BULGARIA AND THE WORLD 2019

EURO-ATLANTIC SECURITY CENTER ANNUAL ANALISYS

EASC Research Council

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ANNUAL ANALYSIS

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FOREWORD

by **Tsvetan Tsvetanov**,

President of the EASC Management
Board

In 2019 particular regional and global trends became increasingly tangible, calling for strengthening the Euro-Atlantic link and its role in the regional and global arena, as well as for a sensible and strategically oriented behavior by Bulgaria internationally.

Today we witness the US-Russia-China strategic rivalry unfold before our eyes – particularly visible through the complex node of ambitious gas-transport, infrastructure, and economic projects across Southeast and South Europe. The battle is, on the one hand, for gaining geoeconomic leverage – the "17+1" Initiative and Turk Stream project being a good case in point. On the other hand, we see a growing geopolitical competition, most notably in the Black Sea, turning the region into a central locus of the dichotomy between the Western understanding of global order and international law and Russian hard power projection through military dominance. The Three Seas Initiative with its ambition to enhance digital, transport, and energy connectivity is an effective instrument for counteracting Russian and Chinese influence in the region of the three seas. It has the potential to substantially increase the competitiveness and security of its member states, including by attaining actual energy difersification.

Against the background of this dynamic security environment, dependence on Russian gas supplies to Southeast and Central Europe remains a constant. Russia cleverly blocks supply projects to the region from

the South and Southeast, while successfully maintaining its economic and hence political influence. The implementation of Turk Stream reinforces significantly this trend posing hard-to-remove obstacles to actual diversification of natural gas sources for the region.

In these settings, the Bulgarian energy sector remains part of the regional trend of a growing reliance on the Russian Federation. Although reformed and partly liberalized, the country's energy sector is still charged with strong dependences that generate enormous corruption potential, whereby those interests occasionally spill over to the political arena as has surfaced in a number of decisions over the years regarding the development of the sector. The Belene Nuclear Power Plant and the Balkan Gas Hub may prove a threat to Bulgaria's ambitions for a regional leader on the energy map of Southeast Europe if both projects fail to fully comply with the requirements of EU legislation.

The key importance of the transport and energy corridors and projects that cross the territory of Bulgaria and the region of South East Europe, turn out to be a motive for the enhanced activity of the Russian intelligence. In the attempt to counteract the drawing force of the EU and NATO, Russia increasingly uses the toolkit of espionage and disinformation campaigns to destabilize the Western Balkan countries and instill hesitation among their societies and political elites in their strife to become part of the Euro-Atlantic family.

In the area of EU internal security we see challenges become increasingly cross-border, which requires a common European response. Agencies like Europol and Frontex are playing a key role in this regard and unless the EU and Member States provide them with the resources and instruments needed to assist national authorities in addressing those challenges, the political and geostrategic stakes may prove too high and do irreparable harm to the legitimacy of the common European project as a political endeavor.

In 2019 we have marked an extremely important anniversary: thirty years of Bulgarian democracy. From the present-day perspective, in order to understand the underlying reasons for both successful and unsuccessful reforms, or the failure to pursue any, as well as to comprehend and rationalize the structural causes of a number of challenges we face today,

it is worth looking back at history. And not just at any historic period but specifically at the period of the communist regime (1944-1989), as such a retrospective in 2019 will enable us to contextually reflect upon and evaluate what has been accomplished thirty years later, as well as to outline our plans and ambitions for the future. It is namely that period of our history that hides the dangers of interference by foreign interests in domestic matter, of distorted interpretations of freedom, the rule of law, national values and interests. Since the collapse of the totalitarian system many of its elements have been resuscitated to new life, influencing the path of development of democratic Bulgaria.

The Annual Report of the Euro-Atlantic Security Center had the difficult task not only to analyze the developments in Bulgaria and the world in 2019 but also to identify trends and patterns going beyond this timeframe, thus providing a cognitive toolkit for critical analysis of events at the national, regional, European, and global levels in 2020 and beyond. It has been a genuine pleasure for the EASC team and experts to prepare this set of analyses and bring it to your attention!

Respectfully,

Tsvetan Tsvetanov

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THE GLOBAL SECURITY ENVIRONMENT AND ITS DYNAMICS IN 2019

Prof. Rumen Kanchev, PhD, DrSc

"Since 2010 we have seen the return of Great Power competition. To varying degrees, Russia and China have made clear they seek to substantially revise the post-Cold War international order and norms of behavior"

Nuclear Posture Review, 2018

Abstract: This chapter examines the structure and dynamics of the global political scene after the post-Cold War period. It analyzes the main geopolitical interests and goals of the three global powers of today, the USA, China and the Russian Federation, along with the dynamics of their strategic rivalry. It further studies the abstract structure of global security architecture under the initial formation of a tripolar model of international relations, outlining its parameters, conflict-generating crisis points, etc.

Key words: strategic rivalry, Middle East, the Ukraine-Russia conflict, Southeast and East Asia, US-China-Russia strategic triangle, security environment, strategic context, Global Powers.

After every world conflict, there follows a strategic pause during which the winner of the recent war is the undisputed leader of the world. This is the most stable time both for the winners and the losers in the conflict. The former, by right of victory, define and impose the rules of the new world order, expanding their circle of allies and adherents; the latter try to make sense of the lost war and to adapt to the new "rules of the global game", i.e., to prepare for a new rivalry. The strategic pause that followed the Cold War, is now over and the world is no longer in the stage designated until a few years ago as the Post-Cold War Period. We are gradually entering into a new period of development, the dynamics of which differ from those of the first two decades following the Cold War. This new period is of essential importance for the structuring of the global geopolitical stage and the definition of its leading trends.

The end of the strategic pause is important above all for the behavior of the world powers. Now that the pause is over, the classical geopolitical rivalry between three world powers is resuming. This rivalry is different from that between the world powers in the 19th and 20th century, as it involves competition between economies that wield global influence (the US and China), have a global military potential (the US, Russia, and China), and are capable of operating in five physical spaces (land, sea, air, outer space and cyberspace). Despite their differences, the rivals shaping the global game share an important common feature. Albeit in very different ways, the three powers have developed historically and politically as empires (Haas, 1997; Kupchan, 2002; Eland, 2004; Scheuer, 2005, etc.). Today, this imperial complex has not entirely died away in their historical consciousness and political behavior (Scheuer, 2005; Kupchan, 1998, etc.).

Tripolar Rivalry

In 2019, the dominant geopolitical tendency continued to be that of a tripolar world. We should define today's strategic context precisely in the light of this trend. The strategic context at the beginning of 2020

can be described as pulsating between strategic stability and instability. The tripolar situation will enhance and complicate this feature. Yet we can formulate the conclusion that within the dominant trend toward multi-polarity, the geostrategic dynamics on the international stage are determined primarily by two economies, those of the USA and the Chinese People's Republic. In the global economic system, they form a more dynamic bi-polar core that has similar strategic interests and goals. It is important that both economies are capable of long maintaining broad and generously funded military programs. Study of the structure of the geostrategic dynamics shows that, prevalent over the force-based bipolar military rivalry between the US and the Russian Federation, is the economically focused bipolar rivalry between the US and China. This situation brings to the world political stage a new type of balance of strategic relations between the world powers, different from that of the Cold War. Finding itself in a state of dynamic indefiniteness, and hence of chaos, turbulence, etc., the world today is moving to a new balance of strategic relations organized simultaneously around the military-strategic US-Russia rivalry and the China-US economic rivalry. Understood in these terms, the global political stage is moving from the Cold War paradigm to a new paradigm. In the latter, the US-Russia-China geostrategic rivalry will be at the center of international relations on the world stage. This rivalry will continue in 2020 and the following years.

The US-China-Russia Strategic Triangle

In the context of US foreign policy, knitting Democrats and Republicans together based on a number of robust and irrevocable principles, the election of Donald Trump as President generated some new trends in the Washington-Moscow relations. It slowed down the emerging escalation in the dialogue between the two nuclear superpowers, which would have become real under a Democratic government led by Hillary Clinton – a scenario, under which the United States would have probably played hardball in the US-Russia relations.

Apparently the initial intentions of President Trump did not involve an escalation in the relations with Moscow as the United States were entering an important stage of shifting their foreign policy gravity center towards Southeast Asia. While defining the US-Russian relations as critically important, the 2018 and 2019 joint annual defense conferences of Republicans and Democrats have largely focused on the strategic containment of the People's Republic of China. What was the rationale behind this position of the US administration? It is anchored on several important facts. *First*, at its recent congresses the Chinese Communist Party (CCP) has been consistently formulating foreign policy goals and interests not merely of regional but of global reach. Beijing has set to the Chinese people the task to become the world's leading economy before 2050. Despite the emphatically restrained and peace-loving rhetoric of the Chinese leaders at all major international fora, the analysis of Beijing's military programs clearly suggests that the leaders of the Celestial Empire are well aware that such a gargantuan economic goal cannot be achieved unless backed by reciprocal military might. The PRC's latest military budgets indicate a sharp increase in defense spending allocated by the CCP to military infrastructure development and deployment of new weapons. *Second*, China's Army development strategy differs from both US and Russian Federation military doctrines. This is due to Beijing's special attention to the two newly emerging areas of military-strategic rivalry – *outer space (Cosmos)* and *cyberspace*. In this context, China seeks to develop deterrence potential in the outer space and the global cyber network rather than in the nuclear sphere, where it could hardly achieve over the next decade strategic nuclear parity with either the United States or Russia. However, outer space control and deployment of first-strike forces have been US "trademark" for nearly 40 years now, since the time President Ronald Reagan launched the Strategic Defense Initiative (SDI) known as "Star Wars", which played a crucial role in ending up the Cold War. This is conceivably why in the late 2018 C. the US Assistant Secretary of Defense for Intelligence, argued in a report to the annual Republican Defense Forum that "China today has the capacity to reduce

our superiority in outer space. We are talking about kinetic rockets, satellite-borne laser weapons, cyber tools, etc." (Reagon Natonal Defense Forum, 2018). *Third*, the control over the China Sea has major geopolitical implications in the entire Asia-Pacific region (AP). Its effects span not only the balance of power in this highly sensitive area of global leadership, but also the strategic stability between the United States and China. China's national security strategy defines the control of China Sea as a strategic priority of key importance for the deployment of Chinese power globally. However, this has invariably been a priority of all US national security strategies over the last century. Therefore, repositioning US geostrategic interests towards East – Southeast Asia seems only logical, realistically justified as well as rational in terms of geostrategy. The latter calls on Americans to reinforce their coalition partners in the region, while minimizing efforts to counter North Korea and other Chinese satellites. This in turn leads to important conclusions on Washington's policy vis-à-vis Russia. If Asia and the AP is the focus of US geostrategy, then it would make sense for the US relations with its other global military rival to be improved at least in the diplomatic field. The US President and his advisers, being obviously aware of this situation, have tried at the outset of President Trump's term in office to partly improve the relations with Kremlin. The strong campaign against Donald Trump, unleashed by the Democrats in 2019, virtually blocked those intentions.

The escalation of Kremlin-White House relations has *de facto* facilitated China's foreign policy, which has emerged as increasingly independent of both Russian foreign policy initiatives and American efforts to keep the Asia-Pacific region under US geopolitical domination. While future developments along this line are hard to predict, they will certainly have a detrimental effect on both Russia and the United States as they will shift the focus of US-Russia relations and cause serious implications for the international security. The most important consequence so far is related to the successive withdrawal of US and Russia from strategic nuclear weapons treaties concluded in the Cold War era between Moscow and Washington. 2019 saw the failure to renew the Intermediate-Range Nuclear

Forces Treaty amid principled US insistence to have a new treaty drafted and signed, taking into account Beijing's missile arsenal and constituting China as a party to the new, this time trilateral agreement. Since China's intermediate-range nuclear missile arsenal is commensurable with both Russia's and US arsenals, leaving China and its missile potential out of the international arms control treaty for this class of weapons would be completely illogical.

The deterioration of US-China relations is by no means to Moscow's benefit. It gives a false illusion to the Russian political and military establishment that Beijing is an ally to Moscow in building a shared strategic stability with the United States. Having the world's second-largest economy, it would be hard for Beijing to accept being on par with Russia which ranks just under the top ten on the world economic stage (11–12th place in 2019). This is supported by the relations between the two countries in the Moscow-launched at the turn of the century Shanghai Cooperation Organization (SCO). The organization remains a predominantly economic-and-trade alliance and despite all Kremlin's efforts has no political potential for deeper military-strategic cooperation. The Chinese refuse to have SCO transformed from economic-and-trade into a military-political alliance, nor even to an economic-and-trade alliance with a mutually binding (allied) military component.

At the same time, the growing tension in Moscow-Washington relations that has persisted throughout the entire 2019 and is likely to continue in the years to come, is clearly alienating Russia from the world of Western democracies. This, on the one hand, makes it difficult for the Russian Federation to jointly build with China a security alternative to the United States and the West, while on the other hand leaving Moscow to itself and with no heavyweight allies in the military race with the United States. In that sense, the Russian launched geopolitical doctrine of the "Eurasian Union" is more counterproductive to Moscow-Beijing relations than any concept capable of setting up a common framework as an alternative to the world of liberal democracies. Moreover, the "*One Belt, One Road*" *strategy, defining some of China's major strategic goals at both global*

and regional level, directly competes with some of the objectives of the "Eurasian Union" strategy.

The lack of military alliance centered around Russia, or rather the inability of Russians to build one, narrows considerably the prospects before Russia's foreign policy, which after the annexation of Crimea has been hovering in the plain of a geopolitical paradox, provoking reluctance with both, Western liberal democracies and the United States – to incorporate Russia into the Western civilization, and with Beijing – to step up the military cooperation with Kremlin. President Vladimir Putin's plans to further the industrial and technological development of the country are equally unrealistic, due to Russia's inability to compete with global powers as well as highly developed and high-tech economies such as Japan, Germany, France, the United Kingdom, etc. (Covington, 2018, p. 3). As is well known, over the past fifteen years major breakthroughs have been achieved in a number of sectors of fundamental importance such as economy, energy, security and finance, giving ground to the world's leading centers of global analyses and evaluation to speak of the "fourth industrial revolution" (Schwab, 2016). And while US, China, Japan, Germany, France, Britain, South Korea and other countries are getting a head start into this new phase of development, Kremlin is still far afield.

The Geostrategic Rivalry of Today and the Changing Structure of Global Security Architecture

The rivalry among the three centers of global power generates the dynamics of the global political scene. Its structure can be described in terms of power projections, points of geopolitical dominance and strategies pursued to balance interests at the global and regional level. The analysis of strategic documents (military doctrines, national security strategies, nuclear capabilities development strategies, etc.) and of US, Russian and Chinese policies, based on key military and diplomatic campaigns involving each of the three countries, indicates in 2019 and beyond a persisting trend of initial challenging of the US global leadership. The

two powers contesting the US leadership – the Russian Federation and the PRC – diverge significantly in their approaches and goals. The Kremlin seeks to expand its international influence, taking it to a supra-regional level by focusing its foreign policy on the highly destabilized Middle East and pursuing a gradatim yet aggressive military build-up. So far this strategy has relied on Tehran and Damascus – both close to Moscow, but Kremlin has the ambition to revive its influence in other countries of the region, with which under the bipolar model of the Cold War period Moscow used to maintain very close and mutually beneficial military and ideological ties. In this regard, Russia's operation in Syria and its complementary contribution to the US defeat of ISIL have strengthened Moscow's position in the region and have triggered broader political ambitions for the Middle East.

Many analysts of Russia's foreign and military policy have pointed out a new fact, essential for understanding Russian politics. According to Daniel Goure, Senior Vice President of the Lexington Institute, the strategic thinking of Russian political and military leadership can be only understood by taking into account the fact that *"the Kremlin views itself as being at war with the West. … As viewed by Moscow, that war is not total, but it is fundamental"* (Goure, 2019, p. 33). It should be noted that this thesis is fundamental for the security policy of the Russian Federation. To carry out this policy, the Russian Ministry of Defense has developed a number of concepts that represent a new element in the conduct of modern warfare, without escalation or armed conflict. These concepts rest on the idea for planning and conducting operations in the so-called grey zone.

While under the classical theory of war there could be a state of war and a state of peace, the hybrid Russian Army operations constitute a specific space between the two that Western experts call "grey zone", "rivalry zone" or "grey zone of conflict". In this sense, as Belinda Bragg points out, the "grey zone" is a "conceptual space between peace and war, where activity is ambiguous, indeterminate, and unclear; it goes beyond the boundaries of normal international rivalry, but subsides below the threshold of large-scale direct military conflict" (Bragg, 2019). Operations of certain governmental and non-governmental organizations, private

military organizations, etc. are carried out in this zone, which undermine or violate fundamental rules, values and principles of international law with the aim to achieve key national strategic interests and goals, *but without inciting a direct military response*. What is very important in this context is the strategy of operation of these entities in the grey zone. It is comprised of two main elements. First, the operations seek to exert pressure aimed to distort or render meaningless shared perceptions and principles, common understanding of the role of international organizations and principles of international law, common political, economic and even moral values, but without overtly and categorically denying or violating them. On the other hand, the activity of these organizations is integrated by the state and kept veiled and disguised, adding ambiguous meaning to their actions in the name of certain national strategic interests and goals. Operations carried out in the grey zone cannot be categorically defined as targeted against the existing world order and its basic norms and principles. In other words, these are operations at the flash-point between peace and war, aimed to provide a strategic advantage of a given state over its rivals or another state. Studies of the grey zone indicate that it has "higher" and "lower" activity threshold. These concepts are used to define a margin, where some level of rivalry will develop in the grey zone before it is reached and a margin, beyond which actions will enter the zone of direct military conflict. In essence, however, the so-called grey zone is a space of rivalry that never crosses two important borders – of peace and war. Operations conducted in the grey zone always pursue and try to impose strategically significant interests of the country conducting them. It is clear that such a rivalry is distinct from a direct military conflict, but moving on the edge between peace and war can escalate to unpredictable consequences. Russia deliberately plans and conducts operations in the grey zone, since by definition neither NATO nor the US would respond at relatively low levels of activity due to the existing risk of escalation.

Over the recent years Russia has been vigorously developing and employing the "grey zone" concept, a fact that poses the question of why would Kremlin need that. A short yet clear answer was provided by

General Curtis Scaparrotti, Commander of the United States European Command and NATO Supreme Allied Commander Europe. In a hearing before the US Congress, he said: "We have as a rival a Russia that has been consistently violating international law ... And I am convinced that Russia will continue to press down hard on international norms" (Scaparrotti, 2017). In fact, operations in the so-called grey zone can be extremely effective when seamlessly integrated with the legal military machine of the respective country. A classic example in this respect is the annexation of Crimea conducted by the Russian Federation in 2014.

One of the key elements in the newest Russian military strategy is risk management in the so-called grey zone. It is carried into effect through integration of all instruments of power of the state. In this context, the Russian Federation introduced an amendment to its national security strategy, which defines conventional and nuclear assets as elements of risk management. Moreover, the use of "pre-emptive first nuclear strike" has already been defined as a means of conflict management. In terms of strategic theory, the operations in the so-called the grey zone represent a "conflict strategy that deliberately makes no distinction between war and peace" (Goure, 2019, 33). The critical element in this case is that risk management in the so-called grey zone is based on the use of both conventional and nuclear means. In other words, an important element of the "grey zone" operational strategy is the doctrinal authorization of Russian commanders to use tactical nuclear weapons in risk management in order to de-escalate the respective conflict in their favour.

As for China, its strategy to challenge the US leadership in world politics is a sustainable one, i.e. with a long-term strategic perspective. Three basic elements are at the heart of China's foreign policy: 1) a high rate of economic development; 2) the "One Belt, One Road" strategy; and 3) a reciprocal increase in military capabilities. According to the former, the PRC should become a No.1 world economy before 2050; according to the second tenet, over the coming decades China must build an alternative ideological model to Western democracy, based on a new and adequate to modern realities ideological concept that in its party documents CCP has

defined as "socialism with Chinese specifics". China state leaders lay high hopes on this concept, expecting Chinese-specific socialism to become a model to follow for the Middle East and Africa as well as for the less developed countries in Southeast Asia, located in the China Sea rim. The "specifics" obviously require re-alignment with the security environment and geostrategic realities of the period after the strategic interregnum, i. e. with the realities setting the global scene after the so-called Post-Cold War Period. As for the third tenet of China's global strategy, the increase in China's defense and rearmament budgets over the past decade has been impressive. If between 2008 and 2012 China's annual military budgets stood in the range of USD 40-50 billion, in 2019 they exceeded USD 250 billion. Furthermore, in 2019 China ranked second in the world in arms sales, just one step after the US and leaving Russia behind (SIPRI, 2019).

Considering the above, it can be concluded that the structure of the global geopolitical scene today differs from that of the Post-Cold War Period. Global politics is shaped by the strategic interests and goals of three states, each with the capacity to generate supra-regional power and influence: (1) the United States as *world leader and the only global superpower*; (2) the People's Republic of China, having the world's second economic potential and a political vision for global economic domination set forth in the concept of "One Belt, One Road"; and (3) the Russian Federation, as the world's second largest military power and second nuclear power. The elapsed 2019, with all the significant developments in the field of international security and politics, has confirmed the tendency towards such a configuration.

Under this predominantly abstract structure of the global geopolitical scene, three *strategic zones* of key importance for the global competition have started to clearly emerge: (1) East and Southeast Asia or the so-called Asia-Pacific region; (2) the Middle East; and (3) the Ukraine. *There is no doubt that global competition today and over the coming years will be for the control of the three strategic zones. These zones generate high tension in the great power relations as well as crisis potential for a local military conflict, whereby use of nuclear weapons is not precluded.*

It should be further noted that each of the outlined zones has a local actor with sufficiently high military (including nuclear) potential, capable of destabilizing the respective regional context while escalating the relations of the three global powers with their local satellites in the zone.

Southeast and East Asia

The key *regional destabilizing factor* in Southeast Asia is North Korea's nuclear missile program. Over the last two years, the North Korean regime has tested six new variants of tactical ballistic missiles (TBM) and two major versions of an intercontinental ballistic missile (ICBM) capable of reaching US territory. According to Thomas Karako, director of the Missile Defense Project at the *Washington Center for Strategic and International Studies*, North Koreans have made a "powerful breakthrough by developing a solid-fuel ballistic missile designed to be launched from submarines and have successfully test-fired an anti-ship ballistic missile" (Karako, 2018). Any further development of the military nuclear program of the North Korean authoritarian regime threatens the strategic nuclear balance in the Asia-Pacific region, creating preconditions for regional military escalation. Washington's 2018 and 2019 attempts for a dialogue with Pyongyang are unlikely to continue. For decades on North Korea has used nearly half of its annual gross national product to develop its military capabilities. In other words, several generations of North Koreans have been deprived of the fruits of their labour in order to bring the country to its present state. Under normal developments for the regime, i. e. without excessive internal turmoil, its replacement would be extremely difficult, since one of the consistent patterns of authoritarian regimes is their relatively easy reproduction. Which is to say, that under an eventual change of the regime, Kim Jong Un's successor is highly likely to follow an identical or very similar policy line.

