

*The Spectre of a Two-Speed Europe***Highlights**

- ★ One of Bulgaria's paradoxes is that 25 years after the collapse of communism and almost ten years of EU membership, it seems to be quite unhappy with the transition but rather happy with its EU membership. In this way, the EU continues to be a beacon outside rather than the reality inside the country.
- ★ Bulgaria is generally pro-integration, identifying energy union, migration and asylum in particular as key policy domains where more should be achieved at the EU level. However, it shuns policies that could slow down its economic catch-up with other EU countries, such as common taxation policy.
- ★ The EU does not suffer from any lack of legitimacy in Bulgaria. However, it needs to remain credible in the eyes of the citizens, help EU countries to be ready to face today's globalisation and be a relevant actor on the international scene.

Building Bridges project

This paper is part of the Building Bridges Paper Series. The series looks at how the Member States perceive the EU and what they expect from it. It is composed of 28 contributions, one from each Member State. The publications aim to be both analytical and educational in order to be available to a wider public. All the contributions and the full volume *The European Union in The Fog* are available [here](#).

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About Building Bridges

Called "Building Bridges Between National Perspectives on the European Union", the project aims to stimulate the public debate around national experts on the relationship between their Member State and the EU and on the future of the Union. This project confronts their visions with others' from different member states, but also those of people from different horizons via workshops in Warsaw, Madrid, Paris and Brussels, which took place in 2015 gathering experts and local citizens.

The project is coordinated by the French Institute of International Relations (Ifri) with three major partners: the Polish Institute of International Affairs (PISM), Real Instituto Elcano and EUROPEUM—European Institute for European Policy. The project has also benefited from the support of institutes in each Member State.

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What does your country hope to gain from its membership to the European Union?

Before the collapse of communism, membership in the European Communities or NATO was simply unthinkable for any of the countries of the Soviet bloc. The peaceful end of the Cold War and of the bipolar confrontation in Europe took politicians by surprise in both the West and the East. They were confronted with the challenge of how to best guarantee the democratic and economic transition and the further development of the former communist countries. From the very beginning of the transition process in these countries, membership in the EU and NATO was considered an important geopolitical “return to Europe”, and a solution to both soft and hard security problems.

Some former communist countries embarked on the painful road to reforms early on. The so-called “shock therapy”¹ was indeed painful, but in the countries that did apply it early on, positive results became evident quite soon. Bulgaria was however rather slow in introducing reforms on its own. Politicians were paying lip service to the EU by arguing that membership was a high priority from late 1989 onwards. The country finally embarked on the road to deep reforms in 1997 after a serious political, economic, financial and social crisis, which was inflicted as a result of the stop and go policies between 1990 and 1997. So, whereas several former communist countries were very much advanced with their transition agenda when they started accession negotiations, Bulgaria’s transition agenda was shaped virtually in parallel with its EU accession agenda.

Bulgaria continues to be the poorest EU Member State, but the profound reform agenda of post 1997 governments and the clear

perspective to join the EU resulted, between 1998 and 2008, in the attraction of high levels of Foreign Direct Investment and GDP growth rates higher than the EU average.² From a country with an overdependence on trade with its old Comecon partners,³ Bulgaria developed into a country with more than half of its trade with EU Member States. The positive result of these developments is beyond doubt: back in 1997 upon the presentation of the European Commission’s Opinion on the country’s membership application, Bulgaria’s GDP was 24% of the Union average, whereas in 2014 it reached 47% of the Union average.

The continued low level of GDP makes the country eligible for the EU’s Structural Funds and the Cohesion Fund. While the administration of the EU funds had a lot of deficiencies in the first years of membership, in the last two or three years these problems have been broadly overcome. Improvement of infrastructure in the big cities, and throughout the country in general, is becoming more and more visible and is perceived to be a direct result of the EU funds.

A comparison with the unstable situation in the Western Balkans demonstrates a further advantage of Bulgaria’s EU membership – stability and peace.

While ordinary Bulgarians may not have had any overwhelming or personal expectations during the accession negotiations regarding the geopolitical and economic framework, they simply hoped for a better life within a democratic and prosperous society. The EU accession agenda facilitated the shaping of the transition agenda in a depoliticised way that secured broad political support in the most decisive years of the preparation for EU membership. Consequently, the tough but depoliticised reform agenda was not perceived

to be imposed by the EU or as humiliating – contrary to the way necessary reforms are perceived nowadays in neighbouring Greece (and beyond). Bulgarian analyst Ivan Krastev got to the heart of these different attitudes: “In Central Europe, Brussels was viewed as a friend and ally; in Greece it is viewed as a creditor and hostile power.”⁴ This paramount difference explains why Bulgarians have difficulty understanding the Greek reluctance and resistance to implement urgently needed reforms.

