interconnected to EU’s and NATO’s concepts of security, therefore efforts must be allocated into these multilateral frameworks. Moreover, according to the Strategy, the EU Common Energy Policy is formulated in the interest of the Republic of Bulgaria. The Strategy also stresses the importance given to prosperity and respect of the principle of non-interference in relation to the internal affairs of the Balkan Region and Black Sea Region countries. Bulgaria’s participation to peace operations aims at consolidating the international order and security in the near future³⁴.

According to the 2014 *National Programme: Bulgaria in NATO and in European Defence 2020*, the source of significant national security risks is the “instability of regions located near the borders of our country”. This includes “conflict confrontation in the Black Sea and Caucasus region”, as well as the “illegal annexation of Crimea by Russia and the conflict in Eastern Ukraine”. Moreover, the document mentions hybrid warfare (including “techniques of guerrilla warfare, covert support to separatist groups, cyber attacks and propaganda, economic pressure and acts contrary to international law”) and the lack of energy sources diversification as potential threats to Bulgarian security. Lastly, it is affirmed that crises in Middle East and North Africa “are a source of potential and actual risks and threats to Bulgaria and other member states of NATO and the EU”³⁵.

d. Economic Policy

European Union (EU)

Since its independence, Bulgaria has been able to achieve greater stability and successfully moved towards a free market economy. Its biggest export partners are Germany, Italy and Turkey, whereas imports mainly derive from Russia, Germany, and Italy. Even though Bulgaria only joined the EU in 2007, an EU agreement on trade and cooperation was already signed in 1990-91 making the EU an important economic partner. Under Bulgaria's former King, Simeon II, who was Prime Minister between 2001 and 2005, the country pressed ahead with market reforms designed to meet EU economic targets. In the second half of 2014, Bulgaria achieved growth, and saw unemployment fall and inflation came under control, but incomes and living standards remained low³⁶. In fact, one fifth of the population still lives below the poverty line making Bulgaria the poorest EU country. This is due to the fact that the labor market has not yet recovered from the impacts of the financial crisis. Bulgaria’s

slow-in-bulgaria?inheritRedirect=true&redirect=%2Fen%2Fweb%2Fcommissioner%2Fthematic-work%2Fmedia-freedom

³⁴ Ministry of Economy and Energy, *National Security Strategy of the Republic of Bulgaria*, March 8, 2011.

Web. Accessed November 6, 2015. http://old1.mee.government.bg/files/useruploads/files/national_strategy1.pdf

³⁵ Ministry of Defence of the Republic of Bulgaria, *National Programme: Bulgaria in NATO and in European Defence 2020*, October 3, 2014. Web. Accessed November 6, 2015.

http://www.md.government.bg/en/doc/drugi/20141016_Vision_2020.pdf

³⁶ “Bulgaria country profile - Overview”, *BBC News*, last modified April 16, 2015. Web. Accessed November 4, 2015. <http://www.bbc.com/news/world-europe-17202996>

Association for Industrial Capital (BICA) found that the shadow economy shrank as a percentage of GDP to 32.3% in 2014 from 42.2% in 2010, suggesting that Bulgarians are becoming increasingly intolerant with under-the-table economic dealings³⁷. Bulgaria is one of the member states that receive more funds than they have to pay to the EU. Thus, they have been able to benefit greatly from the EU structural funds especially when it comes to stabilizing the financial sector. Until today, Bulgaria still favors EU proposals, which boosts growth and employment. The country's **ultimate goal is to become fully integrated into the European financial system.**³⁸

In 2015, the European Commission's reported that Bulgaria is experiencing macroeconomic imbalances. In addition, the still negative (albeit improving) external position, corporate overleveraging and weak labor market adjustment continue to pose macroeconomic risks. Bulgaria is currently in the preventive arm of the Stability and Growth Pact. In its 2015 Convergence Programme, the Bulgarian Government plans to keep the headline deficit at 2.8 % of GDP in 2015. Thereafter, it intends to gradually reduce the deficit so as to reach a level of 1.3 % of GDP in 2018. The Government also plans to meet the objective of a structural deficit of 1 % of GDP in 2018. The government debt-to-GDP ratio is expected to increase over the Programme period, reaching almost 31 % in 2018. The macroeconomic scenario underpinning these budgetary projections is plausible. However, measures to support the planned deficit targets from 2016 onwards were sufficiently specified. Based on its assessment of the Convergence Programme and taking into account the Commission's 2015 spring forecast, the Council of the European Union is of the opinion that there is a risk that Bulgaria will not comply with the provisions of the Stability and Growth Pact³⁹.

Economic Diplomacy & Foreign Trade

Bulgaria's **dependence on Russian energy**, especially crude oil (80%) and gas (100%), is of increasingly important diplomatic concern. This vulnerability has been going on for many years and spiked with energy disruptions during the winters of 2007 and 2009. New pipelines plans that are important for Bulgaria's economy are currently underway. Bulgaria is expanding an underground gas storage site – Chiren – to guard against any gas supply cuts from Russian gas monopoly (Gazprom). The expansion is expected to nearly double the capacity of the storage from 550 million to one billion cubic meters of gas, at a total cost of more than € 200 million in a partly EU-funded project. The Bulgarian government is said to be willing to establish a “European gas hub”, and it is working with neighbors (Greece, Romania, Turkey, and Serbia) to ensure that the country is no longer completely reliant on Russian gas in the future. The potential gas hub in Bulgaria has to have access to large volumes of alternative gas. In this respect, the Interconnector Greece-Bulgaria (IGB) is of crucial importance. Moreover, the development of Azerbaijan's Shah Deniz II field is expected to lead to the development of the Southern Gas Corridor, which will see gas piped through the South Caucasus Pipeline (SCP), Trans-Anatolian Pipeline (TANAP), and Trans-Adriatic Pipeline (TAP) to Europe.⁴⁰

³⁷ “Bulgaria”, *Freedom House | Nations in Transit 2015*, last modified June 23, 2015. Web. Accessed November 3, 2015. <https://freedomhouse.org/report/nations-transit/2015/bulgaria>

³⁸ *National Assembly of the Republic of Bulgaria*. Web. Accessed June 4, 2015. <http://www.parliament.bg/en>

³⁹ Council of the European Union, “Council Recommendation on the 2015 National Reform Programme of Bulgaria and delivering a Council opinion on the 2015 Convergence Programme of Bulgaria”, *Official Journal of the European Union*, C272/28-31 (July 14, 2015). Web. Accessed November 6, 2015. http://ec.europa.eu/europe2020/pdf/csr2015/csr2015_council_bulgaria_en.pdf

⁴⁰ n.a. “Bulgaria wants Energy Dependence Pact with Greece, Romania, Turkey, Serbia”, *FOCUS News Agency*, October 23, 2015. Web. Accessed November 4, 2015. <http://www.focus-fen.net/news/2015/10/23/387216/bulgaria-wants-energy-dependence-pact-with-greece-romania-turkey-serbia.html>

Bulgaria's geographic location allows the country strategic access to South-East European, Middle Eastern as well as North African markets. Moreover, access to several water basins makes it an important transit country.

e. Other Diplomatic Priorities

Priorities at the European Level

Bulgaria's accession to the EU is still debated, as several of the Copenhagen criteria were not yet met when it joined the Union in 2007. Allegations of fraud as well as corruption still continue and it remains to be confirmed whether the current government will be able to stay in its position for a longer time or not.

Another issue of concern is the Turkish and Roma minorities living in Bulgaria. Even though they might have Bulgarian citizenship and/or have official residence permits, they are not fully integrated into the society and face discrimination in several aspects of their life.

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