The Ukraine-Russia Conflict and Its Implications for the International Relations

The second zone of instability and periodically exacerbated geopolitical rivalry is related to the "frozen" conflict between Ukraine and Russia resulting from the annexation of Crimea by the Russian Federation and the desire of many Ukrainians to leave the sphere of Russian economic, political and military influence. This fact is perceived by the Russian Federation as a threat to its strategic interests and national security. In strictly geopolitical terms, the US is losing out on its deteriorating relations with the Russian Federation. This situation, which persisted over the past year, has blocked US diplomatic efforts in several directions. First of all, the US commitment to the Ukraine case is difficult to resolve under such strained relations with the Russian Federation. The more complex and unpredictable the Russian-American relations, the more difficult the destiny of Ukraine to resolve. The elapsed 2019 saw a serious standstill in the efforts to resolve the Ukraine-Russia case. Despite its new president, Kiev is still unable to generate the potential needed to contain Russia's attempts to partition the country into autonomous pieces and impose its political control using local ethnic Russians. Secondly, the processes after the annexation of Crimea have virtually blocked NATO's enlargement, delaying any further expansion beyond Europe. Finally, the reinforcement of the Russian military and naval contingent in Crimea and the Black Sea basin certainly poses difficulties to NATO's Southeastern Flank, generating two serious problems – on the one hand further complicating the political resolution of the problem with Ukraine, while on the other hand forcing NATO to build in the Black Sea area an adequate and reciprocal deterrence architecture.

Along with their serious negative consequences for the Russians, the economic sanctions have also triggered over the recent years the development of a counter-strategy, which is already in place and is actively pursued by the Russian Federation. It rests on several principles combining Moscow's political relations with the European Union (EU)

and the countries in its periphery with widespread deployment of the so-called hybrid operations and enhanced rearmament and modernization of the Russian army. The first principle is related to Russia's energy projects. The growing economic pressure on Moscow has sparked a strong response from the Kremlin aimed at increased European dependency on Russian energy resources. Even such a robust, lead democracy as Germany is gradually falling, though to a limited extent, under the sway of this strategy. An example in this regard is North Stream 2. Moscow's pressure on the EU periphery is also an element of the first principle, which seeks to keep Europeans, especially those of the periphery, energy-dependent on the Kremlin. Countries like Bulgaria and Hungary are most vulnerable in this respect. The second principle is related to Kremlin's attempt to forge some kind of alternative to EU and NATO enlargement. Such an alternative is presented by the well-planned and systematically conducted hybrid operations of the Russian special services in different European countries. They pursue two long-term goals. One is to break the unity and internal homogeneity of the EU. The other is to transform relations with the EU into bilateral relations with each individual member of the Union, thereby blocking the elaboration and principled pursuit of a single common foreign EU policy. As early as 2005, in a number of documents Russia formulated a fundamental principle of its relations with Europe, requiring from the Federation to build its relations with the European countries on national premises rather than in a context dominated by the imperatives of a common unified foreign EU policy. The third principle, relating to the Russian army restructuring, requires deployment of considerable military forces in Alliance-sensitive strategic zones such as the Baltic Sea and the Black Sea regions. The military-strategic balance in both zones is in favour of the Russian Federation (see Chapter 2 of this volume).

This zone of instability, directly related to the Russo–Ukrainian conflict, has an immediate effect on the EU–Russia relations, as Ukraine is the only major European country remaining outside the EU. In fact, the country is of strategic importance that goes far beyond the regional context: Ukraine is a key geopolitical space. In his classical work on

geostrategy, "The Grand Chessboard", *Zbigniew Brzezinski* gives a methodologically momentous assessment of its significance and role in global rivalry. Its very existence as an independent country, Brzezinski writes, helps transform Russia. Moreover, without Ukraine "Russia may continue to strive for an imperial status, but it would then become a predominantly Asian imperial state". On the other hand, "if Moscow seeks control of Ukraine (...), of its vast resources, and gains access to the Black Sea, then Russia will automatically acquire the means to become a powerful imperial state, spanning Europe and Asia" (Brzezinski, 1997, 57). The current situation implies that the Ukraine-Russia conflict will persist over the coming years. If Brzezinski is right, the geopolitical stake is extremely high. Obviously, today's EU and NATO strategy for Ukraine is largely irrelevant. Resolving the Ukraine-Russia geopolitical issue will require to revisit the current approach. A new approach should be based on a strategy for economic stabilization of the country and its accession to the EU over the next decade. At this stage, NATO membership could hardly be set as a goal, nor could it be easily achieved.

The annexation of Crimea strengthens Kremlin's posture in the zone. At the same time, however, Moscow's attempts to put pressure on Kiev energy-wise and militarily are a prerequisite for escalating not just Russia-Ukraine relations, but also the relations between Russia and the Western liberal democracies. In fact, through the misappropriation of Crimea – in terms of international law, Moscow has generated a context of long-term political and military confrontation with NATO and the EU.

During 2019, the economic sanctions against Kremlin have put under pressure the Russian Central Bank and the rouble, along with the Russian markets. At the same time, in February 2019 the United States launched its withdrawal from the *Intermediate-Range Nuclear Forces Treaty (INFT)* for ground-based intermediate-range and short-range ballistic and cruise missiles and their launch systems. The underlying fact is that for several years the US intelligence has closely watched the testing of a new Russian-made ground-launched missile with a range of 500–5500 km, falling under the INFT ban. In other words, for years the Russian

Federation has secretly breached this treaty by building and making operational 9M729 cruise missiles (SSC-8 under the NATO codification), given that their production and deployment is banned by a treaty signed and ratified between the two countries 20 years ago. The non-compliance with INFT raises questions on the relevance of concluding such treaties between the nuclear superpowers. The most likely outcome will be the US exit also from the last remaining strategic nuclear arms control treaty, *New START*, which expires in 2021. New START sets a ceiling on the amount of warheads that each of the two countries is entitled to hold. More importantly, the withdrawal from control treaties for strategic arms possessed by the United States and the Russian Federation indicates that the lowest point of strategic trust between the No.1 and No.2 world nuclear power has been reached. These actions by Moscow led to further escalation of tensions between the Russian Federation and NATO during 2019. In the face of growing geopolitical and military confrontation with the world of Western democracies, it will be extremely difficult for the decision-makers in Kremlin to achieve the global power status towards which the Russian political and state leadership will continue to strive over the next decade.

This raises the question of Moscow's aspirations. What the Kremlin wants is Russia to be recognized as a global power, a natural historical and geopolitical hegemon in Central Asia (the so-called near abroad) and Eastern Europe. For Kremlin's political leadership, the European Union is a failed project, whereas the Baltic States of Lithuania, Latvia and Estonia do not constitute states in the sense the Russian Federation does. Achieving these far-reaching ambitions would mean dissociation of the EU and disintegration of NATO. Of course this scenario is not only unrealistic but also absurd. It has however a "flip-side": the inability of the Russian Federation to pursue goals and strategies reaching beyond its realistic economic, political and military capabilities could also imply that being squeezed by sanctions and severe economic problems makes it easier for Russia "to engage in a particular (military, *author's note*, R. K.) adventurism vis-à-vis the West and NATO" (Schindler, 2019, p. 46).

Russia is highly unlikely to resort to the ultimate point of relations with its industrially and technologically superior Western societies. Its geopolitical location on the globe puts it in a paradoxical position with respect to the West. Beyond any doubt, geopolitically Russia is positioned to have exceptional natural advantages not only to Europeans, but also to China and East Eurasia. To these should be added the exceptional reserves of strategic raw materials such as gold, titanium, uranium, plutonium, manganese, iron, oil, natural gas, etc. Despite these natural geographical assets, Russia has never been able to find an adequate political model for their effective use in the construction of the Russian state. The country has always found itself in a paradoxical situation between the vast geopolitical resources with their potential for leadership and the inability to achieve such leadership in practical terms. Another paradox in Russian history is related to the country's proximity to such a successfully functioning, built in the course of centuries economic, political and cultural model as is the Western democracy, and the failure of Russian leaders after Peter I to build such a model. The influence of the Western world has been very strong, especially after the 18th century, but the inability of the Russian political and intellectual elites to change Russia by bringing it closer to the Western values and criteria for progress has had a detrimental effect on the self-esteem of both. While Russian intellectuals, writers, artists, scholars, poets are idealizing the West, turning the Western idea into a dream (Бердяев, 1955, p. 7–8), Russian politicians are trying to pursue a *sui generis* policy, differing from that of the West, yet powerful enough to satisfy the ambitions of an imperial power. Under such circumstances, instead of integration, Russia has always sought divergence, which Russian statesmen have often been able to structure, though for only a short time, as an ideology and a model of development strictly specific and distinct from the Western ones. Finally, the third paradox in Russia's geopolitical destiny is the fact that, despite its consistent desire under the influence of France and Germany to fit into the bosom of Western culture, Russia has never been able to achieve this, always maintaining a certain critical distance between itself and the West, either because of its excessive economic

and political backwardness as it did in the 18th and 19th centuries, or because of the wrongly chosen political ideology in the 20th century. It is noteworthy that the great philosophical and political ideas that dominated the five-century long evolution of capitalist societies were assimilated in Russia with a delay of nearly hundred years, when the West had already abandoned them as an aesthetic model in terms of artistic styles, political trends, philosophical ideas, etc. Often times Russian leaders have chosen the ultimate versions of one political ideology or another that has briefly dominated European thought, such as, for example, the dogmatization of Marxist theory without having it critically rationalized and adapted to the evolution of capitalism in the second half of the 20th century, especially in the context of the scientific and technical revolution of the 1970s. Oscillating between these paradoxes, Russia has always been torn between Europe and Asia, between East and West, between its one identity and the other.

In fact, unlike China, India or Europe, Russia has never been able to build its own vibrant civilizational identity capable of integrating through overarching values the country's population and vast geographical stretches. Russia boasts of no homogeneous, long and consistent history. Often Russian history has been interrupted to take incredible turns. It seems that such fundamentally important for the construction of European civilization epochs as Antiquity, Middle Ages, Enlightenment, Reformation and Counter-Reformation, the Renaissance and even capitalism are not stages of the same civilization in Russian culture and history. Therefore, they have left no significant traces in the cultural and historical memory of this country, and some are simply absent. In Russian culture, historical psychology and traditions, the Eastern and Western, Asian and European, central and peripheral are intricately and painfully intertwined. For example, Russia occupies a central position in terms of geopolitical importance, yet it seems to be located in the periphery. Its expansion to the "center" (the Equator) starts from a "pole" (the North Pole). The strength of its central geopolitical area, located in Europe, is supported by vast underdeveloped territories in the East and North.

Analyzing the revolutionary Russian intelligentsia that actually carried out the October Revolution in Russia, Nikolai Berdyaev, the most prominent Russian philosopher of the 20th century, points out one of its very important characteristics. "The Russians, he writes, have the extraordinary ability to ... process Western ideas and teachings ... But in most cases their mastery is dogmatic. What in the West is a scientific theory subject to criticism, hypothesis or relative truth claiming no universality, is turned by Russian intellectuals into dogmatics ... Russians are inclined to take everything in a totalitarian way, they are alien to the sceptical criticism of Western humanity" (Бердяев, 1955, 17).

These paradoxes in Russian history have had a strong impact on the political regimes governing the country. At the same time, they have instilled in Russians a highly deformed notion of leadership and mission and a dual attitude to the West – a worship of its glamorous history and culture and an intellectual and political complex due to the inability of Russian leaders to bridge the existing distance with Western European countries. It is precisely this cultural, historical and political sensibility of Russian leaders that has often generated geopolitical ambitions incompatible with its real economic, ideological, civilizational, and more recently – geostrategic potential. At the same time, however, the vast natural geopolitical and natural resources, and the extreme resilience and sacrifice of the Russian population, have nourished an outward-oriented national strategy that has, over the centuries, shaped a certain imperial complex vis-a-vis the world. From time to time this attitude was crushed by historical events, but after a while it was reborn and again directed towards expansion. This expansion of the Russian state since Peter I has invariably had two permanent strategic goals – Europe and Asia. Despite the changing and sometimes opposing political regimes, the Russian political elite, Russian diplomacy, the operational and strategic plans of the Russian General Staffs have always been pervaded by the idea of Eurasian domination. However, due to economic, political and cultural backwardness, military weakness, severe demographic or other problems, Russia has never been able to control Eurasia. Nevertheless,

whenever the Russian state was entering a period of stabilization and prosperity, this goal would inevitably come to the forefront of Russia's strategic priorities. Invariably during such periods Russia has been able to find, albeit temporarily, a sufficiently convincing ideological doctrine in support of these priorities, as well as to build a particular circle of allies and satellites (Kanchev, 2008). And always would this campaign for domination of Eurasia and domination of the West end with failure for the country and with disappointment for its population. Subsequent Russian leaders, however, after a short period of time, would again take the path of confrontation rather than integration with the world of developed European societies. Why so? Perhaps the geopolitical logic in whose parameters this country is developing is pushing it to act this way. In this strictly narrow sense, we can ask whether the Russian statesmen are so much to blame or they are simply pressed to follow the geopolitical logic of the space Russia occupies on the globe.

An Unbalanced and Conflicting Middle East

The third zone of instability is related to the events taking place in the Middle East over the recent years. While in the whole of the 19th and 20th century it was the Balkans that were known as a bubbling cauldron of local conflicts and wars (affecting partly Central Europe), over the past two decades it was the Middle East, being in a constant state of conflict and war, that has been fueling a sense of permanently unfolding long-term crisis in the region. In 2019 the initial phase of geopolitical reconfiguration in the region has clearly started to take shape. The process of Middle East restructuring is underpinned by six major players: the US, the Russian Federation, Saudi Arabia, Israel, Iran and Turkey. With the United States pursuing a strategy of slightly moving away from the region while working to strengthen the influence of Saudi Arabia and Israel, the Russian Federation is aggressively trying to expand its military and political influence in this zone, which is viewed by Moscow as vital for Russia's presence in the Mediterranean basin whose eastern part is strategically

linked to the wider Black Sea region. Moreover, the Middle East is a region where Kremlin is seeking to prove its capability of projecting military power and influence far from home, i. e. at a supra-regional level. In addition, Kremlin's political leadership sees the conflicts in the Middle East as a chance for Russian diplomacy to regain its influence in this very important part of the world.

Restructuring the Middle East will be a difficult and lengthy process, as it overlaps the interests not only of the United States, Russia and China, but also of the European Union, whose internal cohesion was disrupted by the protracted wars in Iraq (1991 and 2001–2014)), Afghanistan (2003 –) and Syria (after 2015). US interests in the Middle East call for neutralizing Iran's influence in order to prevent its ambition of becoming a dominant Middle East regional power. In this context, Washington's master plan is to freeze Iran's nuclear military program, withdraw the Iranian forces from Syria and democratize the country. The truth is, however, that the White House has no consolidated stance on Iran. A very influential group of Republicans, led by Mike Pompeo, continue to support the idea of military strike against Tehran. Pompeo is known to have embraced as a personal cause the elimination of Maj. Gen. Qasem Soleimani (December, 2019). As a leader of the proponents of more radical policies towards Tehran, in 2019 the State Secretary reinforced the Iranian team of the State Department through a series of landmark appointments of top-notch diplomats, military experts and Syria and Iran savvies from the Washington Institute for Near East Policy. In other words, US – Iran relations are most likely to escalate.

Russian interests call for stabilization of the authoritarian regime in Syria and keeping Iran in Russia's geopolitical orbit. In the years to come Kremlin will continue to regain its influence, a legacy of the Cold War tradition and the close relations Moscow used to maintain with many authoritarian leftist regimes in the region. At the same time, Moscow's close association with Bashar al-Assad has prompted the withdrawal of an entire group of countries in the region expressing disagreement with power politics of the Syrian regime that has periodically resorted to deployment of chemical weapons against its own population, including in 2018–2019.

The outlined structure of international security architecture will continue to generate havoc, conflicts, uncertainty and unpredictability of processes in the three zones. The latter will exacerbate and complicate the geostrategic rivalry in the global geopolitical scene. Theoretically speaking, the processes taking place in the three zones of instability will largely set the dynamics of contesting the US global leadership over the next two decades. In light of this competition and in order to safeguard their national interests, smaller countries will increasingly aspire for joining strong political and military alliances, which would offset their relative weakness. The three great powers will respond to the post-Cold War situation, largely shaped with their input, by using two key mechanisms. They will strengthen and expand their spheres of influence while devising strategies to counter the influence of their rivals. The most influential contemporary theorist of structural realism, John Mearsheimer of the University of Chicago, has dubbed this state of affairs "the tragedy of great power politics" (Mearsheimer, 2001). Insofar as the ultimate goal of such rivalry is to achieve a strategically balanced model of the tripolar world, creating a stable geopolitical equilibrium will require a prolonged period of time, ever-increasing defense spending and much stronger diplomatic negotiation and compromise skills to preserve peace on the planet.

Two Scenarios

Based on the above analysis, two scenarios can be formulated (in the medium and long run) regarding the geostrategic dynamics of the world beyond 2019. Both of them refer to the global competition. It should be noted that scenarios as a theoretical tool for analyzing global processes often prove incorrect. This is because the dynamics of processes taking place on the global geopolitical scene is difficult to capture, as real life is much more diversiform than our thought.

Scenario 1. The world in the coming years. *In the medium term, the PRC is the only country that has the necessary economic, ideological, military and strategic resources to "threaten" America's global leadership.*

First of all, in terms of its annual gross national product, China's economy is almost equal with that of the United States. On the other hand, unlike the Russian Federation, China is working on an impressive – in terms of its ambitions – ideological platform, the so-called *socialism with Chinese specifics*. Between 2040 and 2050, the concept of Chinese socialism's specificity must reveal its alternative advantages with respect to modern Western liberal democracy, if any. Finally, China's economic power is being consistently transformed by Beijing into a military capability. The military budgets of People's Republic of China (USD 250 billion for 2019) have already exceeded multi-fold those of the Russian Federation (USD 48 billion for 2019). China already has an advantage over the Russian Federation in mastering and control of outer space as a potential site of combat operations. The country is currently allocating enormous resources to building a modern nuclear submarine fleet and strategic aviation. Finally, Beijing's key foreign policy doctrine, "One Belt, One Road", is in fact a specific strategy for global leadership. The country's economy allows this strategy to be financially substantiated. In the coming years "One Belt, One Road" will be promoted as a major ideological opponent of Western liberal democracy. The latter may get too big for the shoes of Chinese leaders and Beijing may begin to act strategically unreasonably. So did in the twentieth century imperial Germany (during World War I), imperial Japan and Hitler's Germany (during World War II). They abandoned the strategic logic and pursued policies subject to a certain ideology. It should be however remembered that geostrategy and geopolitics are more comprehensive than political ideologies, that their power subordinates the ideological. Therefore, if Chinese leadership goes beyond the canons of strategic logics, the possibility of China's non-peaceful rise as a global power remains open

Scenario 2. How will China balance its ambitions for world leadership with the United States?

How will PRC approach the realization of its global leadership ambition? If China imitates the US rise at the beginning of the 20th century, its closest strategic goal would be to become Asia's hegemon. This would

mean for Beijing to strike in its favour a balance with the other aspiring regional players – Russia (the No. 2 global military power) and Japan (the world's third largest economy), while addressing US competition and India's regional ambitions. In other words, Beijing will strive to ensure that no power in Asia is able to challenge it in terms of economic and military might. This can happen, with the leadership of this country following a deliberate strategy of weakening Russia, Japan and India. It should be recalled that in the middle of the last century Japan could have destroyed China if World War II had not ended so infamously for Tokyo. But the focus of this scenario is different. If China tries to dominate Asia, its main obstacle will be the established vast network of Washington's regional allies and partners and multiple US military bases in the region. This could push China's political leadership into a complicated scenario of military confrontation with the US and its numerous allies in Southeast Asia and the Pacific region. It is highly likely for such a confrontation to go beyond the regional dimensions. Accordingly, in order to prevent such a scenario and protect US strategic interests in the South and Southeast Pacific, Washington will be compelled to follow a policy of weakening China to an extent that it is no longer a threat to power control in Asia. In this context, being deeply concerned with the rise of Beijing as a global power, the key regional players, i. e. Russia, Japan, India and South Korea, will probably oppose – in one way or another, depending on their interests and policies pursued, China's regional hegemony in Southeast and East Asia. Paradoxical as it may seem, these countries could even temporarily unite under an ad hoc regional coalition to contain China, the way Britain, France, Germany, Italy and others in Europe joined forces during the Cold War to thwart the Soviet Union's then gigantic military might. This means that despite Beijing's ambitions for geopolitical superiority in Asia the United States and the major regional powers in the region will be able to strike the necessary balance to contain China's rise as a global power in a democratic and peaceful framework. In fact, China would adequately address this situation if it pursued a strategy of peaceful coexistence in Asia and did not aggressively impose its intentions to challenge the US global leadership.

In the presence of nuclear weapons, the global powers seek to maintain, in a relatively reasonable manner, strategic stability among themselves. This is what has underpinned more than 70 years of peace in Europe, despite the tremendous geopolitical turmoil over the last few decades. The above implies that *China is likely to follow a balanced approach with the United States without necessarily seeking to dominate Asia*. In other words, Beijing will most likely set balanced military strategic goals in the coming decades without attempting to maximize its influence in Southeast and East Asia. At the same time, through the "One Belt, One Road" doctrine, China's economic and political influence will be intelligently projected outside Asia, for example in Europe and in Africa. *There, however, China will seek to strike the right balance of influence, so that it could last sufficiently long and is not sharply contested by the regional European powers – the EU and NATO.* Should these scenarios prove true or partly true, the next decade will see a soft balance established in the US – China – Russia relations. The United States will retain its global leadership, while under the outlined configuration of global power China will be given the opportunity to accomplish the economic development planned by the country's political leadership.

Conclusions

1. Today, and in the years to come, the security environment and its dynamics are marked by a very important characteristic: the long-term strategic rivalry between the US, China and Russia emerging on the global geopolitical scene. The world is in its infancy. The architecture of this rivalry is structured by three key strategic regions: the Middle East, Europe (the Ukraine – Russia conflict) and South and Southeast Asia. Global security in the coming years will be defined by the development of relations in these three zones.

2. Each of these strategically important regions has one major local player with the potential to destabilize the respective strategic zone, igniting a conflict between the globally significant powers and their allies

and partners in the region. For the Middle East such a destabilizing factor is Iran; for the region of the Indian Ocean and the Pacific this destabilizing factor is North Korea and for Europe – the Russo-Ukrainian conflict following Russia's annexation of Crimea. Analyzed to that effect, the architecture of the global geopolitical scene is comprised of: (1) *three great powers* with one global leader (the United States) from amongst them; (2) *three geopolitical zones* of key strategic importance for the global rivalry and security; and (3) *three local factors* with the capacity to generate a *local* conflict in their respective zones.

3. The evolution of the global security environment will be complicated by the growing ambitions of the two regional centers, China and Russia, to expand their global influence, building for that purpose their own military as well as other alliances over the next decade. In parallel, they will continue to expand their economic power and geopolitical influence by following two different approaches: China through its global impact strategy "One Belt, One Road"; Russia through variations of the failed "Eurasian Union" concept or by trying to launch its new global political vision.

4. The study of the security environment indicates that the role of *military power* in the international scene will continue to grow over the coming years. At the beginning of the third decade of the 21st century, this power will have a structure different from both the Cold War and the post-Cold War military power structure.

5. Given the tense competition between great powers on the global arena anticipated in the medium and long run, the *optimum option for the Republic of Bulgaria to guarantee its national security and vital strategic interests* is to increase its contribution to both NATO's collective defense and to building an independent European defense union, complementary to NATO. The country's membership in both organizations should be seen by every Bulgarian government, irrespective of party colour, as a strategic priority for successful development in the context of the chaotic, turbulent and multipolar contemporary world.

6. The Russian Federation will continue to pursue its security policy, driven by the ambition to re-emerge as a global power with a geostrategic

status equal or close to that of the Soviet Union during the Cold War. As Bulgaria is located in the periphery of the EU and NATO, in the medium run it will be subject to strong pressure from the Kremlin to change its European and Euro-Atlantic orientation through various instruments, including hybrid operations, operations in the so-called grey zone, pressure for keeping Bulgaria's energy dependence on Russian, etc. An effective response, needed to safeguard Bulgarian national interests, should focus on *consolidating the Bulgarian institutions and statehood, strengthening the strategic partnership with the US, reequipping the Bulgarian army and modernizing the country's armed forces, actively participating in the architecture of containment in the Black Sea, increasing the capacity and effectiveness of the Bulgarian intelligence and counterintelligence services and their interaction with our allies.*

7. Bulgaria needs to improve its military cooperation with its allies Romania, Greece and Turkey, as well as with its partners Georgia and Ukraine, in the wider Black Sea region. At the same time, it will be of paramount importance for the country's sovereignty and security to increase its deterrence potential and energy independence through real diversification of energy sources.