Fairness requires mentioning that Bulgarians were rather modest in their expectations about the EU regarding their personal well-being. In the years prior to the much aspired EU membership, the percentage of Bulgarians believing that EU membership would be a good thing for the country was always much higher than the percentage of people expecting personal benefits from the EU membership.

One of Bulgaria’s paradoxes is that 25 years after the collapse of communism and almost ten years of EU membership, Bulgarians seem to be quite unhappy with the transition but rather happy with the country’s EU membership. A national poll, conducted in 2014 with the aim of exploring the state of society after 25 years of democratic development, displayed rather high levels of appreciation of pre-1989 life in general, and low levels of appreciation of the post-1989 social and economic life.⁵ Only 9% of Bulgarians consider the current situation of the country’s economy to be “good” in contrast with 88% who consider it to be “bad”.⁶ However, in general, Bulgarians consider “good” both the situation of the European economy (68%) and the quality of life in the EU (78%) - obviously, excluding Bulgaria from this assessment, and in-so-doing contrasting starkly with the much lower EU average. To put it in a different way,

for Bulgarians, the EU continues to be a beacon outside the country rather than the reality in the country. It should not come as a surprise that free movement of people tops the list (at 51%) of what the EU means for Bulgarians in personal terms.

In 2015 Bulgarians continued to be among the strongly pro-EU minded nationals. For 55% of Bulgarians the EU has a rather positive image and 56% tend to trust it. In Bulgaria, the EU continues to be a project sustained by hopes and aspirations but there is also awareness about the danger of transformation of the Union into a project “surviving on shared fears and confusion”.⁷

Do you think that the European Union appears to be a clear project in your country? If not, what are the main reasons?

Regardless of the strong support for EU membership, for most Bulgarians the EU does not seem to be a clear project. A high percentage of Bulgarians answer with “don’t know” to many Eurobarometer questions about their assessment of different EU related issues.

In parallel, 69% of Bulgarians agree with the statement that the EU needs a clearer message. This result should not, however, be taken at face value and translated into demands for transforming the Union into a clear project with a predefined *finalité*.

Elaborations on the EU need to be embedded into the context of the paradigm of multilevel governance: the European level of governance cannot compensate for dysfunctionalities at the national, regional or local level. To make the EU a scapegoat for failures at the national, regional or local level is indeed not fair (although many national politicians often do this). Moreover, it

is also unfair to place unrealistic demands and expectations on the EU level.

That said, the problems triggered by globalisation will still be better addressed in a joint European effort than through national isolationism.

For federally governed countries the leverage of the different governance levels in their traditional multilevel models is self-evident. But the Bulgarian tradition is one of high centralisation, and respectively lacks a tradition of self-governance at local and regional level. Unfortunately, the EU accession has hampered rather than facilitated the badly needed decentralisation. Centralisation was even reinforced. In spring 2008 the position of Minister responsible for the administration of EU funds was introduced.

One of the reasons for an overreliance on the EU in Bulgaria is that the EU accession agenda was synonymous with the reform agenda, and this fostered an unjustified belief that the EU could provide blueprints for any policy. However, the experience of membership has, to some extent, facilitated a better understanding of what the EU cannot do. The current widespread discontent with the national economy and the functioning of the social system is blamed not on the EU, but on the national politicians.

Thus, Euroscepticism in Bulgaria is a marginal phenomenon. Of course, this could change. However, attempts to foster illusions by presenting the EU as a clear project with unrealistic social ambitions can hardly be the proper prevention mechanism against possible euroscepticism.

In early 2014 for instance, the Confederation of independent trade unions in Bulgaria succeeded in mobilising 30 000 Bulgarians to

sign the European Citizens' Initiative for an Unconditional Basic Income (UBI) in the last days of a year-long campaign. Bulgaria did surpass the national eligibility target level of participation, but since the UBI initiative was far from achieving the one million signatures required for consideration of the issue by the European Commission there was no need for official rebuttal either. The organisers of the initiative were enthusiastic about the level of mobilisation, but in a country like Bulgaria an initiative with an unrealistic goal can do more harm than foster trust in the EU.

Which degree of integration seems adequate to the position and ambitions of your country both politically and economically?