8. The analyzed global trends, which will shape the security environment in the coming years, compel Bulgaria to pursue a strategically sound policy in the Balkans. In this regard, the country should lay down as an important priority in its national security strategy the support for NATO and EU enlargement towards the Western Balkans.

9. If China's economic and military power keeps growing at the same pace in the coming years and if this process is not balanced in a timely manner, in the long run China will emerge as a major challenge to the US global leadership. In other words, after 2035 it may succumb to the temptation of resorting to non-peaceful means of claiming global leadership.

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THE MILITARY BALANCE
IN THE BLACK SEA

Prof. Rumen Kanchev, PhD, DrSc & Maj. Gen. (ret) Sabi Sabev, PhD

"The Black Sea region is a central locus of the competition between Russia and the West for the future of Europe."

Flanegan & Chindea, 2019

Abstract: The chapter analyzes the geopolitical and military-strategic realities in the wider Black Sea region. Following the annexation of Crimea in 2014, Kremlin's powerful military build-up in the Black Sea has resulted in a serious imbalance in the region tilting the scales in favor of the Russian Federation. This new situation calls for NATO to revisit its approach and implement the concept of Enhanced Forward Presence (eFP) in the Black Sea region. The allied maritime presence should be bolstered by establishing a standing regional Allied maritime task group and a NATO command center for the Black Sea.

Key words: Black Sea region, Eurasian Union, annexation of Crimea, NATO, USA, military balance, Tailored Forward Presence (tFP), European deterrence, military capabilities, defense.

The Black Sea Region
as a Geopolitical Reality

The annexation of Crimea by the Russian Federation has altered dramatically the relations between the United States and the EU, on the one hand, and the Kremlin, on the other. This alteration has been so profound that it has in fact changed the entire geostrategic setting of the post-Cold War period. With Crimea and the Eurasian Union concept, launched by President Vladimir Putin in 2011, the era of post-communist Russia integration in the structures of Western liberal democracy was brought to an end. This conclusion is important as it sets the frontier between the US-led Western democracies and Russia.

Despite President Yeltsin's arduous efforts to integrate Russia with the West the process has ultimately failed. Today Russia's ruling elite is convinced that the country cannot hope for either EU accession or membership with the North Atlantic Alliance. Hardly anyone in Kremlin harbours illusions in this regard, including those upholding more moderate views. The strategic and expert community surrounding the Russian president believe the "page on Europe" is read and the book is closed. Of course, the European Union will remain a major trading partner of the Russian Federation given the fact that the Russian-EU bilateral trade volume, currently at over 450 billion USD, steadily exceeds the annual commercial turnover between Russia and China. Europe, however, is no longer a key strategic priority for the Kremlin. Accordingly, the meetings of the Asia-Pacific Economic Cooperation and the Shanghai Cooperation Organization (SCO) are emerging as paramount diplomatic events for Moscow. In other words, the focus of Russian foreign policy will be shifted to building long-term relations with the *non-Western countries*. This is a logical consequence of the evolution of Kremlin's foreign policy, especially after the annexation of Crimea. In fact, in terms of its *economic development, technological progress, political model, civilizational and political dynamics, Russia is closer to Asia than to the highly advanced industrial societies of the Western*

democracies. Moreover, in an Asian setting Russia would feel and could be more easily perceived as a leader than in the world of Western liberal democracies, where attempts for its integration or inclusion have proved painstaking and to some extent inadequate to the Russian worldview, historical fate and collective public consciousness. This new situation should not be taken dramatically by EU and NATO leaders. It should be, however, noted that for one reason or another they are also responsible for its occurence because despite the efforts made in the post-Cold War years they have failed to understand and wean to their side namely that Russia, the one defeated in the Cold War. This means that the West is now compelled to develop and with precision a long-term strategy that takes into account the processes unfolding in a new Asia with two global powers, China and Russia. These two powers are hardly ready to form in the coming years a common defense or other type of military-political alliance, yet a quasi-union or soft integration reflecting their differences is a viable option that can be implemented in the medium and long run with the tactical purpose to challenge the U.S. global leadership. This process will undoubtedly have an impact on the global political scene and international security.

The Eurasian Union Strategy and the Black Sea

What are the geopolitical, philosophical, ideological, and economic parameters of this U-turn towards Asia? In fact, President Putin has repeatedly stated the views and positions of Russia's political and state leadership on this entire set of issues. Conceptually, they are most explicitly outlined in the Eurasian Union strategy. First put up in October 2011 in a small pre-election article with a philosophical discourse, the strategy was geopolitically and ideologically unrolled by the Russian President in September 2014, at the Sochi annual forum of the Valdai Discussion Club titled *The World Order: New Rules or a Game* without Rules. The key objective of the Eurasian Union, according to Vladimir Putin, is to foster a geopolitical, ideological and value competitor of

the Western model of democracy and thus challenge the post-Cold War world order (Президент России, 2014 [The President of Russia]). While in the aftermath of Putin's landmark speech at the 43rd Munich Security Conference (2007) the Eurasian Union was rather viewed as an attempt to create a political and economic model for reintegration of the so-called post-Soviet space (a.k.a. near abroad) centered around Moscow, after 2014 and the annexation of Crimea its objective has evolved to forging a specific geopolitical tool aimed at challenging the world order established in the aftermath of the bipolar model collapse. If we carefully examine the evolution of Russian politics from 2007 to 2013 we shall find that within this span of time the Kremlin strategists have constructed the Eurasian vector of Russian foreign policy and the interim idea of Customs Union which embraces the post-Soviet space using political, philosophical, and economic terminology. However, in the post-2014 period the Russian President started framing the Eurasian Union in more powerful philosophic categories, defining it as a *civilization*, an *independent center for global development, a civilization-center*, etc. At the 2014 Sochi International Forum and in the years to follow, President Putin's speeches are no longer dominated by political and economic concepts, but rather by geostrategic and geopolitical categories and patterns providing assessment of the global geopolitical processes since the beginning of the second decade of the 21st century. It is namely in the context of the Eurasian Union strategy that the ongoing Russian military involvement in the Syrian conflict and the Middle East has been forged. In other words, since 2014 the leading political idea of Kremlin's worldview has changed. Now it's about a *new world order* and a multipolar world where the Russian Federation is a global power, hence it's about a paradigm shift in the global arena. The Kremlin propaganda and ideological machine has vigorously manipulated public opinion in the country claiming that the West has foundered, that Western democracies have failed to build a just and stable world order, that Western-style democracy is not an absolute guarantee of prosperity and of course that adopting this model is not healthy for Russians. Apart

from the Eurasian Union strategy which is global in scope and purview, the Kremlin has developed and is implementing another strategy which is of regional dimension and is focused on Europe. This strategy involves hybrid operations or operations in the "grey zone", that is at the borderline of peace and war. They are aimed to distort or block the European construction by instilling distrust between the EU and NATO Member States. A key element of these special operations is aimed to drive a wedge in the transatlantic link as central component of the Western European defense by advancing new approaches to assuring European citizens' security.

This study is not intended to analyze in detail the Eurasian Union concept. However, it is not a matter of some visceral "hatred" or "love" for the West either. It is rather a product of deep value and civilizational remotization followed by a consistent cognizant attempt to conceptually define the process at a strategic level based on geostrategic and geopolitical ideas and concepts that in this case are inperative. It should be further noted that the analyzed process of Kremlin's reorientation is already completed and henceforth Moscow will act within the doctrinal framework of this conceptual setting. Assessed through that prism, the 2014 annexation of the Crimean Peninsula is a logical geopolitical reaction in the context of Russia's foreign policy and national security strategy outlined above. Therefore, analyzing the evolution of Russian politics set out in President Vladimir Putin's speech at the 43rd Munich Conference we can assert that there has been a sharp turn in Moscow's line from President Yeltsin's attempts at strategic partnership with the U.S. and Western democracies towards a radical shift in the principal geopolitical orientation, as well as in the basic set of partnerships and amities that Moscow will seek to forge over the coming years.

Building a new civilization (*civilization-center, independent global development center*, etc.) based on the formula of post-Soviet reintegration is a compelling project from theoretical and politico-economic point of view. It is undoubtedly Russia's most significant and geopolitically most ambitious post-Cold War project. Yet, it would be far too premature to

resort to forecasts today as to when and if this project will be implemented at all. What is however ceratin is that Russia's refocusing towards the Eurasian megaproject will put the country in an extremely difficult economic, political and geostrategic situation. First of all, it is unlikely for the Eurasian Union project to be applauded by Russia's neighbors to the East and Southeast, especially with such a powerful global player as China positioned in that vector. As is well known, this country has the world's second-largest economy today with an annual gross national product (GNP) of nearly 13.8 trillion USD. The Russian economy is ranked $11^{th} – 12^{th}$ in the world with an annual gross national product of 1.7 – 1.8 trillion USD. Enjoying such a strong economic power, the Chinese government has set itself the ambitious goal of becoming the world's largest economy by 2050. If China is to adhere to its program, building a powerful Eurasian center for Asian domination might be seen as a serious barrier on Beijing's path to global economic leadership. This situation would automatically generate sharp competition between the Eurasian Union and the economic and geopolitical implications of the One Belt, One Road strategy implementation. On the other hand, President Putin's sharp and consistent criticism of the EU and the United States and his defining the Eurasian Union as a civilizational alternative to the West puts Moscow at a disadvantage in regard to the world of liberal democracies which, apart from being highly industrialized and highly developed in historical and civilizational aspect, is far ahead of Russia in terms of hightech and powerful scientific breakthroughs in almost all fundamental areas of modern science.

Of course the model of Western democracy is not without flaws neither in terms of its past history nor of its present state of affairs. A case in point in this sense is the sometimes intolerant, arrogant and not always compliant with international law behavior of leading Western democracies in addressing global security issues. On the other hand, the post-Cold War collapse of the Soviet empire was painfully perceived especially in the ranks of the army and the special services. Their minds were haunted by the thought that the Cold War was lost without giving

a single battle and that the Soviet Union and Russians were betrayed by the Mikhail Gorbachev-led Soviet political elite. Was that logical? Yes, very much so, considering the fact that in the years prior to the Soviet empire collapse the Soviet army and Russian special services were in excellent shape, as maintained by a number of experts whose research correctness and high expertise can be trusted (Gray, 2007; Gray 2007a; Dobrinin, 2005, etc.). In the years of Vladimir Putin's rule this topic has consistently been interpreted and re-interpreted in nationalistic terms, starting to gradually generate a sense of frustrated revanchism among the political and military elites surrounding the Russian President. At all events Kremlin's assertive rhetoric vis-à-vis the European Union and the United States, the annexation of Crimea, the continued destabilization of parts of Eastern Ukraine, the craving to downplay the cultural and historical value of the European civilization, the calls for a "new world order" only thirty years after the end of the Cold War, etc. have made of the Western democracies a serious strategic competitor to Russia and the Eurasian Union which has not yet become a reality neither politically nor in terms of values or civilization. In doing so, however, the Kremlin has found itself facing two powerful economic, military, political, and civilizational centers with global influence:

1) China, the second largest economy in the world today with ambitions for global leadership tomorrow, and

2) The powerful and getting increasingly consolidated economic alliance of: the United States, the EU, Japan, Canada, South Korea, etc., with NATO at its hand as the only major political and military alliance today.

Table 1. Annual Gross National Product (GNP) as per International Monetary Fund (IMF) data for 2019, in USD

COUNTRY	Annual Gross National Product (USD trillion) Source: IMF	Annual Military Budget 2019 (USD billion) Source: Military Balance 2020	Per capita Annual Gross National Product (USD) Source: IMF
1. United States	22,20	684,6	67 063
2. China	15,47	181,1	10 477
3. Japan	5,50	48,6	43 45
4. Germany	4,16	48,5	49 617
5. India	3,26	60,5	2 361
6. United Kingdom	2,93	54,8	43 118
7. France	2,88	48,6	44 062
8. Italy	2,09	27,1	34 575
9. Brazil	2,06	27,5	9 703
10. Canada	1,83		48 553
11. South Korea	1,74		34 024
12. Russia	1,67	61,6	11 426

Source: IMF

Assessed from that perspective, the Eurasian Union strategy means that Russia has to engage in a very difficult battle for global influence and, without any economically, politically and militarily significant allies on its side, to compete with two economic giants: China, with a gross national product of almost 14 trillion USD, and the Alliance of highly developed Western economies: USA – EU – Japan – South Korea – Canada – Australia with a total annual gross national product of 46-47 trillion USD. Will the Kremlin be able to balance economically and militarily these important strategic characteristics of its rivals if it enters a new spiral of economic, military-strategic and political confrontation?

Evolution of the Strategic Importance
of the Black Sea Region

Control over Asia is of strategic importance for the future of the Eurasian Union and Russia. The most direct and convenient access to Central Asia is via the Mediterranean and the Black Sea. Therefore, the Black Sea region is a key element of the strategy analyzed above and the likely rationale behind Russia's Crimean operation. In fact, the annexation of Crimea has opened up an opportunity for Russia to establish a powerful naval formation for control of navigation and traffic in the Black Sea thus controlling the access to Russia's strategic Central Asia. By imposing such a control Russia addresses the following important military and geopolitical tasks: first, a powerful military force in the Black Sea such as Russia's Black Sea Fleet (BSF), with ground, air (including strategic) and missile capabilities (including Kalibr cruise missile launching systems) assigned to it, is capable of blocking NATO's enlargement to the North-East through the accession of Ukraine and Georgia; second, the control over the Black Sea significantly impedes the access of Western democracies to Central Asia, which is a key structural component of the Eurasian Union concept; third, control over the Black Sea opens up prospects for Russian military power projection to the Mediterranean Sea and the Middle East, that is at supra-regional level.

The strategic importance of the Black Sea region has been covered at length by the relevant literature. Without prejudice to the numerous studies, we will refer to the opinion of two brilliant strategists in the field of national security and geostrategy, Ronald D. Asmus and Bruce P. Jackson. In their study entitled *The Black Sea and the Frontiers of Freedom* they write: *"[T]he Black Sea region is at the epicenter in the grand strategic challenge of trying to project stability into a wider European space and beyond into the Greater Middle East."* What is more, now it is no longer *"appearing as a point on the periphery of the European landmass,"* but *"begins to look like a core component of the West's strategic hinterland."* (Asmus & Jackson, 2004). This assessment is essential to developing the Black Sea strategies of the European Union and NATO and is crucial to

building an effective deterrence architecture in this area. Therefore, the painstaking and meticulous examination of the military and military-strategic balances in the Black Sea region is of paramount importance.

The Military Balance in the Black Sea Region

The illegal annexation of Crimea by the Russian Federation in March 2014 changed the security and military balance in the Black Sea region. With its implications, this gross violation of the fundamental principles of international law on the territorial integrity of states has faced the region with unacceptable realities: a new level of militarization; potential deployment of nuclear weapons in the region; transition from cooperation to confrontation between the Black Sea littoral states; and an attempt to redraw coastlines and exclusive economic zones in the Black Sea. As a result of the annexation Russia significantly expanded its Black Sea exclusive economic zone at the expense of Ukraine.

The annexation and militarization of Crimea has transformed the Russian Federation into a dominant military factor in the region, posing increasing military threat to the rest of the Black Sea littoral states and NATO. Through massive defense buildup and enhanced long-range strike capabilities in the Black Sea Russia has positioned itself as a growing challenge to the Black Sea states and NATO in the region. With its *Bastion* and *Bal* mobile coastal defense anti-ship missile systems, new submarines, frigates, and corvettes with long-range cruise missiles onboard, as well as with its air force, Russia is capable of keeping under control and launching strikes against targets across the entire Black Sea area, including deep strikes at a combat radius of 2,500 km, and with the Tu-22M3 bombers at even greater distance. Most of Russia's assets deployed to Crimea are nuclear capable, which presents the greatest threat to Black Sea littoral states. With the forces and assets deployed to Crimea, Russia has developed a multilayer Anti-Access/Area Denial (A2/AD) network to prevent and constrain access and deployment of NATO Members States forces to the Black Sea, which will strongly impede Allied operations in defense of Black Sea Allies.

Within six years following the annexation of Crimea, Russia has upgraded airfields, air defense position areas, radar assets, and coastal anti-ship defense and storage facilities (including for nuclear ammunition) and has nearly tripled its military manpower stationed on the peninsula and more than doubled the firepower of its forces there. As at the end of 2018, Russian troops in Crimea were 32,000 strong, aiming to reach 43,000 by 2025 (Minich, 2018). Russian medium-term plans for the Black Sea region envisage even greater concentration of troops and armaments in Crimea and considerable strengthening of the Black Sea Fleet. Today, the militarization of Crimea comprises: an aviation division, an air defense division, an army corps, and a significantly augmented Black Sea Fleet. As at the end of 2019, the Russian Black Sea Fleet numbers a total of 52 ships (not counting the auxiliary vessels) of which 35 vessels are capable of carrying various classes of weapons, including *Kalibr* cruise missiles, as well as 9 submarines (Black Sea Fleet, 2019).

By firepower, range, and quality of the guided weapons, the Black Sea Fleet exceeds the combined capabilities of the Navies of the three Black Sea littoral NATO Allies, which tipped the military balance of forces in Russia's favor. Until the end of 2020, Russia intends to equip the Black Sea Fleet with 30 additional new warships, which will further increase its firepower, operational range and amphibious capabilities (Eremia, 2019).

The accelerated rearmament and modernization of the Russian Black Sea Fleet by augmenting it with new warships and submarines armed with *Kalibr* cruise missiles with a range of up to 2,500 km has posed a potential threat not only to the entire area of the Black Sea, but also to the Eastern, Central, and Southern European Allies. Not a single Black Sea littoral Ally can boast capabilities of similar magnitude. Once the Russian Black Sea Fleet warships receive their full payload of this type of cruise missiles, the BSF is expected to acquire the capabilities to launch strikes against 200 targets at a time by a single multiple launch of the said missiles. Out of Russia's four main fleets, the Black Sea Fleet is the most successful one in operational and tactical terms, according to Russian estimates made at the end of 2019. The BSF is already actively used to project power into

the Mediterranean Sea and to provide support to Mediterranean states friendly to Russia.

The total Russian control over the Black Sea air and maritime space has turned it into a "Russian lake", which would lead to severely restricted access and operations of NATO forces in the event of confrontation with Russia unless Russia's anti-air and anti-ship defenses are promptly neutralized.

Likewise, Russia has considerably strengthened its air power in Crimea, deployed to five upgraded military airfields. The assets Russia has deployed there comprise Tu-22M3 long-range bombers and Su-24 and Su-34 frontline bombers, as well as Su-30SM multirole fighters and its latest Su-35S, all nuclear-capable. Plans have also been announced that the aviation division in Crimea will be augmented in the years to come with some of Russia's latest fighter aircraft, the fifth-generation Su-57 (Kabanenko, 2019), aiming for a total of 150 combat aircraft by the year 2025 (Defence Express, 2019). Russia has thus turned Crimea into "an unsinkable aircraft carrier" and a base from which it can control the entire Black Sea airspace, as well as considerable part of the airspace of Black Sea littorals.

According to the Chairman of the Defense and Security Committee of the State Duma (one of the chambers of the Federal Assembly of the Russian Federation), among the assets Russia has deployed in Crimea are two modifications of *Iskander* ballistic missiles, whereby the combat radius of Tu-22M3 bombers with air-launched cruise missiles on board makes them capable of strikes against targets anywhere in Europe, including against air defense and missile defense systems (UAWIRE, 2019).

Russia has built strong multilayer air and missile defense systems in Crimea centered around five batteries of the most powerful anti-aircraft missile systems, the S-400, with a maximum range of 400 km at high altitudes, complete with new early-warning radars, providing long distance detection and tracking of aerial targets. These assets provide Russia with radar and anti-aircraft missile coverage over almost the entire area of the Black Sea. With all its land-based air defenses in Crimea, Russia could simultaneously launch as many as 192 surface-to-air missiles (Chang, 2019).

The installation of a strong military formation comprising air and missile defense and a naval component in both Crimea and Syria drives Turkey into a tight corner, as a significant portion of its airspace will be under Russian control in the event of a crisis situation.

Overall, Russia's behavior in the Black Sea in 2019, as in previous years, has been assertive as well as complex. The forces of the Southern Military District, whose area of responsibility encompasses the military units stationed on the Crimean Peninsula as well, often take part in military drills and snap combat readiness inspections. The Russian Black Sea Fleet also conducts frequent and complex operations with undeclared hybrid warfare components, employing conventional and unconventional provocative methods.

To Russia's big military advantage, its forces in the Black Sea and aviation on the Crimean Peninsula can carry out strikes across the territory of NATO Allies in the region without leaving the airspace and territorial waters of the country.

The unpredictable actions of Russian military forces in the region are a source of insecurity and threats to all Black Sea littoral states. Russia's capabilities for snap aggressive actions call for NATO and the Black Sea Allies to take deterrence and defense protective measures sending a clear signal that the response to such actions will be unacceptable to Russia.

NATO and U.S. Initiatives to Redress the Upset Military Balance in the Black Sea

The expert community unanimously agrees that as regards Allied security and defense it is the eastern flank of NATO that is the most vulnerable, especially its Black Sea sector. In response to the increased threat of potential aggressive actions on the part of Russia against Eastern European Allies, NATO and the United States launched several initiatives aimed at reinforcing their deterrence and defense capabilities in the region.

NATO's Black Sea Region Tailored Forward Presence Initiative

Even though the current NATO's Black Sea Strategy is based on deterrence, defense, and dialogue with Russia, it is not backed up by sufficient capabilities to guarantee its effectiveness. NATO, as a defensive alliance, is constrained in deterring Russian aggression in the Black Sea on account of the Montreux Convention, which restricts the duration of stay and the tonnage of foreign warships belonging to non-Black-Sea states.

NATO launched its tailored Forward Presence (tFP) initiative after the 2016 Warsaw Summit, mostly in aid of Bulgaria and Romania, with the aim of increasing the Alliance's deterrence and defense posture in the Black Sea region. To this end, the naval presence by non-littoral Allies was stepped up, whereas Romania set up the Multinational Corps Southeast headquarters in Sibiu, Multinational Division Southeast headquarters in Bucharest, and Multinational Brigade Southeast in Craiova (Hodges, Bugajski, & Doran, 2019). As part of this initiative, Bulgaria has contributed a 400-strong mechanized battalion to Multinational Brigade Southeast.

Another asset at NATO's disposal for the purposes of deterrence and defense of its Southeastern flank is the NATO Response Force (NRF), whose size is 40,000 troops capable of deploying at short notice in the territories of Bulgaria and Romania, and which incorporates a Very High Readiness Joint Task Force (VJTF) comprising a multinational brigade (approximately 5,000 troops) capable of rapidly deploying within a week (NATO, 2020). The problem with the NRF is that notwithstanding their high readiness, it is still possible that they arrive after the commencement of aggression against an Eastern European Ally.

NATO's Readiness Initiative also contributes to increasing the deterrence and defense capabilities of the Alliance throughout its area of responsibility, including the Black Sea region. At the London Summit (3-4 December 2019), NATO announced that it already had available to it and combat ready 30 battalions, 30 air squadrons and 30 naval combat vessels, all ready to use within 30 days (NATO, 2019).

The U.S. European Deterrence Initiative

In the wake of Russia's aggression against Ukraine and the illegal occupation of Crimea in March 2014, the United States launched an initiative aimed at reassuring its Eastern European Allies and bolstering their security, by means of which they increased their presence in Europe on a rotational basis. The reassurance initiative was transformed into European Deterrence Initiative in 2017, and the funding for the implementation of the effort was increased. The activities executed in 2019 under this U.S. initiative, which received funding of just over USD 6.5 billion for FY2019, were focused in the following lines of effort: increased presence of U.S. rotational forces to provide deterrence and response within Europe; exercises and training to improve readiness and interoperability with Allies and Partners; enhanced prepositioning of ammunition and equipment in the event further deployment of forces is required; improved infrastructure enhancements to meet the requirements of deterrence and defense; and building partnership capacity to improve Allies and Partners defense capabilities (European Deterrence Initiative, 2019).

The two initiatives correct the military imbalance in the Black Sea to a degree, though not managing to fully restore the balance. If Russia has the capabilities to threaten security in the Black Sea by maintaining a year-round presence there, then NATO's adequate response should be to reciprocate that so that it can ensure credible deterrence and defense of Allies in the region. In parallel, those Allies and in particular Bulgaria and Romania will need to considerably strengthen their defense capabilities and to insist on the visible development of Allied infrastructure on their territory where Allied units can be deployed.

Capabilities of the Black Sea Allies

Romania, unlike Bulgaria and Turkey, has made a consistent and clear-cut, well-reasoned assessment of the challenges and threats to

its national security emanating from the Black Sea, which is aligned with Allied assessments. The country is a promoter of enhancing Allied deterrence and defense capabilities in the Black Sea region. Romania's idea, tabled in 2016, of setting up a regional alliance task fleet by Black Sea Allies, was rejected by the Bulgarian Prime Minister and was therefore not put forward for consideration by NATO political and military authorities.

The Romanian Navy's Sea Fleet comprises a limited number of technologically outdated warships (three frigates, four corvettes, and three missile boats) of limited operational range and firepower. However, Romania has adopted an ambitious program on the rearmament and modernization of its Armed Forces, allocating 30% of its defense budget for that purpose. Romania has purchased a squadron of used F-16 multirole fighter aircraft and is in the process of implementing projects on the acquisition of a *Patriot* air and missile defense system and the High Mobility Artillery Rocket System (HIMARS), a ground-based long-range multiple launch rocket system. Romania is also planning to purchase in the short run four modern corvettes and three submarines, which will enhance considerably its naval capabilities. The country is purposefully investing in strengthening its national deterrence and defense capabilities and willingly accepts deployment of Allied infrastructure on its territory.

Romania promptly suggested hosting a U.S. ground-based missile defense system, as well as corps, division, and brigade headquarters, thus posturing itself as a NATO defense hub in the region.

Bulgaria is seeking to maintain friendly relations with Russia, regardless of the annexation of Crimea and the fact that Russia is backing the separatists in Eastern Ukraine, and still does not perceive Russian aggressive actions against Georgia and Ukraine as a threat to its security. In the person of its Prime Minister, the country is against the militarization of the Black Sea, while ignoring the militarization of the illegally annexed Crimean Peninsula, Abkhazia and South Ossetia, and the Russian threats in the Black Sea. Against this background, the Bulgarian Navy comprises a limited number of technologically outdated vessels (four frigates and

two corvettes, as well as a missile boat), whose weapon systems are of limited range and firepower.

In 2016, Bulgaria refused to support the Romanian initiative to pool the naval capabilities of its allies in the region and to set up a regional alliance task fleet to patrol the Black Sea. The main reasons for the Bulgarian Prime Minister's refusal were that such a step would exacerbate the confrontation with Russia in the Black Sea and will be detrimental to trade relations and tourism in Bulgaria. The Bulgarian Prime Minister was also emphatically against the installation of an Allied naval base in the Black Sea so as not to provoke Russia, and some of the parliamentary represented political parties are willing to support lifting EU sanctions against it. *Pursuing a cautious and hesitant policy in response to the challenges and threats in the Black Sea and being fully dependent on Russia for the support and maintenance of the main weapon systems of its Armed Forces, as well in the energy sector, Bulgaria is not contributing to the elaboration of a unified NATO strategy in response to Russian assertiveness in the region.* In 2019, Bulgaria continued to balance between Russia and NATO, which questions its loyalty to the Alliance. The country's reluctance to propose development of Allied infrastructure on its territory may give rise to doubts as to its solidarity with NATO efforts to reinforce its deterrence and defense posture in the Black Sea region.

The much-delayed rearmament of the armed forces of the country brought its defense capabilities as an Ally under the minimum requirement. It was not until 2019 that Bulgaria entered into a contract on the acquisition of eight F-16 multirole fighter aircraft of the latest modification, with an option of acquiring another eight after 2025 to build a fighter squadron. Furthermore, in the final quarter of 2019, our country purchased two second-hand minesweepers from the Netherlands. The procedures on the selection and acquisition of two new patrol vessels for the Navy and of 150 new armored combat vehicles are in their initial stages, with the respective contracts expected to be signed in 2020. Tangible outcomes of these projects will probably not be seen until at least 2025.

Near the end of 2019, Bulgaria proposed and coordinated with the United States the setting up of a maritime coordination center in Varna for

NATO Naval Forces in the Black Sea, which could grow into a principal command center for Alliance's operations in the Black Sea. To appease Russia, Bulgaria firmly denies any associating the center with a base. It is recommendable that this national initiative be coordinated with Romania and Turkey as well, in order to secure their support in the process of consideration and approval by the NATO political and military bodies. Without a doubt, Bulgaria must do a lot more to enhance the Alliance's deterrence and defense posture to counter potential aggressive actions on the part of Russia in the Black Sea.

Turkey, regardless of the strained relations with its Allies and the United States in particular on the assessment and response to regional threats, remains a key NATO Ally in the Black Sea region. Turkey's top priority, however, is not Black Sea security but the security along its Eastern borders and the Eastern Mediterranean. The country has not updated its Black Sea security policy, which is not coordinated with the Alliance, and firmly upholds adherence to the Montreux Convention with regard to the tonnage and stay of warships belonging to non-Black-Sea states, a position that is in the interest of Russia. Rather than counterbalancing the growing Russian power in the Black Sea, Turkey prefers cooperation with Russia and has accepted its dominance in the region. The increasing economic and military cooperation between Turkey and Russia, and the purchase of the S-400 modern Russian air defense systems in particular, undermined Turkey's relations with principal NATO Allies.

The Turkish Armed Forces, including their Naval Fleet, are the largest in size compared to those of the other two Allies in the region. The Turkish Navy, however, is deployed and positioned primarily to deflect threats against the country in the region of the Aegean and Eastern Mediterranean. The Turkish Navy has a total of 73 small and large warships, of which 12 submarines. The number of vessels in the Turkish Naval Fleet exceeds that of the Russian Naval Fleet, but falls behind in terms of firepower and range. Yet Turkey is implementing an ambitious shipbuilding and modernization program for its Navy and is planning to have commissioned new frigates, corvettes, and submarines by 2025, including a large amphibious assault

ship featuring a flight deck for helicopters and fighter jets with VTOL (Vertical Take-off and Landing) capability, which will considerably increase the firepower and range of the Turkish Naval Fleet.

In 2019, Turkey began the construction of a second naval base on its Eastern Black Sea coast, but still has not announced a decision to increase the number of standing deployments of warships to the Black Sea. Turkey hosts on its territory key NATO Allied infrastructure, such as the Incirlik Air Base, Allied Land Command (LANDCOM), and a radar, which is part of Allied missile defense architecture (Eremia, 2019).

Conclusions and Recommendations on Enhancing NATO's Defense in the Black Sea Area

From the operational and strategic perspective, certain conclusions can be drawn and the respective recommendations can be made with a view to reinforcing the defense posture of the North Atlantic Alliance in the Black Sea Area.

Conclusions: 1. The Black Sea Allies, Romania, Turkey, and Bulgaria, do not share a common, unified assessment of the threats in the Black Sea region and have not been able to develop an adequate regional strategy within the framework of the Alliance in response to the challenges and threats to their security. Turkey seems unwilling to enhance its naval capabilities in the Black Sea, which leaves Bulgaria and Romania's combined naval power utterly insufficient to put right the military imbalance in the Black Sea brought about by Russia. In terms of air power, the three Black Sea Allies again fall behind Russia. Russia's combat aviation, deployed to Crimea, together with the aviation of the Southern Military District, comprising a total of more than 350 combat aircraft, currently dominates the combined combat aviation of Turkey, Romania, and Bulgaria in operational range and firepower. Only Turkey could counter to some extent Russian air provocations and aggressive operations in the Black Sea region if it employs all its aviation power.

2. Bulgaria, Romania, and Turkey lack powerful assets to provide early warning long-range reconnaissance and surveillance capability, as well

as long-range mobile coastal-defense anti-ship systems. The three Allies, assisted by NATO political and military bodies, should coordinate more closely their actions in the Black Sea. Our analysis leads to the conclusion that as a start, the three countries need to reconsider, via NATO, the idea of a standing Allied maritime task group in the Black Sea set up out of their own forces and periodically augmented by other Allies' ships.

3. The military imbalance between NATO and Russia in the Black Sea may only be corrected after the Alliance's transition to enhanced Forward Presence and the development of infrastructure and capabilities with credible deterrence and defense power. The objective is not to aim for parity of naval power in the Black Sea between NATO Member States and Russia, but to establish such deterrence posture of the Alliance as would not allow for Russia's taking aggressive action without suffering unacceptable losses. To address the needs of this region, NATO should deploy to the territories of Romania and Bulgaria forward-based ground and air forces from other Allies, on a permanent or rotational basis. Presence of Allied warships in the Black Sea for longer periods of time throughout the year is also necessary. To this end, pooling of national and Allied capabilities will also be required.

4. Russia is fully aware of the military imbalance in the Black Sea thus analyzed. This both boosts its military strategic self-confidence and inspires it to attempt to sap the confidence of the command staff of NATO Allies in the area. The latter is also a plausible explanation for the more frequent hybrid operations against Bulgaria and Romania over the past few years. Russia's military pressure in the region is matched with political one, along with vigorous hybrid operations seeking political destabilization of NATO Member States in the Black Sea Area. This process will continue in the years to come. This is why NATO should give the state of Allied defense in the area very serious consideration, promptly taking the required measures to establish effective Allied deterrence architecture in the Black Sea.

Recommendations:

1. As of 2021, NATO should implement its enhanced Forward Presence concept with regard to the Black Sea as well, deploying on a rotational basis army and air contingents in order to mitigate the military imbalance with Russia in the region.

2. Bulgaria, Romania, and Turkey, jointly or independently, should initiate the development within NATO of a detailed defense plan for the Black Sea region, similar to that for the Baltic region.

3. The Allied maritime presence in the Black Sea should be bolstered by establishing a standing regional Allied maritime task group for regular patrolling. The standing Allied task group should gradually be transformed into a NATO command center for the Black Sea, based on the coordination center proposed by Bulgaria.

4. In the area of the Black Sea region the Alliance should establish a well-equipped technologically robust air, missile, and anti-ship defense zone with the deployment of long-range mobile anti-ship and air defense systems.

5. It is necessary to enhance Allied Air Policing in the airspace of Bulgaria and the Black Sea, by means of deployment, on a rotational basis, of an Allied fighter squadron to a Bulgarian Air Base until operationalizing a Bulgarian F-16 squadron.

6. Another multinational brigade should be established, on Bulgarian territory, within Multinational Division Southeast.

7. Bulgaria and Romania should submit a reasoned request for prepositioning of additional armaments and equipment in their territories to facilitate the timely deployment of Allied forces in the event of crisis circumstances and invocation of Article 5 of the Washington Treaty.

Neither in the short-term nor in the long-term perspective will Russia abandon the implementation of the Eurasian Union Doctrine. One of its most important elements is the Black Sea dominance. The latter means that the security environment in the Black Sea region requires close attention and further efforts on the part of NATO Headquarters in Brussels if we are to achieve strategic stability of the Alliance with Russia in the Black Sea.

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RUSSIAN ENERGY PROJECTS IN BULGARIA AND THE RISKS FOR CENTRAL AND SOUTHEAST EUROPE

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Abstract: By analytical retrospective of the development of Russian energy projects in Bulgaria and the role of Bulgarian governments over the years, the chapter traces out the logic underlying Russia's growing political and economic influence in the region of Southeast and Central Europe and the risks involved.

Key words: Gazprom, South Stream, Turk Stream, Belene NPP.

Access to energy resources and energy at competitive prices is essential for the economic development, prosperity, and independence of every country. This is pricisely the line followed by EU policies. This should be also the course of the Bulgarian energy policy but the results over the last 15 years show otherwise.

Bulgaria saw the end of 2018 with a penalty imposed by the European Commission (EC) in the amount of 77 million EUR for abuse of dominant market position by the Bulgarian Energy Holding (BEH), Bulgargaz EAD and Bulgartransgaz EAD in the period between 2007 and 2015 following a complaint filed by Overgas Inc. AD (50%-owned by Gazprom Export).

Despite statements on priority development of projects focused on building a competitive energy market, diversification of natural gas sources and energy security, in 2019 the government continued to work on two large-scale projects in the energy sector – Turk Stream and Belene Nuclear Power

Plant (NPP) which tie-up Bulgaria in the long run to the Russian energy policy in Southeast and Central Europe.

The Turk Stream Project (Russian Southern Gas Corridor)

The elapsed 2019 will be remembered in the energy sector as a turning point in the transport and delivery of natural gas supplies from Russia to the Balkans due to the terminated transmission of natural gas through Ukraine via the Trans-Balkan gas pipeline at the end of 2019 and the start of gas deliveries via the Turk Stream pipeline as of January 1, 2020.

The TurkStream Route

Source: Plamen Enev, http://iconomist.bg/101648

With the implementation of the Turk Stream and Nord Stream projects Russia is on the way to achieving its long-pursued strategy to have direct access to the European users of Russian natural gas via transmission pipelines that are either owned or controlled by Russia.

A case in point in this respect is Russia's first attempt in the period 1994-1996 to gain direct control over the Bulgarian transit gas transmission system in order to deliver Russian natural gas to the neighbouring

countries, an example which clearly illustrates the model and technology of imposing and making decisions on the implementation of geopolitical projects in the energy sector between Bulgaria and Russia. A number of inter-governmental and corporate agreements are concluded to this end. A joint venture company, Topenergy AD, is set up (gradually placed directly and indirectly under Gazprom's control) and relevant government decisions adopted for granting 35-year concessions over Bulgarian transit gas pipelines both existing and new ones.

It was only the changed political situation and the fall of the cabinet of the Bulgarian Socialist Party (BSP) in the early 1997 that hampered the implementation of Gazprom's plan, which was only made possible owing to the active support and cooperation of a number of government officials and civil servants in the period 1994-1996.

Starting in 1997, the new Bulgarian governments took steps to transform the energy relations with Russia based on market principles. As a result, contracts were signed on April 27, 1998 between Topenergy EAD, Gazprom Gazexport and Bulgargaz EAD for the delivery and transit of Russian natural gas to and via Bulgaria to the neighbouring countries.

Following corporate changes in 2003, another Gazprom-owned company, Overgas Inc. AD Bulgaria became a party to the Agreement for the delivery of natural gas to Bulgargaz.

In November 2006 Gazprom-Media announced the strategic partnership agreement signed at Gazprom's headquarters between Gazprom and ENI for the establishment of new and development of existing gas transmission routes, including under the Blue Stream framework (Gazprom, 2006).

At the end of 2006 three new contracts were signed between Gazprom Export, Overgas Inc. AD, and Bulgargaz EAD: a Memorandum for further development of the Russian-Bulgarian cooperation in the natural gas sector and Annexes to the Contracts for the delivery and transit of Russian natural gas to and via Bulgaria. The main results achieved by signing these documents were as follows: the term of the gas transit contract was extended to 2030, including termination of transit fees payment in the form of natural gas at fixed prices; Overgas Inc. AD took over all deliveries of Russian natural gas to Bulgaria by 2012 inclusive.

On 1 January 2007 Bulgaria acceded to the European Union with all the rights and obligations ensuing from EU membership. In line with the new reality and requirements, in January 2007 Bulgargaz EAD was transformed into Bulgargaz Holding EAD with three subsidiaries: Bulgartransgaz EAD, Bulgargaz EAD, and Bulgartel EAD.

In June 2007 Reuters reported on a plan agreed between Gazprom and ENI for the development of a new major pipeline project for transmission of Russian gas through the Black Sea to Europe, repealing an earlier plan for extension of the Turkish route (Scevola & Zhdannikov, 2007). According to the announced plan, the new gas pipeline named South Stream would pass through the Black Sea, surface land in Bulgaria, pass across its territory and via two detours reach Slovenia and Austria and Southern Italy.

Source: https://www.euractiv.com/section/central-europe/news/hungary-attempts-to-bypass-eu-law-on-south-stream/

The second attempt by Gazprom to acquire a transit gas pipeline via Bulgaria dates back to January 2008, when the governments of the Republic of Bulgaria and the Russian Federation signed an Agreement for cooperation in the development of a gas pipeline for natural gas transmission across the territory of the Republic of Bulgaria with a capacity of 31 billion cubic meters (BCM) per year. Pursuant to the same Agreement the parties have

to cooperate for setting up a joint venture between Bulgargaz Holding and Gazprom to build the gas pipeline. Accoding to the Agreement signed, the gas pipeline, as well as other property and entities set up and (or) acquired by the joint venture, will be owned by the company. The property of the joint venture will not be expropriated, nationalized or subject to measures equal in terms of consequences to expropriation or nationalization. A familiar scenario with the same old actors: the cabinet of the Bulgarian Socialist Party (BSP) and Gazprom.

In September 2008 Bulgargaz Holding EAD was transformed into Bulgarian Energy Holding EAD (BEH) and its capital was increased through in-kind contributions by the National Electricity Company (NEK), Kozloduy NPP EAD, Maritsa Iztok 2 TPP EAD, and Mini Maritsa Iztok EAD. The main goals of the actions taken by the government are obvious: consolidation of the potential of the state-owned companies in the energy sector in a single entity; distancing of the state from their operational management and control and creating financial and economic prerequisites for the implementation of large-scale energy projects and eventual future privatization under the right conditions.

Meanwhile, a trend of imposing restrictive measures on Western oil companies operating in Bulgaria has settled in since late 2008. The first such measure was the tacit refusal by the Minister of Energy to transform Galata gas field into a gas storage facility as proposed by the concession holders, the UK companies Petreco and Melrose Resources. The issue has remained unsolved until the end of 2019 even though in late 2009, soon after the first GERB cabinet stepped in office, it was reported with priority. The report on the issue, prepared by the Natural Resources and Concessions Directorate of the Ministry of Economy, Energy and Tourism (MEET), was submitted by Deputy Minister Maya Hristova to Minister Traycho Traykov.

In May 2009 BEH and Gazprom signed a Cooperation Agreement for development of a gas pipeline for natural gas transit across the territory of Bulgaria (the South Stream Agreement) with a capacity of 31 BCM per year, 100% committed by Gazprom based on the principle of "transport or pay". The gas pipeline is planned as part of a new gas transmission system

for transit and delivery of Russian natural gas passing from the Russian Black Sea coast via Black Sea and Bulgaria to reach third countries.

Source:
https://www.dw.com/en/south-stream-pipeline-construction-begins/a-16435203
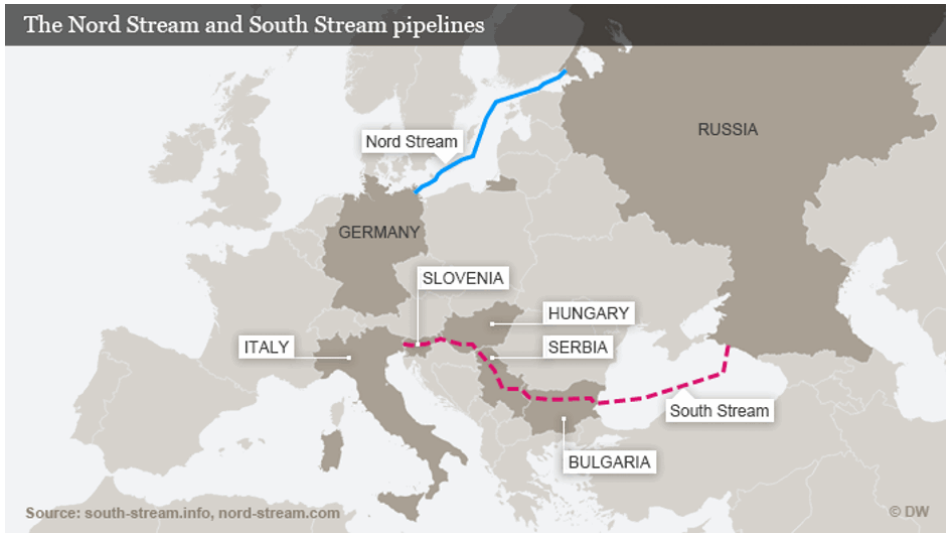
Despite the fact that after its accession to the EU on 1 January 2007 Bulgaria has brought its energy legislation in line with the EU law, Bulgarian representatives, politicians, and managers continued to sign agreements and assume commitments in flagrant violation of the national legislation and the EU provisions on third country access to Bulgaria's gas transmission system and the independence of Bulgartransgaz as system operator of the network. This has not been a single case but rather an established practice that has resulted afterwards in troubles with the European Commission and penalties imposed by the Commission in the amount of tens of millions euro. There is no other plausible explanation of such behaviour on behalf of official government and business representatives except the assumption of a deeply-ingrained direct and indirect dependences on Russia and its structures controlling the parties in question. Such kind of dependences are typical not only of Bulgaria but of all countries – users of Russian natural gas in Europe. The toolkit used to this end has been described in detail

by the German investigative journalist Juergen Roth in his book *Gazprom – the Sombre Empire*, published in Germany in 2012, the translation into Bulgarian published in the same year (Roth, 2012).

What the book highlights as specific for Bulgaria is that the dependence resourcing mechanism is rested upon the implementation of large-scale construction and energy infrastructural projects through involvement of companies described as "ours". The essence of this mechanism lies in awarding contracts at unreasonably high prices based on the "turnkey" approach under which the contractor implements the project from the design up to the ready-for-use site handover. This practice has gained notoreity for its highest possible corruption potential and is typical of countries with authoritarian or quasi-authoritarian regimes. It should be noted that this practice has been widely employed after 2009 emulating the Gazprom model so well described in the book of Juergen Roth. Until 2009 the contracts for gas infrastructure development used to be awarded on a differential basis: the delivery of facilities and equipment would be carried out by Bulgargaz/Bulgartransgaz whereas the construction would be commissioned on specialized construction companies. The use of such a model saved considerable financial means.

The implementation of activities pursuant to the South Stream Agreement took place under strong Russian pressure. Indicative in this regard is the fact that according to the contract between the shareholders of South Stream Bulgaria AD (50% BEH, 50% Gazprom) the representatives of Gazprom have the casting vote on key issues. The equality principle waiver by BEH has placed the Bulgarian company in the position of a puppet with all the ensuing consequemces. At the same time, in order to finance its participation in the public limited liability company BEH had to borrow a loan from Gazprom Bank.

The restrictive measures against Western oil companies operating on land in Bulgaria continued in the period after 2009, at the beginning of the period – in the form of refusals to grant permissions for oil and gas exploration following contests won and later on – in the form of refusal to grant a concession for the shale gas extraction to the US company Trans-

Atlantic. At the same time, governments since 2000 have demonstrated a great deal of tolerance towards oil companies connected to Russia including through flagrant violation of the Underground Resources Act.