The marginal Euroscepticism in Bulgaria's political landscape, and the continuing reliance upon the EU as a provider of blueprints for reforms and policies, is the backdrop for understanding the relatively high levels of support for further EU integration among Bulgarians. In general, 61% agree that more decisions should be taken at the EU level.⁸ There is only one question among the traditional Eurobarometer questions on integration that leaves ordinary Bulgarians less enthusiastic and quite divided: while 43% are in favour of an Economic and Monetary Union with one single currency, 44% are against it. This reflects citizens' fears in several pre-in countries that the adoption of the Euro would mean higher prices and thus a higher financial burden for households.

Most Bulgarian politicians and decision makers would also subscribe to the integrationist camp. In the process of EU membership negotiations their socialisation into the EU was mainly channelled through intense contacts with the European

Commission. This anchored a broad understanding that Bulgaria's interests are better served when the Commission is strongly involved because of the existence of common EU policies. Furthermore, the youngest generation of officials and politicians has often gone through Europhile academic training and has thus a generally pro-European attitude.

Nevertheless, it has to be stressed that the accession process was one of unconditional acceptance of already existing EU policies. It had indeed been assessed that the level of integration already achieved by the EU was in the political and economic interest of Bulgaria. The accession process was one of downloading European provisions to the national level without any scope for uploading national priorities to the European level.

As a Member State, Bulgaria now has the possibility to try to upload nationally important issues to the European level, and to voice arguments against uploading certain policies still in national competence to the European level when perceiving them to be in contradiction with national interests.

Bulgaria is eager to preserve any competitive advantage considered important for facilitating an economic catch up with the richer countries in the EU. Taxation levels lower than in old Member States are one such important competitive advantage and are the backdrop for understanding Bulgaria's negative stance on a possible common fiscal and taxation policy.

Bulgaria's economic development is closely linked to sustainable energy supply and energy prices. In the process of EU accession, Bulgaria had to agree to closing down four units of its Nuclear Power Plant. This was broadly perceived as a big sacrifice and as the reason for increasing energy prices. In 2014, Russia

abandoned South Stream (a project announced in 2007 to transport natural gas from Russia through the Black Sea to Bulgaria and through Serbia, Hungary and Slovenia to Italy and Austria) but blamed Bulgaria for this decision. Bulgaria's "fault" was that it played by EU rules and insisted on compliance with the Third Energy Package, EU competition and energy legislation. With all the political tensions around the Crimean crisis, sanctions on Russia and uncertainties around future gas supply through Ukraine, Bulgaria is very vulnerable.

A European Energy Union is thus a vital Bulgarian interest linked also to the hope that in contacts and negotiations with Russia there will be no double standards.⁹ Both Bulgarian citizens and politicians support a European Energy Union, but with a slightly different rationale. For citizens, the top priority is affordable energy prices; the political benefits of continuous supply, energy independence and interconnectivity come further down on the priorities list. Climate-friendly energy isn't a top priority either for citizens or for politicians. Overly high environmental standards are often perceived to be in conflict with the financial capabilities of the country.

The 2015 refugee crisis is also increasingly recognised as a serious challenge to the further functioning of the Schengen zone and even of the EU. Having an EU external border (with Turkey as a neighbour in the South) Bulgaria is deeply concerned about the situation. In contrast with the Visegrad countries, Bulgaria did not oppose the plan for the relocation of refugees from Italy and Greece. Both solidarity and national self-interest explain the Bulgarian position. The main route of refugees and migrants has been going through the countries of the Western Balkans, not through Bulgaria, but under certain circumstances the Bulgarian-

Turkish border might be attacked by traffickers as well, presenting Bulgaria with the same challenge. Anticipating any future developments, Bulgaria considers cooperation with Turkey at the EU level and moving towards a common guarding of the EU's external borders and a common asylum and migration policy a priority of vital national interest. There is also growing concern about any attempts to turn the Balkans in general, and Bulgaria in particular, into a buffer zone between some kind of core EU (mini-Schengen) and the refugee and migrants' wave.

According to you, how could we strengthen the idea of belonging to a common European public sphere among your national citizens?

Bulgaria joined the EU back in 2007. Upon accession, the incumbent politicians were determined to prepare Bulgaria for joining the Schengen area in 2011 and the Eurozone as soon as possible. A new government elected in 2009 was similarly very ambitious in this respect. Until recently, political rhetoric in Bulgaria, especially that of parties in opposition, tended to present the lack of progress on joining the Schengen area and Eurozone as a governmental failure, which put Bulgaria into a second class membership. As a result of the Eurozone and refugee crises, some marginal political players have started to raise concerns that accession to the Schengen area, as well as to the Eurozone, might have disadvantages, or at least be premature while they are shaken by internal crises. Still, the prevailing mood is that belonging to the Schengen area and the Eurozone is in the interest of the country.