The line of imposing restrictions on Western oil companies reached its apex in the early 2012 when the National Assembly passed a decision to ban the fracking technology on the territory of the Republic Bulgaria (National Assembly of the Republic of Bulgaria, 2012). Thus Bulgaria became the first country to officially take a stance against the shale gas extraction technology, a method that has brought about a revolutionary change in global energy politics and made Russia denounce it as early as in 2008. This decision resulted in the immediate withdrawal of the international oil company Chevron that had earlier won the competition announced by the Council of Ministers of the Republic of Bulgaria for oil and gas exploration and extraction in Block 1 Novi Pazar field.

In November 2012, the Council of Ministers adopted the final investment decision for the South Stream project. As was known and made public later on, this act took place without meeting basic requirements for such decisions. This was discussed in a number of interviews given by Ekaterina Zaharieva, Deputy Prime Minister and Minister of Regional Development and Public Works in the interim cabinet of Georgi Bliznashki.

On Decemeber 7, 2012 a ground-breaking ceremony for the South Stream gas pipeline took place in the Russian Black Sea city of Anapa. At the end of October 2013 the first sod for the Bulgarian section of the South Stream gas pipeline was turned at the site of Rasovo compressor station. A number of dignitaries joined the ceremony through videoconferencing, among them the Chairman of the Board of Directors of Gazprom Alexey Miller, the Prime Minister of the Republic of Bulgaria Plamen Oresharski, the Minister of Economy and Energy of Bulgaria Dragomir Stoynev, and the Minister of Energy of the Russian Federation Alexander Novak.

At the end of 2013 South Stream Bulgaria AD launched a tender procedure for the construction of the South Stream gas pipeline. The notice prompted a snowball of media publications, including in the Russian media, that the winner was known and it was Consortium

Stroytransgas Russia. The latter resulted in public discontent and a check by the European Commission followed by an order issued by Prime Minister Plamen Oresharski for suspension of the project activities until the issues with the European Commission were solved. As a result of these developments, inter alia, on December 1, 2014 Russian President Vladimir Putin terminated the South Stream project.

Of course, the reasons for the termination of the South Stream project are complex but the main ones are the unacceptable arrogance and unceremonious manner Moscow and Gazprom adopted in pursuit of their strategic goals. As the Russian expert Mihail Korchemkin noted in his article of 29 August 2018, "Bulgaria is the scapegoat for the failure of the Russian South Stream gas pipeline and has no fault for its collapse" (Korchemkin, 2018).
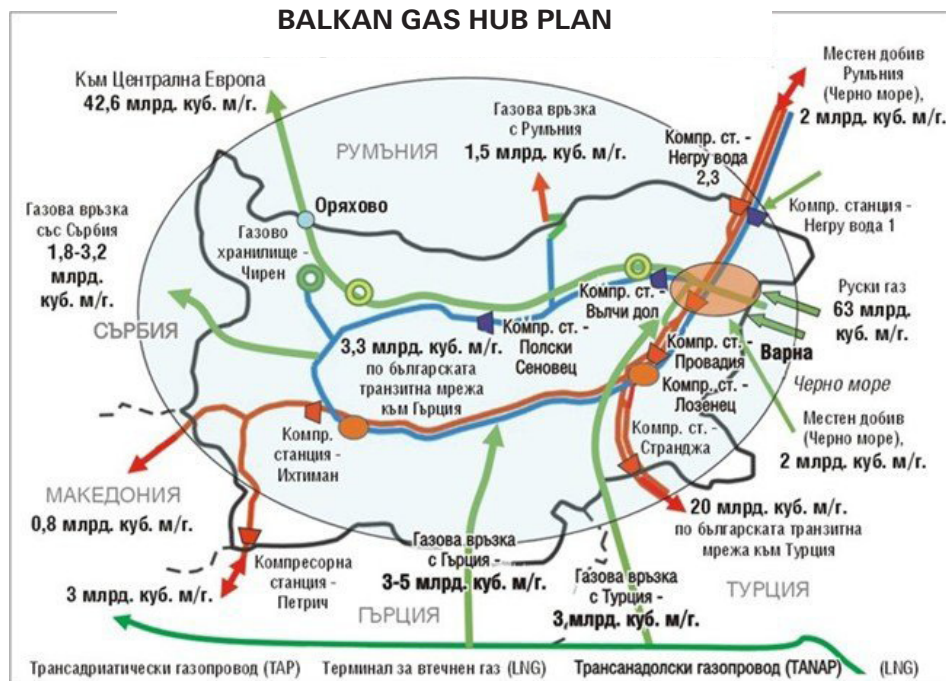
In fact, the South Stream project was mimicked in the Turk Stream project as a reserve option of the plan to implement the Russian Southern Gas Corridor, not as a single autonomous gas transmission system from Russia across the Black Sea to Austria but as a system of connected national gas pipelines that are parts of the relevant national gas transmission systems. This mimicry is a tactical move that stands a high chance of success. It is by no accident that Paolo Scaroni, ENI CEO, made a statement on March 12, 2010 at a conference in Houston, the US, that "at a certain section South Stream and Nabucco gas pipelines might merge, which will result in savings of considerable financial means" (RIA News, 2010). This is exactly what has happened with the Turk Stream project but the costs and risks are at the expense of the transit countries.

The essence of the new plan was most probably laid down in the "roadmap" (agreement) for the development of the Bulgarian gas transportation system signed between the Government of Bulgaria and Gazprom at the St. Petersburg International Economic Forum in June 2017. Such agreements (roadmaps) were signed at the same time by Serbia and Hungary as well.

According to information from the Kommersant website (Barsukov, 2017) and the website of the Ministry of Foreign Affairs of Hungary (Szijjarto, 2017), the latter agreements ("roadmaps") refer to options

for the development of gas pipelines in the relevant countries and such development is to be at the expense and risk of the countries in question. The Bulgarian Energy and Mining Forum (BEMF) tried in vain to obtain from Energy Minister Petkova a copy of the roadmap for Bulgaria. According to an unofficial source, the content of this roadmap is known only to Minister Petkova and probably Prime Minister Borissov.

Meanwhile, at the beginning of 2015 Prime Minister Boyko Borissov launched a conceptual plan for the development of the Balkan Gas Hub in the territory of the country. Even though it was untenable, given the fact that it was based on future insecure premises, the plan was publicly supported both in Bulgaria and by the European Commission.

BALKAN GAS HUB PLAN

Source:

http://vevesti.bg/135277/ek-saglasna-v-gazovia-hab-balkan-da-postapva-i-ruski-gaz/

Many of the basic preconditions for the development of the Balkan Gas Hub were missing at the time the concept was announced and others failed to take place afterwards, yet the project played its covert role, that is to have

a gas transmission system developed from the Bulgarian-Turkish border, across Bulgaria to the Bulgarian-Serbian border by means of expanding the existing and building a new gas pipeline from the Balkan Hub (the area of the existing Provadia compressor station). Well-founded suppositions exist that the plan for the development of the Balkan Gas Hub came into existence as part of Gazprom's reserve option for the implementation of the Southern Gas Corridor and not as a nationally-focused project.

The old methods have not worked out but the new methods might help Russia achieve its strategic goals in Southeast Europe, that is to retain and increase its political and economic influence and block natural gas deliveries from the South and Southeast to the region and Europe with all the negative implications for the respective countries.

The development of Turk Stream over the years showed that the new concept has been implemented successfully and at a rapid pace.

At the beginning of 2019 Bulgartransgaz initiated a procedure for the provision of capacity at a new entry point on the Bulgarian-Turkish border. As a result 90% of the capacity has been committed directly and indirectly by Gazprom Export with estimates for transmission as of the beginning of 2020.

The Turk Stream gas pipeline was officially opened on January 8, 2020 but the natural gas deliveries through the pipeline to Bulgaria, Greece, and Macedonia started as early as 1st of January.

The implementation of the Turk Stream gas pipeline (Russia's Southern Gas Corridor) combined with the economic expansion of Gazprom to acquire energy assets poses a very high risk of political and economic dependence of the Southeastern and Central European countries, which is unacceptable for Member States of the European Union and NATO. Examples in this respect are the tie-up of BEH with considerable financing from Russia for the implementation of its energy projects, as well as the acquisition by Gazprom of the majority stake of the capital of the Serbian Gas Transmission Company.

Bulgaria is facing a strategic choice in the energy sector, whether to be part of Russia's energy politics or to follow the road of European integration by transforming the Turk Stream project running across Bulgaria into the

EU Nabucco project. The choice is obvious for people with a sense of national dignity, responsibility, and Euro-Atlantic orientation. Of course, this choice is difficult but Bulgaria relies on its partners from the European Union and the North Atlantic Alliance.

User-prompted attempts to import natural gas from Turkey to Bulgaria date back to the second half of 2019. So far these attempts have been without success due to the passive behaviour of BOTAŞ, the Turkish national gas company. This treatment somewhat confirms the rumours for Turkey's withdrawal from the competition with Russian natural gas in Bulgaria. The future will show whether this is the case but Bulgaria should not wait for Russia's or Turkey's approval to diversify its sources for natural gas delivery to Bulgaria.

Some hope in this respect comes from the effective joining of Bulgaria to the project for construction of a liquefied natural gas terminal near the city of Alexandroupolis in Greece, which is of strategic importance for Bulgaria, the Southeast European countries, and the Euro-Atlantic partners. Another possible approach in this direction would be a U-turn in the country's policy on natural gas exploration and extraction from unconventional sources by means of the fracking technology.

The Belene NPP Project

The idea for a new, third in a row restart of the Belene NPP project has been circulated in public once again without providing the necessary information on the reasons for the failure of the two previous attempts and the cost of these failed attempts that the Bulgarian society has to pay. What is more, this project has been prepared and launched in violation of a number of requirements of the national (the Energy Act, Article 4, para. 5; Article 8, para. 4; Article 9, para. 1, item 2 and Article 46, para. 1) and EU law (Directive 2009/71/EURATOM of 25 June 2009 establishing a Community framework for the nuclear safety of nuclear installations). New arguments are cited this time: NEK has paid and purchased part of the equipment, however, no word is mentioned about the fact that the

purchased equipment does not account for more than 10% of the total budget for a new Belene NPP project.

Nuclear energy enjoys a high approval rating in the Bulgarian society but each new investment project in the field of electricity generation in Bulgaria should be assessed against the backdrop of the new European principles for energy development and its reflection on the end-user electricity prices.

In this respect specialists raise their concerns and firm disagreement with the persistent appeals of some of the political forces to implement this third attempt in a row for the construction of the Belene NPP, without carrying out complex feasibility studies on the consequences for the Bulgarian energy sector and economy, as well as an evaluation of the total budget, including the costs for decommissioning and disposal of radioactive waste. The estimates of prominent analysts show that the budget of this project will exceed more than 20 billion BGN only for construction costs and the value of the electricity generated will be more than 200 BGN per MWh. No state representative has commented on the official estimates of European experts that the costs for decommissioning and disposal of radioactive waste exceed this budget by more than 50%. Given the clear necessity of a long-term contract for the purchase of electricity that the creditors will inevitably insist on having, this will be a high-risk project for the Bulgarian economy, whose repayment will be placed on the shoulders of Bulgarian taxpayers.

This project will drastically increase Bulgaria's dependence on Russia due to the fact that 100% of the nuclear fuel and spare parts for the future functioning of the nuclear power plant will be supplied by Russia.

The National Discussion Forum titled *The Construction of NPP Belene: Rationale, Alternatives, Economic Models*, held on February 20, 2016 with the participation of more than 70 specialists from various fields of the energy, economy, ecology, and finance sectors, adopted by consensus the following important conclusions and recommendations to the government:

1. The Bulgarian energy sector does not need new basic generating capacity until 2030-2035 and each proposal for a new project of this kind should be accompanied by reasoned explanation showing which of the existing capacity is decommissioned, the reasons and the social and economic implications of such a decision.

2. The actions of the government in the energy sector should focus with greatest priority on putting in maximum efforts to protect the long-term exploitation of the main local coal-fired thermal power plants, as well as the deadlines for the functioning of units 5 and 6 of Kozloduy NPP with a horizon until 2040 and afterwards.

3. The government should carry out active international overtures to sell the delivered equipment. Research conducted by a number of nuclear specialists shows that there are opportunities and interest in this respect.

4. Before starting preparation for another nuclear project, the government should carry out a number of important activities by implementing the current Decision of the Council of Ministers No. 250/28.03.2012, which obligates the competent parties under the Energy Act to evaluate the opportunities to use the delivered equipment for building a new unit 7 of the Kozloduy NPP. Another major responsibility of the government is to inform the public about all sensitive aspects of nuclear projects: the available radioactive waste and spent nuclear fuel storage facilities, available funds accumulated in the Decommissioning Fund, the amount of compensation in case of nuclear damage, an updated assessment of the seismic risk on the site, the cost of electricity, physical and economic risks, etc.

Despite the warnings of specialists about the considerable risk of a new Belene NPP project, the government has launched a procedure for the selection of a strategic investor which, as explained above, is in full conflict with the European and national law. The project has no notification by the European Commission, despite the claims to this end by representatives of the Ministry of Energy and has no endorsed technical design, which is an absolute condition for obtaining a building permit. There is no nuclear operator on the list of proposals received from investors, which dooms the

procedure to failure, regardless of the fact that the applications submitted by some facility suppliers from third countries are speculatively presented as applications from candidate investors.

Most energy experts in Bulgaria and the European Commission do not regard the Belene NPP project in positive terms as a needed and cost-effective project and believe that it should not be developed further. Finally, the project should be terminated also due to the growing political and economic dependence on Russia through the generation of great potential for corruption, which will erode the national and energy security of Bulgaria.

Conclusion: Energy Projects and Russian Geopolitics

The Kremlin Playbook in Southeast Europe: Economic Influence and Sharp Power, the third part of a trilogy entitled *The Kremlin Playbook* developed by the Centre for the Study of Democracy (Bulgaria) with the support of the Centre for Strategic and International Studies (US), was presented on January 22, 2020 in Washington DC. The established opinion with regard to Bulgaria is that people from the government, the National Assembly, and leading media have worked to promote Russian interests for approximately 25 years. (Stefanov & Vladimirov, 2020). This understanding is fully shared by independent experts, as it can be seen from the current chapter.

The last part of *The Kremlin Playbook* (Stefanov & Vladimirov, 2020) puts forward the thesis that Russian economic power in Southeast Europe has been weakened following the sanctions imposed after the invasion of Russia in Ukraine and the follow-up considerable increase in the oil and gas prices. However, Russian companies have kept control of strategic assets, such as the largest companies for oil refining and for the sale and distribution of fuels and natural gas. To strengthen its influence the Kremlin also exploits the structural problems of the market, the dependence of regulatory bodies, and many shortcomings in the governance of state-owned companies by the countries in the region.

The report includes the following recommendations to counteract Russia's influence in Southeast Europe:

3) Developing and implementing national strategies to counteract state capture.

4) Diversifying foreign capital inflows to end dependence on capitals coming from authoritarian states that aim at taking over strategic sectors through methods other than market competition.

5) Improving the national energy security through full liberalization of national markets, integration on the regional market and development of key infrastructural projects for alternative gas supplies to the region.

6) The EU should enforce more strictly and consistently anti-money-laundering law and the shortcomings of the regulatory framework related to corporate property and direct foreign investment should be solved.

7) Using the opportunities of the American Foreign Corrupt Practices Act and expanding the scope of the Global Magnitsky Act to enable the US to investigate political corruption in Europe in general and Southeast Europe in particular, with focus on cases supporting the strategic interests of Russia.

The recommendations made by the authors of the report *The Kremlin Playbook in Southeast Europe: Economic Influence and Sharp Power* are fully in line with our understanding of reforms in Bulgaria, in the energy sector in particular.

Without radical reforms in the energy sector Bulgaria will not be capable of addressing adequately the modern challenges facing environmental and climate protection and the transition to low-carbon economy, energy and national security, and public prosperity. It is only the change in the understanding of the function of transit gas pipelines – from guaranteed income from one user (Gazprom) to access to new sources of natural gas – that will bring greater benefits to Bulgaria and the Bulgarian economy than long-term commitment to Russia.

Political will and decisiveness are needed to implement the above recommendations, which are not present at the moment. To change the current situation, it is necessary that all truly democratic powers unite to work in the name of Bulgarian national interests in the energy sector and counteract the aggressive and invasive politics of the Russian interested parties.

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THE BULGARIAN ENERGY SECTOR: STATE OF AFFAIRS, POLICIES, AND RISKS

Eng. Ivan Hinovski

Abstract: The chapter discusses the state of the energy sector, its competitiveness and the current energy policies of Bulgaria, drawing parallels with the European energy policy. The problems of ensuring level playing field for investors in the Bulgarian energy sector and the lack of serious market reforms are also analyzed.

Key words: energy sector, energy policies, European energy policy, investors, market reforms, management.

Analysis of the Energy Sector and Energy Policies in Bulgaria

The period 2018-2019 set the beginning of a number of timid market reforms in the energy sector which started to "lift from the bottom", despite the reservations to this figure of speech displayed by the majority of energy sector analysts. Experts regard as successful the steps taken by the government to carry out partial market reforms in the sector, such as launching the energy exchange, planning to develop energy exchange platforms, and getting the natural gas exchange operational.

The public at large has regarded positively government actions related to the preparation and holding of negotiations with Rosatom on the arbitration case over equipment manufactured for the Belene NPP and timely debt repayment. Nevertheless, consequent public statements made

by responsible policymakers about follow-up actions with respect to the equipment reveal lack of an adequate market approach as well as political realism that could result in a serious crisis both in the energy sector and the economy of the country in general.

The state politics and efforts in the energy sector to build gas interconnectors and look for new sources of natural gas supplies enjoy full and consensual support by both politicians and the public, expressed at a number of expert fora and through the media. Similar support is in place with regard to the project for expansion of the Chiren gas storage facility. However, government actions related to the protracted process of *de facto* joining the Alexandroupolis LNG terminal through share acquisition are by far seen as adequate, as they give the impression of being taken under external pressure.

The successful talks with AES and Contour Global, owners of thermal power plants (TPPs) in the Maritsa Iztok Complex, to renegotiate some of the contractual provisions on the purchase of electricity generated by the TPPs have resulted in effective alleviation of the tariff deficit of the National Electricity Company (NEK) by more than BGN 900 million per year.

What cannot be regarded in positive terms are certain measures and policies of the energy sector management aimed to stabilize the state-owned NEK, Mini Maritsa Iztok, and Maritsa Iztok 2 TPP, where long delayed radical market reforms have caused the three companies "go under". Maritsa Iztok 2 TPP receives a considerable financial subsidy by the Bulgarian Energy Holding (BEH) in the form of loans to pay for its emissions, which albeit lawful distorts market conditions. Against this backdrop the steps by the government, prompted by some employer organizations, to terminate the contracts with the "American power plants" in the Maritsa Iztok complex, as Contour Global and AES are dubbed, pose serious risks for the energy security of the country and its rating as an investment destination.

The rules of procedure of the Energy System Security Fund are not the best example of modern energy policy as the Fund is founded on the unprincipled rule of collecting a sort of "tithe" tax from all electricity generation and natural

gas companies even from grid operators. The funds thus raised are mainly channeled into saving the unreformed and drowning NEK. In a much similar way, the revenues from the sales of carbon dioxide emissions are used to offset NEK's deficit which is in conflict with EU rules.

A critical analysis cannot ignore the lack of adequate state policy on energy poverty, which is a major obstacle to successful liberalization of the energy market, its regional integration, and the creation of relevant conditions for attracting foreign investment to the country thus helping boost employment.

It remains unclear why the analyses and reforms proposed in the World Bank paper on the model of energy market liberalization (World Bank, 2016) have been disregarded by the energy sector management. Furthermore, there is no answer to the question as to why the Bulgarian energy sector which is facing financial difficulties had to pay a million US dollars for the development of a model that was no surprise to anyone neither in terms of its content, nor of its unacceptability to the sector management.

Last but not least, it is worth pointing out the persistent negative media image of green energy, foreign investment in the Maritsa Iztok complex, central heating companies, and electricity distribution companies. This image, as well as the maintained myth of cheap energy to be generated by the Belene NPP, and presence of objective grounds to lower the electricity price might have serious implications for keeping balance in the society. The false expectations planted in relation to these issues have been tacitly passed over by the cabinet, which lays a trap to any future government.

What is also at odds with the EU policy is the attitude of the state institutions towards the opinions proposed by non-governmental organizations on various issues. Such opinions are widely ignored even though in most cases the NGOs develop and put forward highly competent opinions of interest for the development of the energy sector. A blatant case in point is the Summary of the Sixth Regional Energy Conference held in Sofia in 2016 (The Bulgarian Energy and Mining Forum, 2016), which has been adopted with consensus and which has been regarded by the

foreign participants as a modern agenda and strategy for the development of the Bulgarian energy sector but which has not been recognized as useful by the public administration and policymakers. The Memorandum and the Appeal to the Government regarding the Belene NPP adopted by full consensus at the Belene NPP Forum held in 2018 (The Bulgarian Energy and Mining Forum, 2018) are yet another blatant example of how the opinion of a broad range of experts, former policymakers and members of the energy sector management has been ignored.

The energy community voices its disagreement with the upside-down Bulgarian energy policy: actions are taken, new projects are discussed and investments are planned without being part of an integrated planned framework of principles and standards accompanied by analyses of downstream consequences. The energy strategy adopted in 2011 has long ceased being up-to-date and the new strategy proposed by an unknown group of authors during the Oresharski Cabinet has not been discussed still yet.

The EU Energy Policy and Bulgaria's Actions: Risks and Consequences

Pursuant to the Energy Strategy of the Republic of Bulgaria for the period 2011-2020 (National Assembly, 2011), by now our country should have robustly positioned itself on the regional energy map and taken good advantage of the new opportunities for electricity export to countries in the region, including Turkey, Greece, Italy, etc.

The draft Integrated Energy and Climate Plan of the Republic of Bulgaria (Ministry of Energy, 2019) forecasts an increase of 59% in electricity export by 2030 relative to 2017, expected to last by 2040, when electricity export will account for a growth of 68% compared to 2017. However, on the eve of 2020 the reality has turned completely different: the European Union has confirmed its commitment to cutting greenhouse gas emissions and in response the countries in the region have taken vigorous actions towards updating their energy sector strategies. Unlike

its neighbors, Bulgaria still has no updated strategy in place, leaving the following important questions without an answer:

– How can the electricity sector be sustained in such a way so as to support the economy of our country?

– What are the chances of attaining the mentioned targets for electricity export growth?

– What will be the social cost of the forthcoming changes in the sector?

– Are the new investment priorities declared by the government cost-effective?

– To what extent will the Bulgarian energy sector be able to achieve the needed security of supplies while reducing its dependence on third countries?

In view of the lack of a strategic plan providing answers to a wider set of questions, an expert team of the Bulgarian Energy and Mining Forum (BEMF) has reviewed the up-to-date information on the electricity sector development of neighbouring countries with the aim to compare it against the current state-of-affairs in Bulgaria.

When it comes to the electricity sector in Southeast Europe, Bulgarian policymakers and media have always maintained that Bulgaria is the front-runner in the region followed by Romania and Serbia, and that Greece, Turkey, and Macedonia are mere importers of Bulgarian electricity.

But is this the actual state of affairs today? Unlike Bulgaria, Romania and Greece have fully implemented the common regulations and requirements for the functioning of the energy markets including the carbon emissions trading system and the targets for the share of energy from renewable sources (RES). In response to these common policies, the two countries have taken active steps for sector development. Thus Greece, for instance, plans to build new capacity and convert coal-fired electricity generation with the support of the World Bank and EU Funds. Another interesting step Greece has taken in this direction is the construction of a new gas-fired power plant with an installed capacity of

826 MW making use of the most state-of-the-art technology of General Electric with efficiency rate of 63%. The public electricity company PPC plans to phase-out coal-fired power plants reducing the installed capacity of 4337 MW in 2016 to 1595 MW by 2025. In order to offset the reduced coal-fired electricity generation, Greece works on a project to develop a new modern lignite-coal-fired power plant with a capacity of 600 MW and convert the infrastructure of the thermal power plants into an electrical energy accumulation station. In addition, the country actively supports investment in new projects for wind and solar farms.

Unlike the active energy policies of the neighbouring countries aligned with the requirements and standards of the European Union's new Green Deal as a result of which they have been included in the grant programme *Coal Regions in Transition* (European Commission, 2020), Bulgaria has persistently refused to join the scheme and declare a date for decommissioning of coal-fired power plants without substantiating its decision with economic grounds.

The forecasts for 2020 are clearly negative: further reduction of electricity generation, consumption, and export due to the economic crisis in some of the neighbouring countries – traditional users of Bulgarian electricity, "tightening of the belts" and preparation to repay on due dates the bond loan of the Bulgarian Energy Holding and other debt securities of leading companies in the sector. These trends increase the pressure to raise electricity prices on the regulated market due to its shrinking and the growing relative share of long-term contracts, but they also influence the electricity prices on the electricity exchange. In 2019 the prices on the Bulgarian electricity exchange reached record levels for Europe, the main reasons being the growing prices of emissions released by the thermal power plants and the shortage of water in the NEK-managed dams, as well as a series of management mistakes in the policy of the Bulgarian Energy Holding and the companies. Energy experts in Bulgaria and in the European Commission point out in full consensus that maintaining a subsidized retail electricity price in Bulgaria will have serious consequences for maintaining system security and reliability.

Unless decisive market reforms are undertaken, such as restructuring of NEK and other state-owned energy entities to boost their efficiency, Bulgaria might lose its competitiveness compared to other countries in the region and its influence on the regional energy market, as has repeatedly been underscored by various expert circles.

In addition, the failure to understand and the passive attitude of Bulgarian policymakers regarding the opportunities for Bulgaria to be a leader in the policy of creating a regional energy union has already given advantage to other countries, whose proactive attitude has helped them take on more prominent leadership positions, also acknowledged by the European Commission.

As an example of this wrong energy policy comes the already unveiled new "energy absurd": Bulgaria has generating capacity, which has remained unused due to lost competitiveness, pays millions for a cold reserve of non-functioning power plants, and at the same time imports electricity from traditional importers of Bulgarian electricity. The electricity imported by Bulgaria during the first 19 days of the current year has exceeded by nearly 35 700 MWh the exported electricity, something that energy experts regard as a precedent.

The above situation, however, might turn out to be the new reality for the Bulgarian energy sector and not because Bulgaria does not avail of capacity, but mainly because of the constantly growing integration and competition on the free market, which enables easier transfer of electricity from less to more expensive markets, the kind the Bulgarian market has become. Over the past several weeks the independent energy exchange in Bulgaria has held some of the highest prices not only in the region but in Europe as well, hence it is more advantageous for Bulgarian traders to buy electricity from neighbouring countries. Even Turkey already exports electricity to Bulgaria and this trend will continue in the future due to three main reasons: the fall of the Turkish lira exchange rate, the low price of natural gas and, most importantly, the Turkish thermal power plants do not pay fines for carbon dioxide emissions because Turkey is not a party to the European Emissions Trading Scheme (ETS). Thus, due to high production

costs, Bulgarian electricity becomes in reality unmarketable, even on the domestic market. Apart from the Kozloduy NPP, whose investment has paid off a long time ago, the remaining power plants could hardly compete in terms of prices in the region. That is why the state-owned Maritsa Iztok 2 TPP, for instance, utilizes hardly 50% of its capacity. All of the above, given the fact that the waterpower plants hardly function due to drought.

Against this backdrop, the government's plans to build the Belene NPP, whose capacity would cover 35% of the current domestic needs, seem illogical. Expert estimates show that the electricity generated by the Belene NPP will cost much higher than the current price levels to ensure a return on the planned investment of approximately 20 billion BGN. It's not hard to forecast as early as now that it will be difficult to find a foreign buyer of this electricity. And after domestic users join the free market, there might not be such buyers left in the country either.

Equal Treatment of Investors in the Bulgarian Energy Sector and Market Reforms

The first large-scale foreign investment in the Bulgarian energy sector in the amount of over 5 billion BGN was made in the Maritsa Iztok complex in the period 1997-2001, years marked by feeble trust in the capacity of the Bulgarian state to ensure guarantees for foreign investment and compliance with the commitments made pursuant to the recently adopted Energy Charter. This is when green light was given to two investment projects, one for the rehabilitation of the Maritsa Iztok 3 TPP and the other for the construction of a new AES power plant in the Maritsa Iztok complex.

Today unfounded and speculative opinions circulate the public space that the so-called American power plants are "the bad guys", striking fears that they will undermine Bulgarian businesses. Attacks have gone even further by calling for the termination of these contracts. Most paradoxically, this move was driven by government and business representatives, that is by people who should be most aware of how such a posture would be seen by the world of business. This initiative is premised on biased and

false claims of "considerable payments made in excess of the generated energy" and "already repaid investment loan", which are not supported by objective evidence (Grozdev, 2020).

These power plants generate over 30% of the total electricity in Bulgaria using local energy sources and thus contribute to ensuring the country's energy security and independence. Huge funds have been invested to secure the proper functioning of the two power plants and to implement environmental protection measures. Their shareholders are prominent global companies, as well as NEK. The two power plants are among the systemic service providers most used by the Bulgarian Electricity System Operator (ESO) for ensuring the power system reliability. Their importance is also related to the primary and secondary regulation of the electricity system and its sustainable functioning. Owing to the technical parameters of the two power units, their capacity can vary from minimal to maximal within only an hour several times a day. They have other important functions, such as maintaining the voltage and balance of the electricity system in South Eastern Bulgaria and a role in the electricity system recovery after an accident or total collapse. The emergency action plan of Bulgaria developed pursuant to the requirements of the European Network of Transmission System Operators for Electricity (ENTSO-E) has assigned the two power plants with some of the most important functions.

All of the above explains why experts insist on keeping the two power plants commissioned at any cost and why they believe that their decommissioning can be only offset at the cost of considerable modernization and further investment in other capacity.

Claims on the legal status of contracts, the financial standing and role of these power units are false and misleading. Thus, for instance, with regard to the claims that the contracts are at odds with the EU state aid rules, only the European Commission (EC) is competent on this matter and, as it is well known, the European Commission has not come forward so far with an official position, even though the matter has been referred to it in 2015. The European Commission regards the case to be in the so-called first stage of preliminary studies which means that the Commission appeals to the stakeholders to find a reasonable solution through negotiation.

The misleading interpretations of the pricing decision of the Energy and Water Regulatory Commission (Energy and Water Regulatory Commission, 2019) on "non-market" payments to the two power plants fail to take into account what is a publicly available secret that none of the thermal power plants in the Maritsa Iztok complex is capable of covering its costs related to the implementation of various energy policies without the current long-term contracts for purchase of electricity – in the case of the two power plants and for internal subsidizing of liabilities – in the case of the state-owned thermal power plant. There is hardly a better way to illustrate the troubled financial state of the Maritsa Iztok 2 TPP, which has for years suffered losses covered by the state through cross subsidies under BEH. In view of the claims that electricity prices have to be competitive, a quick expert analysis shows that the cost of electricity generated by the Maritsa Iztok 2 TPP almost equals the cost of electricity purchased for instance from Contour Global's Maritsa Iztok 3 TPP.

For years the sector has been dominated by populism deliberately maintained by politicians on the regulated electricity market. This has led to the transfer of considerable costs inherent in energy companies to the free market, which though warrantable is detrimental to the competitiveness of the Bulgarian industry as it has entailed significant price spikes. Thus electricity prices fail to objectively reflect the requirement to cover costs and investments pursuant to Article 30 of the Energy Act, which means that the sector is slowly and steadily being decapitalized.

This is the source of differences in terms of status and policy between the energy companies developed by foreign investors and state-owned energy enterprises. While Bulgarian enterprises consolidated under the Bulgarian Energy Holding can at all times rely on internal loans to partially cover their costs, the energy enterprises developed by foreign investors do not enjoy such a lucky opportunity. They repay annually their loans to the credit institutions and, while claims that their loans have long been repaid are in our estimation far from the objective reality, they remain at the root of the ongoing pressure on these enterprises.

The energy community supports by consensus the efforts to reform the electricity sector and introduce the capacity mechanism. Unfortunately, the

Ministry of Energy has failed to submit on time its agenda to the European Commission which might have serious implications for the future of the Bulgarian energy sector. At the same time the planned termination of contracts of the so-called "American" power plants prior to the introduction of the capacity mechanism will have negative consequences for the energy system hence for the businesses. Such decisions harm not only the good reputation of the thermal power plants developed on foreign capital but also the investment climate in the country and undermine the much-needed trust that all investors seek.

The last decision of the National Assembly from 31 January 2020 (National Assembly, 2020) that provides incentives and support for the functioning of the unreformed state-owned Maritsa Iztok 2 TPP is an example of discrimination to the other thermal power plants of the Maritsa Iztok complex in violation of market rules. The decision to join the European Programme *Coal Regions in Transition* under the peremptory condition that coal-fired power plants will not be decommissioned in the foreseeable future will hardly be welcomed with understanding by the European Commission. It is a telling example of unequal treatment of foreign investors in the sector and a renewed attempt at "Bulgarian style" energy market making by employing non-market methods.

Conclusion

This chapter presents an analysis of the main policies in the energy sector, placing emphasis on the effects of bad or delayed reforms which are the reason for the loss of sector competitiveness. The practical refusal to take into account the efficient proposals for reforms put forward by prominent external institutions and Bulgarian experts impedes the modern development of the energy sector. The lack of a clear vision for the future of generating capacity and the continued delay of its development result in a loss of perspective for the coal regions and of considerable EU funds. The sector will face a serious risk if some projects such as the Belene NPP, the Balkan Gas Hub and the like are implemented despite repeated negative assessments by a broad circle of specialists.

In reality, populism and lack of action for developing mechanisms to offset energy poverty lead to accumulated tensions and other issues in society, which will block future reforms and the transition to a modern energy sector.

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RUSSIAN ESPIONAGE IN THE BALKANS

Nikolay Krastev

Resume: The current chapter analyses the ever more intensive intelligence interest by the Russian Federation towards the Balkans as a strategic region with key importance for the transport and energy corridors between the East and the West. Looking at the activities of the Russian intelligence agencies in Serbia, Bulgaria, Montenegro, North Macedonia, and Greece, the analysis concludes that their enhanced activeness aims to destabilize these countries and shake into hesitation the Euro-Atlantic orientation of the local elites and societies. In this situation, the EU and NATO should have a proactive role in the region so as to counteract Russian espionage and disinformation campaigns.

Key words: Russian espionage, destabilization of the Western Balkans, demotivation of political elites, spy wars

The end of the Cold War brought hopes that the world was entering a new stage of development. Moscow and Washington, along with the European powers, believed that the time had come for a long-term global partnership built upon generally accepted and fair principles governing the relations between countries. With their strategic location, transport and energy corridors, the Balkans have always attracted the interest of world powers. In the post-Cold War period the region has gradually regained its significance as a geopolitical divide between Europe and the Orient. Against this background and albeit initially off-course due to the collapse of the Soviet system, Russia began to emerge increasingly assertive in its intelligence and energy involvement in the Balkans. But the real

renaissance of Moscow's come-back commenced with Boris Yeltsin's stepping down as President of the Russian Federation to make way to Vladimir Putin, until then chief of the Federal Security Service and prime minister for a couple of months in late 1999.

The Operations of Russian Intelligence Services in the Balkans Serbia and Bulgaria

By late 2019, GRU (The *Main Directorate* of the *General Staff* of the *Armed Forces* of the Russian Federation – G.U., formerly the *Main Intelligence Directorate*) suffered a significant setback in Serbia as the authorities of two countries, Bulgaria and Serbia, uncovered several of its agents in the Balkans. The failures of Russian military intelligence in the Balkans revealed its lack of experience in operating under the new conditions in this complex region. The two Balkan countries, however, have distinctly diverging attitudes toward nowadays Russia. Serbia, a close partner of Russia, according to various independent sources has become a base of the Russian interests in the Balkans and a hub for its operations in the region. Bulgaria, a member of NATO since 2004 and of the EU since 2007, has shared commitments with its Western partners in the field of security and defense. Sofia supported NATO and EU efforts to resolve two major regional crises, the 1999 Kosovo war and the 2001 civil conflict in the Republic of Macedonia. In 1998-1999, the then Bulgarian government prevented Russian troops from seizing the airport of Pristina, which is a key strategic point for unfolding Russia's influence in the region. And yet, what is the current state of affairs and how are the projects of Russian intelligence services coming about in the Balkans? What are the commonalities between the two Balkan countries?

In both Sofia and Belgrade, authorities announced that officers under diplomatic cover at the Russian embassies in the two countries had attempted to recruit high-ranking officials of the local security services. In both Belgrade and Sofia, the intent of Russian diplomats Georgy Kleban and Vladimir Rusyaev was to obtain critical military intelligence related

to Serbia and Bulgaria's membership in NATO. In Bulgaria, Rusyaev, identified as first secretary of the Russian embassy in Sofia, attempted to recruit the head of a Bulgarian intelligence service, as well as a person with access to key information on NATO's activities. Rusyaev had conspiratorial meetings in the course of one year, according to official information circulated by the Bulgarian authorities after his exposure. The second diplomat expelled from the Russian embassy in Bulgaria was an employee at the trade mission in Sofia who collected data classified State or Official Secret and sent it to the Russian intelligence headquarters (Capital Newspaper, 2020).

The case prompted Bulgaria's Foreign Ministry to act quickly and demand by a verbal note the Russian diplomat's departure within hours. However, Rusyaev and the Russian diplomatic mission refused to comply with the note and ostentatiously delayed the departure. In September the secret services detained the leader of the Russophiles National Movement, Nikolai Malinov, over charges of spying for Russia. Nonetheless, in early November Malinov was awarded an order in the Kremlin on the occasion of the Russian Unity Day, with Kremlin spokesperson Dmitry Peskov clearly stating that Bulgaria should refrain from meddling with him as he was virtually under the personal protection of the Russian President.

In the winter of 2001, a retired senior Defense Ministry official was apprehended while on his way to the Russian embassy in Sofia for passing on classified intelligence. Colonel (Ret.) Yani Yanev, former head of the analytical directorate of RUMNO (the former military intelligence of Bulgaria) had to transfer through the fence of the Russian diplomatic mission in Sofia a briefcase with documents classified Top Secret. According to publicly available information, the intel was obtained through a clerk at the classified documents archive of the Defense Ministry. Yanev was supposed to meet with the Russian military attache, Colonel Lomakin, to pass over a secret summary report on the situation in the Balkans prepared by the Bulgarian military intelligence. This was the first such case in 20 years. It transpired at a time when NATO had just launched its operation in the Balkans against the former Federal Republic of Yugoslavia. The

Bulgarian authorities expelled Lomakin along with two more diplomats from the Russian embassy in Sofia. In 1993, the same Lomakin was expelled from Poland over alleged involvement in a spy affair.

The Gebrev Case

Speaking of the activity of Russian intelligence services in Bulgaria, the 2015 case with Emilian Gebrev, a businessman operating in the field of arms production and trade, emerges as particularly important. Gebrev is the sole owner of Dunarit, a company that operates in the Middle East. Eight members of Russia's military intelligence, involved in his attempted poisoning, belong to what is known as GRU Unit 29155 with activities focused on destabilizing Europe, organizing a coup in Montenegro, riots in Moldova and the poisoning of Skripal in Salisbury. As *Capital* weekly reports in its investigation, journalists see a connection between the attempt to poison Gebrev and the attempted poisoning of former Russian intelligence officer Sergei Skripal in London in early 2018 (Capital Newspaper, 2019; Shwirtz, 2019).

The website of the investigative network of independent journalists *Bellingcat* revealed the identity of agents who participated in the operation. The 2015 prosecutor's investigation into the attempted murder of Gebrev, his son and a Dunarit employee proved sluggish and was shortly afterwards discontinued. Work on the case was resumed in January 2019 following international pressure and a series of publications.

The state prosecution confirmed three of the names of the involved in the attack on Gebrev, disclosed by *Bellingcat* and the *New York Times*. In January 2020, the prosecutor's office indicted in absentia the three Russian citizens, who are reportedly GRU operatives. Vladimir Popov, one of the participants in the operation according to the investigation, was also involved in the 2016 coup attempt in Montenegro. Gebrev is on the so-called blacklist sent by the Russian Federation to the Bulgarian Foreign Ministry. As claimed by Moscow, the Bulgarian businessman has allegedly sold weapons in Georgia and other troubled areas of commercial and

political interest to Russia related to the sales of Russian weapons (Kirov, 2019). According to various Russian sources, Moscow sells annually arms worth between USD 12 and 15 billion in a number of countries in the Middle East, as well as in Africa and Latin America.

In its investigation, *Capital* weekly cites a former Bulgarian defense minister as saying that pressures aimed to destabilize the Bulgarian arms industry have sharply increased in recent years (Capital Newspaper, 2019a). Forces related to Russia's interests are particularly jealous of the loss of traditional markets and the boom in arms supplies for various regional conflicts. Overt pressure exerted by these external forces is mainly along the lines of the so-called weapons licenses through unfounded yet persistent Russian claims for control of the production and export of Bulgarian military products, which no Bulgarian government has recognized until recently.

Serbia

Let us however return to the case in Belgrade, where, as has emerged from a video footage distributed by YouTube, the assistant to the Russian military attache, Lieutenant Colonel Georgy Kleban, has met multiple times with a high-ranking officer of the Serbian intelligence services. The two visited the famous *Black Sheep* restaurant in Belgrade's Zemun quarter exchanging gifts. One of the shots clearly shows the Serbian officer pulling out an envelope full of currency passed to him by the Russian deputy military attache. Serbian President Aleksandar Vucic ordered an urgent investigation into the case, and Defense Minister Aleksandar Vulin described the case as "grave". It however remained unclear what type of information the Russian deputy military attache was trying to obtain. President Vucic summoned the Russian Ambassador to Belgrade Alexander Botsan-Kharchenko for talks, then scheduled a meeting in his office with Serbian secret services chiefs in the presence of Prime Minister Anna Bernabic and Defense Minister Aleksandar Vulin, known for his pro-Russian views and anti-Western attitude (Danas online, 2019). Caught

by surprise, many in Belgrade kept wondering was that possible. On his part, President Vucic rhetorically asked the Russian ambassador to Serbia Alexander Botsan-Kharchenko why was that necessary. Instead of trying to understand why its Moscow partners would cultivate senior Serbian intelligence officers, Belgrade chose to focus on the author's nationality, the Bulgarian investigative journalist Hristo Grozev of the independent *Bellingcat* platform.

Senior government officials in Belgrade pounced on Bulgaria with accusations that it has become "a spy hub against Serbia". Based on unsubstantiated claims, the allegations revealed Serbia's irritation with the exposure of their closest international partner as spying on them. The case was quickly closed after the visit of President Aleksandar Vucic to Sochi in late 2019 when he met with his Russian counterpart Vladimir Putin.

Coincidentally or not, amid the unfolding spy scandal in Belgrade, Serbian Interior Minister Nikola Selakovic visited Moscow where he was received by his counterpart, as well as by the head of the Russian Security Council. They have no doubt agreed on how to overcome this delicate episode. In Belgrade, most politicians and analysts argued that the spy affair was aimed at thwarting Russian-Serbian interests and cooperation. To downplay the situation, the leader of far-right radicals Vojislav Seselj, who was tried by the war crimes tribunal for the former Yugoslavia, stated that there were at least two spies in the Serbian government – Rasim Ljajic, trade minister, who was allegedly spying for the British and Zorana Mihajlovic, minister of transport and infrastructure, who was working for the Americans. Aside from these unsubstantiated statements, in recent years Serbia and Russia have demonstrated shared interests in the Balkans and on the international arena. In its capacity as a permanent member of the UN Security Council Moscow opposes Kosovo's independence declared by Pristina back in 2008. Currently Russia supports the proposal by President Aleksandar Vucic for the so-called *distinction in Kosovo* between Serbs and local Albanians. This however could reopen Pandora's box in the Balkans and push the region into obscurity. The idea of

exchanging territories between Serbia and Kosovo could affect stability both in the Republic of North Macedonia and in Bosnia and Herzegovina.

In 2019, in relation to the bilateral *Slavic Shield* military drills, Russia transported to Serbia by air the S-400 air-defense missile system. This sparked harsh comments at the NATO headquarters and in the Atlantic circles, including those in Bulgaria and Romania, which were "surprised" by the emergence of S-400 in the Balkans. This provocation demonstrated Moscow's resolve to continue with its attempts to destabilize the Balkans by using to that end anti-Western minded politicians in Belgrade, with some of whom Russia's intelligence services are apparently in perfect rapport. More importantly, the Kremlin has built excellent relations and interaction at "president" and "prime minister" levels, which raises the issue of Serbia's membership in the European Union. What is more, Russia and Serbia are getting closer in military terms. Moscow has recently donated a squadron of Russian Mi-35M multi-role high-tech combat helicopters usable under varying meteorological conditions, and sources close to the Belgrade establishment as well as familiar with this capability have not ruled out the possibility of its use in an eventual operation against Kosovo. Moscow has also provided Belgrade with the *Pantsir* anti-aircraft missile system, driving President Aleksandar Vucic make his notorious statement that "Serbia will no longer be on its knees as it was in the 1990s". Expensive gifts from Russia mean new commitments by Belgrade in the region. Russia has also donated to Serbia a squadron of MiG-29s and tanks T-72 as reported by a number of influential Western media outlets, including the specialized military publication *Jane's Defense Weekly*. Russian intelligence presence in the region is growing. The *Russian-Serbian Humanitarian Center in Nis*, opened in 2008, is a key medium for pursuance of Russia's interests in the Balkans. There is also a strategic dimension to the center, given its location close to the Bulgarian-Serbian border and to Eastern Kosovo, where the largest US base in Europe, Bondsteel, is located. Moscow has been urging Belgrade to grant diplomatic immunity to its humanitarian personnel, causing bewilderment among observers as it is common knowledge to any expert

in the field that the case involves a Russian intelligence station on Serbian territory.

In recent years, Belgrade has also emerged as a regional hub of the pro-Kremlin hybrid media outlet *Sputnik*, employing more than 20 local journalists. By extensive use of *soft power*, it aims to expand Russia's presence in Serbia and the post-Yugoslav space and to undermine EU's efforts towards stabilizing the Western Balkans. Further proof that the Balkans are an important staging ground for the operations of Russian intelligence services is provided by the cases of Montenegro and North Macedonia.

Montenegro and the Attempt at Coup d'Etat

Late in the fall of 2016, pro-Serbian forces in Montenegro tried with the support of Russian military intelligence operatives to oust the country's legitimate Prime Minister, Milo Djukanovic. The aim was to remove him physically in order to avert Podgorica's Atlantic orientation. The Secretary of Russia's National Security Council, Nikolai Patrushev, flew in person to Serbia in an effort to settle the problem with the two Russian agents involved in the coup attempt, Eduard Shishmakov and Vladimir Popov, who were transferred from Podgorica to Belgrade. *The Guardian* British daily reported by quoting a source from the Serbian government that Patrushev had apologized for "the crude operation on which its executive agents did not have green light from the authorities" (Dobrokhtov, 2017). An important detail is related to the fact that in 2014 Shishmakov, then Russian military attache to Warsaw, was expelled from Poland. According to local media he was found to have had contacts with an employee of the National Security Bureau passing to him money against information on peccant Polish intelligence servicemen to be recruited as Russian spies. To this end, Shishmakov had handed over 5,500 Euros and a mobile phone for special connection to a Polish lieutenant colonel named as Zbigniew J. These details were reported by the Russian-language publication The Insider, referring to the confessions of the arrested Polish lieutenant colonel (Dobrokhtov, 2017). The two Russians were photographed in a

Belgrade park meeting with the notorious Serbian nationalist Alexander Sindjelic. Who is Sindjelic? Head of the pro-Kremlin organization *Serbian Wolves*, he was handed over 125,000 euros for the purchase of machine guns and ammunition. Sindjelic had previously volunteered for the separatists in the conflict in Donbas, Eastern Ukraine, where he established contact with the Russian intelligence services. According to Montenegro's prosecutor general, Milivoje Katnic, before the end-of-October elections the apprehended Russians had to recruit 500 armed and physically well-trained men from Russia, Serbia, and Montenegro "with combat experience in third countries".