The feeling of being a citizen of the EU is increasing in Bulgaria (50% in 2015), but is still below the EU average (67%).¹⁰ It is foremost the younger generation, people with higher

education and people living in big cities that have benefited from EU membership. Because of the cleavage along age, education and living place there can be no one-size-fits-all formula to increase the sense of being part of the EU in real life and not only on paper. EU alienation might in many cases be linked to personal socioeconomic circumstances, rather than to the facts that the country is still not part of the Schengen area and the Eurozone and continues to be under EU monitoring with regard to the reform of the judiciary. Socioeconomic circumstances hampering the sense of being part of the EU can be twofold. Part of the reason may lie in the remaining great gap in living standards between the country and the EU average. It may also be the result of the seven-year long transitional period for the free movement of Bulgarians and debates in late 2013 and early 2014 in the UK and Germany about alleged "welfare tourism", and the option for possible further restrictions to the free movement of Bulgarian workers.

The spectre of a two speed Europe has been haunting Bulgarians from the very beginning of the EU accession process. Before the EU committed itself to the fifth enlargement there were several ideas floating in the air about how to integrate the Eastern candidate countries sooner rather than later, but without granting them full rights. The provisions that made Schengen and Eurozone accession conditional upon future assessment of the new members' readiness are, of course, a kind of two speed Europe, but they were designed as a temporary solution.

However, recent debates in Eurozone countries about the need to deepen integration revive fears in Bulgaria that the Eurozone countries might embark on a road that will result in even less cohesion within the EU. The

October 2015 proposal of the Luxembourg EU Presidency to consider promoting a social dimension of the Euro area, and to introduce special meetings of the Employment, Social Policy, Health and Consumer Affairs (EPSCO) Council among Eurozone members only, triggered immediate critical reactions by all non-Eurozone members, including Bulgaria. Stabilisation of Eurozone countries should definitely not happen through Eurozone caucusing and discrimination against future members. Stronger cohesion at both the European and national level is the only way to increase the sense of EU belonging in Bulgaria.

Which policies would you deem essential to conduct at the EU level in order to better legitimise the European project?

Talking about the need to better legitimise the European project suggests that the EU somehow lacks legitimacy and often results in demands for stronger powers for the European

Parliament. The EU's legitimacy is not questioned in Bulgaria and ordinary citizens do not demonstrate a special appreciation of the European Parliament. "Credibility" might be the more appropriate catchword when considering the EU's role in citizens' lives and around the world. Compared to its beginnings, the EU of today with its 28 members is much more diverse and has to play a role in "a more connected, contested and complex world".¹¹

The EU still has to convince its citizens that it can help them and their national states to cope with the challenges of the globalised world. This can only happen through the development of a genuine common foreign and security policy (including energy security) and a common defence and security policy. An EU as a credible player not only in its Eastern and Southern neighbourhood, but also worldwide, will be better placed to improve its credibility within its own borders.

Endnotes

1. Decisive measures taken by the post-communist countries in the early years of reform were labelled by critics as “shock therapy”; in fact, they very much resemble measures applied nowadays within the EU that are labelled by critics as “austerity”.
2. In 2008 Bulgaria was also affected by the international financial crisis.
3. The Council for Mutual Economic Assistance, founded in 1949 by the Soviet Union, Bulgaria, Czechoslovakia, Hungary, Poland and Romania, later expanded by further communist countries and dissolved in 1991.
4. Ivan Krastev, “A Greek Farce, Then Gloom”, *New York Times*, 17 July 2015, <http://www.nytimes.com>.
5. Alpha Research, <http://alpharesearch.bg>.
6. This and all other opinion polls’ data without specific reference are from European Commission, Standard Eurobarometer, No. 83, Spring 2015.
7. See footnote 3.
8. In more detail, 74% would favour a common foreign policy, 56% are in favour of further EU enlargement, 76% are in favour of a common defence and security policy, 67% are in favour of a trade and investment agreement with the US, 78% in favour of a common EU policy on migration, 67% in favour of a common energy policy, 65% in favour of a common EU army.
9. In a meeting with Council President Donald Tusk in October 2015, Prime Minister Bojko Borisov voiced his confusion and discontent about the different way compliance with the third energy package is interpreted in the case of the North Stream and the South Stream gas pipelines and expressed hope that a European Energy Union will not allow double standards.
10. European Commission, Standard Eurobarometer, No. 83, *op. cit.*
11. European External Action Service, *The European Union in a changing global environment: A more connected, contested and complex world*, June 2015, <http://www.eeas.europa.eu>.