Following the aborted coup attempt and the failure to avert Montenegro from joining NATO, Russian President Vladimir Putin signed a decree dismissing the director of the Russian Institute for Strategic Studies (RISI), General Leonid Reshetnikov, who worked in a number of Balkan countries. According to *The Insider* (2016), Russian foreign intelligence veterans at the institute were rather engaged in applied activities than in scientific and research work, hence Reshetnikov had to pay the price for the failed operation.

Reshetnikov is known for his close connections to Slobodan Milosevic's brother, Borislav, who was ambassador to Moscow until the lost Yugoslav presidential election in the fall of 2000. He is also known to have worked on Bulgaria and Greece and to have had contacts with Alexis Tsipras and his radical far-left Syriza party prior to its victory at the 2015 elections. His ties with Serbia and Montenegro have more to do with his relations with colleagues from Russia's foreign intelligence service. It was probably Gen. Reshetnikov, in his capacity as a consultant of the Russian National Security Council to the President of the Russian Federation, who floated the idea of organizing a coup in Montenegro and involving in the operation pro-Russian organizations from Serbia and Montenegro (The Insider, 2016). In addition to Bulgaria, Serbia, and Montenegro, the Russian military intelligence together with its Serbian partners has sparked tensions in Macedonia in an attempt to block Skopje's current pro-Western orientation.

The Attack on the Macedonian Parliament

In the spring of 2017, a group of "dissatisfied" citizens attacked the Assembly (Sobranie) of the Republic of Macedonia in an attempt to prevent the formation of a pro-Western majority around the Social-Democratic Union and the election of an ethnic Albanian as its President. During the clashes in the Macedonian parliament, Goran Zivajlevic, an official representative of the Serbian intelligence services at the embassy in Skopje, who was in the Assembly, even took a selfie. According to the Bosnian Journal newspaper, the attack on the Macedonian parliament was coordinated at the Bulgarian Black Sea coast, in specially equipped villas allegedly held by Russian military intelligence officers. The plan for the operation was prepared in Belgrade, where GRU's station for the Balkans is based. As *Journal* reports, the operation was led by a Russian intelligence operative (Avdic, 2019).

Later in the fall of 2017, the Macedonian authorities saw behind the mass rallies in Skopje over the referendum to change Macedonia's name to North Macedonia the support of Russian billionaire and former Duma MP Ivan Savidi who resides in Greece. He funded the protests in Skopje, Thessaloniki, and Athens against the agreement between Greece and North Macedonia on the name of the latter. Savidi's goal was to affect negatively the referendum, thus triggering a political crisis in the country. Sanctions imposed for the attempted poisoning of Sergei Skripal in Great Britain led to the expulsion of two Russian diplomats from Albania in the winter of 2018, including the Russian military attache in Tirana Vladislav Filippov. Russia has recently nominated him as military attache to Bosnia and Herzegovina. His biography is also closely related to the Balkans. Prior to his ill-fated term in Albania, Colonel Filippov was posted in Macedonia from 2009 to 2012 (Avdic, 2019). At that time, he often travelled to Sofia to meet with his colleagues. While in Skopje, Filippov maintained close contacts with members of former Prime Minister Nikola Gruevski's VMRO-DPMNE party that ruled the country by the end of 2016. According to the Bosnian *Journal*, it was Filippov who in the spring of 2017 gave the word

for storming the parliament of North Macedonia. The ultimate goal of the attack on the Assembly by "dissatisfied" citizens was to assassinate Ziadin Sela, one of the leaders of ethnic Albanians in Macedonia, and Zoran Zaev, who at that time was preparing to head as prime minister a pro-Western government. Interestingly, Vladislav Filippov knew personally the Serbian intelligence officer Goran Zivajlevic and had multiple conspiratorial meetings with him. The Russian, according to the Macedonian intelligence services, threatened the Serb that if the assassination of Ziadin Sela and Zoran Zaev failed Zivajlevic "would pay the bill" and his involvement in the Russian plan would be publicly revealed. This explains why Zivajlevic took a selfie amid riots in the Macedonian parliament as a proof of his presence there. Many familiar with the developments in the Balkans believe that Filippov's assignment to Sarajevo could pose a risk given the permanent domestic political and economic crisis that Bosnia and Herzegovina is facing due to the strained relations between its three entities – Bosniaks (Bosnian Muslims), local Serbs, and Croats. A year before the accession of North Macedonia to NATO in the spring of 2019, the former Russian ambassador to Skopje Sergei Bazdnikin stated that the small Balkan country had become a legitimate military target for Russia if the tension between NATO and Moscow increases. According to a commentary of the elite US *Foreign Policy* magazine, a new weak point in NATO has emerged in the face of North Macedonia, whereby Russia could take advantage. According to the publication, it is not excluded that President Putin avails himself of the opportunity to prove that NATO is not much different than a "paper tiger" (Stradner and Frost, 2020). The Russian Ambassador to Belgrade Aleksandar Botsan Harchenko also in turn commented on the Euro-Atlantic integration of North Macedonia, saying in an interview for RIA Novosti, that the ethnic problems in the country will deepen. He made a comment that Albanians in the country will be ever more active in their requests, which will happen with support from Tirana and they will increasing go out of the framework of the Ohrid Peace Treaty from 2001 (RIA Novosti, 2019) (The Ohrid Treaty put an end to the confict from 2001 between the two ethnic communities in North Macedonia).

Greece

By their actions, the Russian intelligence services managed to embitter the long-prepared celebrations on the 200th anniversary of Greek-Russian diplomatic relations as it became publicly known that in the summer of 2017 Russian agents under diplomatic cover had tried to recruit high-ranking officers of the Greek intelligence and the General Staff, as well as metropolitan bishops of the Greek Orthodox Church that strongly opposed the settlement of Skopje-Athens controversy over the name of Macedonia. Their activities were aimed at disrupting the negotiation process for resolving the long-standing name dispute between Skopje and Athens (Petkova, 2018).

The exposed Russian "diplomats" in Greece were expelled, and Foreign Minister Sergei Lavrov's visit to Athens was postponed indefinitely. Thus, the Russian intelligence services have muddled the relations with another key partner of Russia in the Balkans, such as Greece (Ekathimerini Newspaper, 2018). Athens withdrew its ambassador to Moscow, and it took more than a year for Greece and Russia to normalize their bilateral relations before President Vladimir Putin finally announced that the "unpleasant page" was turned. In any case, the relations between Moscow and Athens are no longer what they used to be, no matter what official statements are released.

Conclusions

1. Intensified activities of Russian intelligence services in the Balkans aim to escalate in a negative direction the already complex processes in the region. Russia's goal is to check and weaken local elites and societies on their path to NATO and the EU. Against this backdrop and its ensuing tendencies, Brussels and Washington need to take a more proactive stance in the Western Balkans in order to block Russian actions and espionage activities, countering disinformation by *creating viable and well-informed media*. The role played by the fake news coming from troll factories in North Macedonia at the end of Nikola Gruevski's government is a proof that the immune system of the region is not at a particularly high level.

Through its fake news industry, Russia is seriously influencing the processes in the Western Balkans.

2. Our Western partners need to pay serious attention to Russian intelligence operations in the Balkans. Their goal is obviously to destabilize the region and demotivate the local political elites to embrace a pro-Western democratic orientation. Key in this regard is the support to local political elites in their aspirations for membership of the countries in the region in the EU and NATO.

3. What is it precisely that arouses the interest of Russian secret services in the Balkans? The traditional response to this question rests on historical experience: Russia has been present in the region for more than 200 years, providing support to Balkan Christians under the Ottoman Empire. In reality, Moscow is using the social phenomenon of pro-Russian sentiments in the region, particularly among Serbs and Greek, to turn the Balkans into a springboard for generating tensions between Russia and the West.

4. Russia has clearly demonstrated over the past 20 years that it does not view Kosovo as part of its relations with Serbia. Moscow sees Kosovo as a precedent in the disintegration of socialist federations in Eastern Europe, where border revision could be used by Russia in its own interest. This is why the Kosovo case is so important for Russia, as Moscow can prove that the West is incapable of addressing such a serious issue. Taking advantage of this precedent will enable Russia to "resolve the status" of a number of regions in the post-Soviet space, such as Crimea, Abkhazia, and South Ossetia. The example of Serb-dominated Northern Kosovo could be used successfully by Moscow for the recognition of Moscow's annexation of Crimea, a territory inhabited predominantly by Russians.

5. The analysis of the 2019 processes in the Western Balkans entails the conclusion that we are witnessing a certain escalation in the region that has the potential to grow into a regional conflict.

6. The establishment of the *Russian-Serbian Humanitarian Center* in Nis and the likelihood for opening its branches in the Northern Serbian region of Vojvodina is of great political and military importance. In

addition, Moscow is willing to set up a similar center in Bosnia and Herzegovina. In other words, it will drastically expand point-blank its intelligence operations in the Balkans.

7. The Balkans are a focal point for the interests of Russia, Turkey, and China. The ad hoc alliance between Russia and Turkey in the Balkans is dominated by provisional interests. Ultimately, the rivalry in the Balkans between Moscow and Ankara, and not least China, could affect the region's stability and its aspirations to become part of the Euro-Atlantic structures. The likelihood for a lasting strategic partnership between Ankara and Moscow can be ruled out with a great degree of certainty because of the serious contradictions between the two countries in the Middle East.

The spy wars orchestrated and waged by Moscow in the Balkans will escalate tensions in the region, which could set it in a state of vacuum and hopelessness until historical problems are solved. Regrettably, neither the local authorities nor the international community has been able to resolve these problems over the past 30 years.

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INTERNAL SECURITY: THE STAKES, THE CHALLENGES, AND THE ADDED VALUE OF EUROPOL AND FRONTEX

Sofiya Petkova

Abstract: EU internal security is an exclusive pledge for the future of the European Union at a political and geostrategic cost. This chapter addresses the major challenges to EU security – terrorism and migration, their interrelation and nexus to organized crime. With security threats becoming increasingly cross-border, the activities of the EU agencies Europol and Frontex are generating particularly important added value through an integrated approach and innovative solutions. The effectiveness of their work is substantiated by their expanded mandates and growing scope and volume of tasks. At the same time, both agencies are experiencing strains related to financial and staffing problems that require timely solutions.

Key words: EU internal security, migration, terrorism, organized crime, populism, Europol, Frontex

EU Commitment to Citizens' Security as a Political Pledge

By introducing the notion of "citizenship of the Union" with the Treaty of Maastricht (1992), the European Union (EU) as a concept went beyond the idea of the internal market, making a bid for a political construct that builds on the economic foundation. Since the time of Thomas Hobbes's "Leviathan", it has always been a priority commitment of the *polis* to

its citizens to guarantee their security. The EU can only be a successful political union of values if it develops the necessary capacity to ensure or at least significantly contribute to the security of its citizens.

This is true not only because security is a key element of citizens' traditional outlook, cultivated over the years of historical evolution, and determining where their loyalty and identity lie but also because a growing number of types and forms of crime, as well as challenges to collective and individual security, both in the EU and globally, are becoming cross-border and international in character. EU's cornerstone, the single market, has also facilitated the amplification of this trend within the Union. In this context ensuring citizens' security by the Union is increasingly seen as an important instrument for offseting the negative effects of free movement. Thus, the EU's role in security is acquiring the dimensions of a political pledge for the Union's legitimacy and credibility as a political project among its citizens.

Major Challenges to EU Internal Security

Migration and terrorism are the major challenges to the internal security of the EU. These two mutually reinforcing threats are significantly fuelled by organized crime and cybercrime-related opportunities. Terrorism in third countries is often a cause of insecurity and increased migration to the European Union. Migrant waves can be used by terrorists to conceal unnoticed entries into EU territory. Often immigrants, feeling they do not belong to the host society, more easily fall victims of radicalization and get involved with extremist doctrines.

And yet, why are these two problems so pressing? For several reasons. First, because they generate new forms of security threats that require new, tailored approaches by the authorities, which are often difficult to achieve due to lack of system flexibility. For example, lone wolf attacks with no weapons used or radicalization of second-generation naturalized immigrants, especially in the absence of previous offense record, are the type of threats requiring a significant allocation of resources for information

gathering and monitoring of high risk persons. At the same time, the EU cannot afford to risk an inadequate response as these challenges have a very clear political and geostrategic cost.

A key characteristic of modern **terrorism** is its inherent capacity for metamorphosis (Garonne, 2017). This requires, on the one hand, enhanced exchange of information between the Member States, as well as cumulative analysis of data received from all Member States and international partners in order to identify trends, patterns, and links. Only thus potential threats, such as the return of foreign fighters from ISIS territories, "lone wolves" and EU citizens connected to terrorist organizations based in third-country conflict zones, can be effectively monitored. The response to terrorism without borders should be exchange of information without borders (Bures, 2016). On the other hand, while in 2014 ISIS would call on foreign fighters to migrate to its territories and only if impossible prepare for local actions in Europe, in 2016 these two priorities have switched places (Renard, 2017). Europol's EU Terrorism Situation and Trends Report (TE-SAT) 2019 highlights that the number of European foreign terrorist fighters who have traveled or have attempted to travel to conflict zones is very low and that jihadist networks on the territory of Member States have shifted their focus to conducting operations within the EU. In 2018 for example, all deaths from terrorist attacks were caused by jihadists who acted independently and targeted civilians or symbols of government (Europol, 2019a).

Illegal migration is a phenomenon with a magnitude that after 2014-2015 has gone beyond the coping capacity of Member States. The Common Security Area and freedom of movement are prerequisites that create additional opportunities for illegal immigrants in crossing the EU territory and reaching their desired destination. It is by no accident that in 2015 the Juncker Commission adopted a European Agenda on Migration, outlining the following four priorities: reducing the incentives for irregular migration; securing EU external borders paired with saving human lives; a strong common asylum policy; and a new European policy on legal migration (European Commission, 2015). During the same period, growing

populism and fear-stoking among European citizens pushed a number of Member States towards unilateral measures for national border protection, putting at serious risk the functioning of Schengen and free movement of people and goods across borders. Against this background, enhancing EU's internal security proved the only life belt for the Schengen area. The tightening measures involved, on the one hand, increased EU external border control and strengthened joint police and investigative missions, on the other. Despite the migrant flow reduction seen in 2017 and 2018, migration pressure remained unprecedentedly high and with a potential for constant increase, according to the Europol Migrant Smuggling Center (Europol, 2019b). While the closure of the Western Balkans route in 2017 was an undoubted success in this regard, the pressure on the three Mediterranean routes and along the eastern border persisted. According to Eurostat data, 2.4 million third-country immigrants have entered the EU only in 2017 (Eurostat, 2019).

The link between terrorism and illegal migration is another aspect that should not be underestimated, not only because of its scale, but mainly because of the potential threats it generates. The terrorist attacks across Europe since 2015 (in France, Belgium, Germany, Denmark, and the UK) are indicative of how freedom of movement within Schengen can be exploited by extremists. On the other hand, these attacks have demonstrated the inadequate level of intelligence exchange among Member States, particularly with regard to timeliness and identifying connections between various pieces of information coming from countries, where intelligence exchange has remained bilateral.

The importance of the twin challenge of terrorism and illegal migration is compounded by its nexus to **organized crime networks**. The link between migrant smuggling and organized crime is indisputable. According to Europol's report of February 2016, more than 90% of immigrants have arrived into the EU assisted, the turnover from this criminal activity ranging between EUR 3 and 6 billion for 2015 (Europol, 2016a). Globally, following 9/11 attacks in the United States, the well-targeted and coordinated international counter-terrorist financing efforts

have forced terrorist organizations to seek new sources of funding thus often pushing them closer to organized crime (Hutchinson & O'malley, 2007). The linkages between terrorist and organized crime groups could be in the form of mutual aiding or cooperating in pusuing joint criminal activities, or in the form of emulating each other's tools and tactics (Shelley & Picarelli, 2005; Makarenko, 2009). The European Security Program highlights the need of more effective and comprehensive measures to counter terrorism financing, emphasizing the nexus to organized crime, aiding terrorism through arms supply channels, drug trafficking proceeds and penetration of financial markets (European Commission, 2015a). The link between terrorism and organized crime is often dependent on the idyosyncracies of the specific geographic region (Makarenko, 2007). Thus, in the context of illegal migration, the operation of terrorist and jihadist organizations in the regions of origin often results in crime-terror nexus of cooperation in migrant smuggling and trafficking in human beings (Paoli & Bellasio, 2017).

The challenges posed by terrorism and illegal migration emerge as increasingly urgent to address given the **ways they make use of digitalization**. The proliferation of terrorist activities and doctrines is aided by online radicalization and training, which is of particular importance for filling the ranks of terrorist organizations with second- and third-generation immigrants already integrated in European societies. Smugglers of human beings also lure their victims through online publications. Hence, part of Europol's efforts, focused on identifying and removing illegal online content, are aimed at preventing radicalization and proliferation of extremism and terrorism and preventing orchestration of migrant smuggling through the Internet Referral Unit, established in 2015 with the Agency. Thus illegal migration and terrorism, which are increasingly becoming a cybercrime component of unconventional and unpredictable character, are countered based on legally unregulated solutions, such as online content removal.

The Political Cost of Internal Security Challenges

In parallel, the twin challenge of terrorism and illegal migration is widely used for populist purposes and for earning political dividends by exploiting the fears of citizens. Since both challenges involve individuals external to the respective communities, it is very easy to employ the logic of the "external enemy", a favorite tool of nationalists. The rhetoric of populists, on the other hand, typically describes the nation's unity as being under attack by immigration, refugees, terrorism, and supranational organizations like the EU, which are associated with these phenomena (Fuchs, 2018).

Schengen, even in times free of crisis, has been a source of tension between the goals of European integration, including the principle of solidarity between Member States, and the Westphalian concept of national sovereignty (Jeffray, 2017). Hence, it has become one of the first targets of populist statements and anti-European narratives after the onset of the refugee and migrant crisis.

At the same time, despite their obvious foreign policy component, the topics of illegal immigration and terrorism as "threats" of immediate physical proximity are easy to attract citizens' attention. Unlike other topics, such as the strategic implications of the Common Foreign and Security Policy, for example, the physical presence of refugees, immigrants, and extremists, or the potential for that, adds an element of proximity that makes the topic particularly relevant to populists. The terrorist attacks across the EU during the period 2015-2019 have enormously contributed to the integration of the two themes of terrorism and illegal migration into the populist narrative. The combination of the refugee crisis and subsequent terrorist attacks on European soil (Paris, Brussels, Nice, etc.) has increased citizens' concerns giving rise to narratives describing the EU as irresponsible in the wake of border opening (Rohac, Zgut & Gyori, 2017). Anxiety spurred by immigration is partly fuelled by security concerns, but also by fears of possible cultural and social change (Margalit, 2019). Migration-targeted populism often

seeks justification in the need to protect the social system (Gandesha, 2018). Thus boundaries between "hard" and "soft" security are blurred, to the benefit of populists.

This kind of narratives have been used to earn internal political dividends (Hungary, Austria, Germany), as well as in the context of the 2019 European Parliament elections. It is no coincidence that populists exploit topics strongly related to citizens physical security, as fear instilment is often the shortest path to securitization and compromise with elements of democracy and the rule of law. At the same time, they pertain to freedom of movement, which is at the very heart of the European project.

According to the Autumn 2019 Standard Eurobarometer, European citizens still consider immigration the most important issue facing the EU (34%). Terrorism ranks fourth, along with the public finances of Member States (15%) (Kantar, 2019). The positive trend is that terrorism as a topic has lost 29 points compared to the Spring 2017 Eurobarometer responses. However, the fact that it still ranks fourth and overtakes topics such as environment and unemployment is more than eloquent.

The Geopolitical Cost of Internal Security Challenges

These twin challenges have a geostrategic element to them, as well. By controlling migration flows and developments in conflict points, regional players, such as Turkey and Russia, are able to set the internal political agenda of EU Member States, to exert political pressure or provide a breeding ground for growing populist and xenophobic rhetoric. An example to this end are the periodic threats coming from President Erdogan. In October 2019, for example, he threatened to release millions of refugees into Europe over European leaders' criticism of Turkey's offensive in Northern Syria (Turak, 2019). In late February, Turkey employed an identical threat to exert pressure on the EU to force it, on the one hand, to revisit its position on Turkey's Idlib campaign and, on the other, seek additional funding for Syria's 3.6 million refugees on Turkish territory.

The challenges of migration and terrorism and their link to organized crime and cybercrime highlight two major trends that, albeit present for many years on a much smaller scale, have enormously amplified since 2014:

• The EU internal security is increasingly linked to security and peace in the neighboring regions;

• The immediate threats to EU internal security are increasingly cross-border in character.

Against this background, it is crucial for the EU to enhance its instruments and mechanisms for internal security cooperation. **Two agencies play a key role in addressing EU internal security challenges by generating added value through an integrated European approach: the EU Law Enforcement Cooperation Agency – Europol and the European Border and Coast Guard Agency – Frontex.** While each of the two agencies brings indispensible added value to security across the EU, each is also faced with problems of its own.

The Growing Role and Expanding Mandate of Europol and Frontex

With the security-migration-terrorism triad gaining formidable prominence, the classic national security concept needs to give way to the concept of human security secured through cross-border and European instruments (De Castro Sanchez, 2017). Terrorism and migration challenges require effective information exchange between national law enforcement agencies in order to identify specific threats and activity patterns, and a solidarity approach to coping, allowing Member States to tackle challenges they cannot solve alone with support from the EU and other Member States.

Though under the Lisbon Treaty national security is the sole responsibility of Member States (Article 4 (2) TEU), the EU is gradually getting into the territory of national jurisdiction in the field of internal security. This is largely due to the increasingly cross-border and global

nature of threats, requiring a holistic, coordinated and joint approach at the EU level. Thus for example, although Europol and Frontex have no jurisdiction over carrying out independent missions, their ancillary functions of providing operational support to the national structures produce tangible added value and are often key to delivering results. Practice has shown that the process of establishing Europol and Frontex as collaborative structures at the EU level has successfully avoided duplication of existing national capabilities while setting up mechanisms and structures that bring real added value to the national ones. This is supported by the fact that the cross-border nature of security challenges has not only increased the volume but has also changed the nature of Europol and Frontex's work. With old security models proving poorly adapted to the new reality of cross-border threats, the two agencies play an indispensable role by generating added value through an integrated approach and innovative solutions.

The evolution of the two agencies is a reflection of the increased scope and volume of their tasks. In the wake of the experienced difficulties during the 2014-2015 refugee and immigrant crisis, the **European Commission proposed to expand the mandate of Frontex**, which resulted in its transformation into the European Border and Coast Guard Agency in October 2016. The crisis demonstrated the insufficient financial resources available to the Agency, as well as its lack of powers to conduct search and rescue operations. A decision to increase the Frontex budget and staff followed in response, combining its coordination and support role with shared responsibility in protecting the EU external borders. Important elements of the Agency's expanded mandate include the establishment of a Risk Monitoring and Analysis Center, a technical equipment inventory and rapid reaction teams, the authority to launch joint operations upon its initiative in the event of a real threat to the functioning of Schengen and EU external border protection, the powers to repatriate illegal immigrants and the mandate to work with third parties through liaison officers and pursue joint operations on their territory. The range of security threats falling under Frontex operational activities domain was also expanded:

the Agency is now entitled to cover terrorism and cross-border crime in its risk analyses, to process personal data of terrorism suspects and collaborate with other EU agencies and international organizations in the prevention of terrorism, which implies closer cooperation of Frontex with Europol and its European Counter-Terrorism Center (ECTC). Frontex's reform appears to have been driven not only by the understanding that security cannot be guaranteed while external border protection is left to individual Member States (Jeffray 2017a), but also by the need for an overarching holistic approach to the complex challenges of migration, terrorism, and organized crime. The Agency's budget has been increased annually, growing from EUR 251 million in 2016 to EUR 420.6 million for 2020. In 2019 Frontex staff included 700 members and is expected to reach 10,000 by 2027. The reform is clearly driven by two lines of logic: while the first takes into account the growing importance of migration as a security challenge and its linkage to other threats, such as terrorism and organized crime, the second recognizes the need for cooperation with third parties, i. e. externalizing the Union's internal security towards its neighbors under the mandate of Frontex. Frontex's reform has broadened the crisis management toolbox of the EU, including beyond the territory of the Union, which illustrates the international nature of integrated border management of today (Parkes, 2017).

In 2016 the EU adopted a new legal framework for **Europol** – Regulation (EU) 2016/794, which came into force on May 1, 2017. The most important element of the new regulation is the expanded counter-terrorism mandate of the Agency. The timing of this change is no accident, indicating the potential link between growing migration and the reported need for enhanced exchange and analysis of information for countering the potential threats arising from the migration trends. The regulation also established new structures with Europol: the European Migrant Smuggling Center (EMSC), launched in May 2015, is aimed at strengthening the cooperation with Frontex, and the European Counter Terrorism Center (ECTC), opened in January 2016. The Malta Declaration on the external aspects of migration (February 2017) further enhanced the role of Europol

in support of the fight against immigrant smuggling. During the 2016-2020 political cycle, Europol identified three priority areas, including counter terrorism, along with cybersecurity and organized crime. The 2018-2021 Multiannual Policy Cycle (EMPACT), adopted in May 2017 and based on Europol's 2017 SOCTA Report, identified ten priorities, the top three being cybercrime, drug trafficking, and assisting illegal immigration. The latter three serve as channels for raising financial resources by terrorist organizations, with cyber tools providing in addition an effective method of recruitment and radicalization. SOCTA 2017 lays an emphasis on the new opportunities that digitization provides to organized crime. Europol's budget has also grown over the years, albeit at a slower pace, from EUR 104.2 million in 2016 to EUR 155.1 million for 2020.

The EU-third country cooperation strategies of both agencies are indicative of the fact that the increasing dependency of EU internal security on extra-territorial factors is taken seriously to practice. Frontex, for example, is pursuing various types of joint projects with countries of the Western Balkans and Turkey, the Eastern Partnership, North Africa and the Southern Mediterranean. The first Frontex mission in a third-country with forces directly involved in border control, coordination of operations and return of illegally transferred persons, was launched at the beginning of 2019 in Albania. Europol's External Strategy for 2017-2020 states that the Western Balkans remain a priority region for the Agency, especially the work on issues, such as migrant smuggling, counter-terrorism, and anti-organized crime (Europol, 2016). In addition, the Europol Multiannual Programming Document 2019-2021 foresees deployment of Europol liaison officers in the region and enhanced use of joint investigation teams (Europol, 2019).

Of particular importance among the supporting functions of the two agencies for the Member States is the exchange of intelligence pursuant to the concept of integrated data management set out in the Europol Regulation. The fragmented and complex nature of information exchange between individual Member States, related to regulation, geographical coverage, and information system data management, seriously impedes

the exchange even to this day, leaving blank information spots, which in the context of counter-terrorism poses a risk of omitting potential threats (Tiekstra, 2019). The fact that foreign fighters, known to the authorities and published in international information sharing databases, were able to travel within the EU without their specific location being detected despite registration upon entry at an external border, highlights the point of intersection between migration and terrorism and the pressing need for improved border management and cooperation in information sharing, particularly with regard to the relationship between the two phenomena (Crone & Falkentoft, 2017).

Individual countries have different preferences in terms of sensitive information sharing because of their calculated risk of sources and collection methods disclosure. Europol's added value is particularly prominent in this regard, as it has turned out that the holistic approach to data analysis involving data from all Member States yields far more valuable results compared to sharing of highly sensitive information (Faegersten, 2016). Among Europol's successfully working methods is for instance the sharing and analysis of information within a closer circle of directly interested parties and sharing the conclusions in a multilateral format. In response to those skeptical on the input of EU-level intelligence, it would be helpful for the Union to establish itself as a non-traditional entity in the area of collection, analysis, and exchange of information, without necessarily seeking to reproduce the characteristics of well-established national systems, at least until Europol sets in motion the collection and analysis of open-source data (Faegersten, 2016).

Challenges to the Work of Europol and Frontex

The challenges facing the work of the two agencies are no longer primarily associated with the concerns of individual Member States about interference with their sovereignty. These concerns have largely waned in the years after 2015 giving way to the practical need for cooperation and awareness of the added value the work of the two agencies brings.

Reforming their legal framework, mission and tasks is also in line with the safeguards that Member States have put in place to guarantee their desired level of national autonomy. **At present, the major challenges to Europol and Frontex in ensuring the effective execution of their functions are largely related to financial and staffing aspects.**

In a statement on its 2020 budget (Europol, 2019c) **Europol** expresses the opinion that the multiple increase in the Agency's tasks and responsibilities over the years has not been backed up by a reciprocal increase in its financial resources that would help it assure the implementation of the assigned tasks, both technically and in staffing terms. The European Commission's tabled proposal for a 2020 budget in the amount of EUR 141.1 million is EUR 33.7 million less than the EUR 174.8 million budget approved by Europol's Management Board for the same period. This, according to the Agency, will lead to a shortage of staff and will diminish its capability to accomplish its tasks as planned. Europol also warns that according to the Multiannual Financial Framework the Agency's budget will continue to decrease and by 2021 will be a mere EUR 126.1 million (Europol, 2019c). Much of the Agency's efforts in its communication with the European institutions and Member States representations in 2019 were focused on explaining the way resource scarcity would jeopardize the attainment of its strategic goals. Despite these efforts, the gap between the budget requested by Europol's Management Board and the adopted proposal of the European Commission proves their limited success.

To overcome the financial constraints, Europol focuses on an innovative approach to delivering operational support to national structures. According to its Strategy 2020+, the Agency will seek to offset the staffing gap with smart use of technology and to create added value by establishing itself as the EU criminal information hub and a platform for generating European policing solutions through training and exchange of best practices (Europol, 2018).

As regards **Frontex**, its resourcing problem is not as much related to the allocated amounts (unlike Europol's, the budget of Frontex has been growing at a tangible pace), as to the effective budget use, which is largely

due to structural constraints. The stated goal of reaching by 2027 the figure of 10,000 in Frontex staff (including statutory staff directly employed by the Agency and deployments from Member States) seems difficult to achieve not because of lack of necessary budget, but because of shortage of needed personnel and likelihood to affect negatively the flexibility and staffing policies of national border structures. Furthermore, since the salaries of EU staff are calculated based on a cost-of-living correction factor for the respective Member State of deployment, the problem of staff outflow will be more serious for the Member States from Central and Eastern Europe, because remuneration in Western European countries is more attractive than that in Warsaw, where Frontex is headquartered. The flip side of the coin is the difficulty that the Agency will likely face in recruiting the needed number of directly employed staff. According to R. Bossong, the introduction of this new category of EU border guards raises a whole number of issues related to their training standards, bearing in mind that the border guards seconded so far by the Member States are experienced in carrying out territorial tasks and have expert knowledge on the legal framework and practices in their countries of origin (Bossong, 2019). A solution to these potential Frontex problems would be to set high standards for the training of the new EU border guards, especially as regards the need to comply in their work with the Common European Asylum System and the EU Charter of Fundamental Rights.

It is evident that the EU is implementing a strategy of broadening and strengthening the mandates and tasks of Europol and Frontex in order to respond effectively to the increasingly cross-border nature of threats, however the lack of adequate financial and staffing support has opened up a gap between expectations and opportunities. Finding a timely way to bridge this gap would be crucial for the EU in order to ensure EU's internal security, hence its legitimacy as a political project of shared values.

Conclusion

Efficiency, innovation, and added value of the integrated operational approach at EU level in the work of Europol and Frontex

International as well as global developments are increasingly strengthening the link between EU internal and external security. In a sense, the Union's internal security is becoming a projection of two elements – external security and the way the Union uses its internal security instruments to counter threats arising from foreign political developments and global phenomena that "inflitrate" its external borders. **The integrated operational approach at European level assured through the work of Europol and Frontex, is what currently delivers the most of efficiency, innovation, and added value to both national security, as well as the security of individual citizens and collective security across the EU.** At the same time it must not be forgotten that the success of the two agencies not only guarantees the security of the European Union, but is the only way to safeguard pan-European projects, such as Schengen and freedom of movement, which are at the heart of the European idea. It is therefore important for the European institutions and the Member States to take the necessary steps for their full financial and human resource assurance in the interest of common security.

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COPING WITH THE TOTALITARIAN COMMUNIST PAST IN BULGARIA: PROBLEMS AND ACHIEVEMENTS

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Abstract: The past 30 years since the collapse of the Soviet totalitarian system in Eastern Europe have demonstrated the highly negative and detrimental effect of the Communist past on the democratic development of Eastern European countries, including Bulgaria. This chapter examines the major decommunization processes in Bulgaria through which society has tried to part with the Communist past and break its influence.

One of the main goals of the radical change in 1990 was the establishment of rule of law. In this sense, placing the term *transitional justice* in a specific historical context helps trace its manifestations in Bulgaria and in particular the degree of effectiveness of decommunization processes, lustration, access to archives, especially to the State Security files, and the reform in education.

Key words: totalitarian Communist regime, heritage, decommunization, political lustration, opening of the files, State Security, historical memory, education

After the collapse of the totalitarian Communist regimes at the end of 1989 in the former Soviet camp countries, including Bulgaria, the country took again along the path of democratic development. Changing an entire social system

inevitably leads to changes in its security system. From a state, subordinated for nearly half a century to Kremlin's interests through its vassal Bulgarian Communist Party and its leaders, Bulgaria has gone a long and difficult road of reform to become, during the first decade of the 21st century, first part of the security system of the North Atlantic Treaty since 2004, and later a full member of the European Union since 2007.

In order to understand the underlying causes of the slow, inconsistent reforms in Bulgaria, or the failure at times to pursue any, which has impacted negatively the overall development of the country and its society, it is pivotal to focus on the period of Communist rule (1944-1989).

This stems from the fact that in 1989-1990 the totalitarian Communist system did not disappear automatically. On the contrary, many factors, subsystems and much of the Communist nomenclature and secret services continued to exert strong influence on the democratic changes launched in the country.

Thus the severe legacy of the Communist past had a direct impact on the security of the country and its society affecting such major segments as politics, state institutions, the economy and business, security services, the banking sector, education, media, even the confessions.

Of paramount importance in this context are the dimensions of socio-cultural change, first and foremost in the mental make-up of society, which to this day has not yet arrived at a consensus on the legacy of Communism. The ecstasy of freedom which came with guarantees of civil rights and democratic choice was confronted with aggressive nostalgia for the past based on myths of *"welfare"* under *"socialism"* (pronounced in a heavy provincial accent to become *sotsializama*, popularly dubbed as *sotsa*), i. e. on widespread social ignorance about the crimes committed by the Communist dictatorship.

The past 30 years since the collapse of the Soviet totalitarian system in Eastern Europe have demonstrated the highly detrimental effect that the Communist past has had on the democratic development of the Eastern European countries, including Bulgaria. This analysis examines the major decommunization processes in Bulgaria, through which society has tried to part with the Communist past and put an end to its influence.

One of the main goals of the radical change in 1990 was the establishment of rule of law. In this sense, placing the term *transitional justice* in a specific historical context helps trace its manifestations in Bulgaria and in particular the degree of effectiveness of the processes of decommunization, lustration, access to archives, especially to the State Security files, and the reform in education.

General Framework of the Totalitarian Communist Regime

The conduit of totalitarian Communist regime in Bulgaria was the Bulgarian Communist Party (BCP). In 1919 the Bulgarian Social Democratic Workers' Party (Narrow Socialists) was renamed to Bulgarian Communist Party (BCP) and adopted the basic principles, ideology and symbols of the Russian Communist Party (Bolsheviks) headed by Lenin. Again in 1919 BCP took part in the establishment of the Third International (Comintern) in Moscow and became a section of the Comintern, which was fully controlled and run by the USSR (Hristov, 2015).

It was in execution of Comintern's order that in 1923 the Bulgarian Communist Party tried to provoke turmoil in the country by instigating the September riots, which resulted in its ban by the Bulgarian court in 1924. BCP continued to operate as a clandestine organization and over the years that followed carried out a number of terrorist attacks financed by Moscow the largest of which was the April 1925 assault on the St. Nedelya Church in Sofia during the funeral survice of a senior military officer (shot dead in a previous Communist assault) in the presence not only of members of the Bulgarian political elite but also of many civilians, women and children. The assault claimed 213 lives with over 500 injured, which makes it the bloodiest terrorist act of the twentieth century.

On 9 September 1944, in the conditions of Soviet occupation of the Kingdom of Bulgaria, the Communist Party came to power staging a coup against the democratic government of Konstantin Muraviev (a leading member of the Agrarian People's Union). By order of Moscow, Communists imposed mass terror which began with murders without trial or conviction, a bloody massacre that took within just 2-3 months between 18,000 and 30,000 lives of killed or missing (Hristov, 2015a).

The Communist Party dealt with Bulgaria's political, military, economic and intellectual elites through the so-called People's Tribunal initiated by Georgi Dimitrov, a Communist functionary holding Soviet citizenship, who was at that time in Moscow. As a result, over 10,000 people were tried under 135 lawsuits with 9,550 verdicts issued. A total of 2,730 people were sentenced to death and 305 to life-time imprisonment. About 200 of those sentenced to death were executed prior to court trials. Over 200 businesses were seized along with a huge amount of real estate and possessions. 4,325 families of the convicted and their relatives were displaced, the number of their members amounting to almost 12,000 (Sharlanov and Meshkova, 1994).

Emulating the Soviet model, the Communist regime set up concentration camps where thousands of political opponents were interned without trial and conviction (Hristov, 1999).

Through political justice and patched trials the Communist Party dealt with the political opposition, which by 1947 was crushed. Since 1948, BCP adopted the Soviet model of development laying the foundations of totalitarian rule. Repressions against the Bulgarian people were carried out by the State Security (DS) built on Soviet model and directly subordinate to the BCP leadership. Since its inception and throughout its entire existence it has been ideologically, technically, and in terms of personnel dependent on the Soviet KGB, whereas under Communist leader Todor Zhivkov it was made to work in such a way so as to fully deserve the right to be called a "subsidiary of the KGB" (Hristov, 2016).

Victim of repressions fell a large part of the minority groups in the country, especially the Muslim minority, subject to assimilation policy banning their customs and changing their Turkish-Arab names (Gruev and Kalyonski, 2008).

During the BCP rule the country was brought three times to bankruptcy (in 1960, 1977, and 1987). In addition to Soviet loans, in full secrecy from the Bulgarian society, the Communist regime took loans from Western banks bequeathing in 1989 almost 11 billion USD in foreign debt and 26 billion USD in domestic debt, in addition to an insolvent economy and

agriculture, which in the early 1990s provided the worst start relative to all other Eastern Bloc countries (Hristov, 2007).

The Process of Decommunization

An important premise for success of the reforms undertaken since 1989 by the former Eastern Bloc countries was the effort to isolate the Communist elite, its repressive apparatus and nomenclature from the government and thus deter their influence on the course of democratic processes.

In practice, the system of measures aimed to isolate the former Communist elite and its outfits is a series of decommunization processes, which after 1989 have been pursued with varying intensity and time-span across post-commnist countries. This system of measures has established itself in the public domain as *decommunization*.

Transitional Justice

Justice for the crimes of the Communist regime and justice for the victims of these crimes done by an independent judiciary is the first of decommunization processes. In Bulgaria it was faced with two major problems, a legal and a political one, which at a certain point intersected. The legal refers to the statute of limitations (prescription) in the Criminal Code, while the political is related to the lack of political will to solve this issue (Hristov, 2019).

While numerous lawsuits were filed in Bulgaria for various crimes committed during the Communist rule, one of them – for the murders at the death camp near Lovech, immediately confronted the problem of prescription. The limitation laid down in the Criminal Code was 20 years, whereas the murders in question were committed in the period 1959-1962, i.e. the opportunity to prosecute those crimes had obviously expired back in 1982. In 1990 the Prosecutor General, Martin Gunev, urged the National Assembly to both amend the law so that it would lapse for these crimes and

explicitly provide for retroactive effect of the legislative solution, so that it would be valid not only forwards but also backwards in time allowing for crimes committed under Communism to be prosecuted. The Parliament adopted the amendment but failed to provide for its retroactive effect thus blocking Bulgarian justice.

Other countries like Poland, Germany, and Romania accepted that no prescription could have run during the totalitarian regime as justice then was not independent but under party control.

Yet, in some cases of crime committed during the latter part of the Communist period the Bulgarian judiciary managed to close the court trials with verdicts, even though these can be counted on the fingers of one hand as follows:

- The Chernobyl lawsuit under which Grigor Stoichkov, Deputy Prime Minister and Lyubomir Shindarov, Deputy Minister of Health and Chief Sanitary Inspector at the time of the 1986 accident at the Soviet nuclear power plant, were indicted, found guilty and convicted on charges for failing to inform the Bulgarian society about the occurrence of the accident and to take in a timely manner preventive measures against the radioactive cloud that had passed over the territory of Bulgaria. Though the sentences were not high, 3 and 2 years in prison respectively, they entered definitively into force in 1994.

- Another lawsuit that ended up with a conviction was on the case against Gen. Vladimir Todorov, the last head of the First Chief Directorate of the Bulgarian State Security (the external intelligence), charged and found guilty of destroying files/developments on the writer Georgi Markov, who in 1978 was assassinated in London by the State Security aided by KGB. In 1993 the Supreme Court passed a judgement on this case sentencing Gen. Todorov to 14 months of imprisonment, reduced at the second instance to 10 months which were however effectively served in prison.

- The third trial which ended with a conviction is known as the "Orphans" case against Communist Prime Minister Georgi

Atanasov (1986-1990) and then Minister of Economy and Planning Stoyan Ovcharov. They were found guilty of illegally funding by BGN 210,000 the homes of children of the so-called active fighters against fascism and capitalism (a stratum of BCP members awarded after 1944 numerous privileges). In 1992 Atanasov was sentenced to 10 years, Ovcharov – to 9 years in prison. The then President Zhelyu Zhelev from the Union of Democratic Forces (the political opposition of the Bulgarian Communist Party after 1989) pardoned Georgi Atanasov, while Ovcharov served half the term of his sentence.

Some of the lawsuits that did not end with sentences were as follows:

- The so-called Case No. 1 against Todor Zhivkov who was charged with abuse of power and corruption, found guilty at first instance and sentenced to 7 years in prison. At second instance, however, it was accepted that as former head of state he could not be tried on such charges under the new 1991 Constitution. In actual fact Zhivkov never was head of state, he was president of a collective body, the State Council, but on such fabricated grounds he was bailed out of jail;
- The case on the camps near Lovech and Skravena, which was terminated in 2002 due to the statute of limitations;
- The case on the "Regenerative Process" (an euphemism for the forced change of names of the Turkish minority in 1985);
- The so-called case "Brotherhood Aid" which indicted a group of members of the Politburo of the Central Committee of BCP for provision of grant financial and military assistance to third world countries.

The fact that no justice was done for the crimes of the Communist regime in Bulgaria provided a breeding ground for distrust to the judiciary and a sense of impunity in the society that continue to thrive in the country to this day.

Lustration

The second important decommunization process is lustration which aims to bar top Communist Party functionaries and collaborators of the totalitarian secret services from holding public office over a certain period of time. Though lustration in Bulgaria was part of the public discourse from the very beginning of transition, only a few actual attempts were made in this regard, pertaining solely to the collaborators of State Security/the repressive apparatus. One of the first such attempts was undertaken in 1992 when a text was adopted to the Banks and Credit Act barring State Security associates from holding senior executive positions in the banking sector.

This text was challenged by the Bulgarian Soialist Party (BSP) before the Constitutional Court and was repealed. When several years ago the Dossier Commission (popular name of the Commission for Disclosing the Documents and Announcing Affiliation of Bulgarian Citizens to the State Security and Intelligence Services of the Bulgarian People's Army) conducted checks on the banks, it established that nearly 400 collaborators of the Communist secret services have held senior executive positions in the banking sector throughout the transition period. Moreover, by accident or not, the governors of the Bulgarian National Bank during the first 7 years of transition proved also affiliated to the State Security. Further initiatives were undertaken for partial lustration through enactment of provisions to laws on the public media, public administration, and higher education, but they were all repealed by the Constitutional Court.

A major opportunity to pass a comprehensive lustration law was missed in 1998 under the rule of the right-wing majority and the cabinet of Ivan Kostov, leader of the United Democratic Forces (UDF) (Hristov, 2011). At that time UDF, in the person of Prime Minister Ivan Kostov and President Petar Stoyanov, refused to support the bill on lustration tabled by UDF's coalition partner, the People's Union, an agrarian party led by Anastasia Moser. This is one of the gravest political and historical mistakes of right-wing politicians in Bulgaria, who have pledged to

carry out decommunization, yet when they had the power to fulfill their promise they failed to do so.

Political Lustration

Since 2011 attemts at political lustration have been made in two important sectors of government in Bulgaria. Political, unlike legal lustration, should be understood as presence of political will to bar collaborators of the security services from holding senior positions in the Bulgarian diplomatic service and in the Bulgarian government, not only at ministerial but also at deputy ministerial level. There were no such appointments even under the BSP and MRF-supported cabinet of Plamen Oresharski (2013-2014). Currently (as at 2019) there is only one State Security collaborator in the government, the leader of IMRO Krasimir Karakachanov, this being due namely to his capacity as leader of one of GERB's coalition partners.

Unlike in Bulgaria, lustration was successfully carried out in Germany after the Unification, as well as in the Czech Republic and Poland. Romania adopted a lustration law only in 2012, i. e. 23 years after transition began..

Opening the Files of the Totalitarian Communist Services

Opening of the files of the totalitarian Communist services and disclosing their collaborators is the third segment of decommunization. Coupled with lustration it results in a very successful process, as was the case in Germany. What is typical for Bulgaria is that the opening of the files took place belatedly and was accompanied by a great deal of resistance by the Bulgarian Socialist Party and the parallel power of the former security services that has come into being after 1989, when many of their staff members entered government and private businesses.

Three unsuccessful attempts at dossier opening were made during the initial years of Bulgaria's transition – in 1990, 1997, and 2001. The latter two took place under the government of the Union of Democratic Forces

which enjoyed enormous political majority and had made a vow to open the files of the State Security (DS).

In 2002, when the former monarch Simeon Saxe-Coburg-Gotha came to power, one of the first decisions made was to repeal the dossier law and discontinue the then commission operating under that law.

In 2006, under the rule of the Triple Coalition (comprised of BSP, MRF and NMSS) the then Interior Minister Rumen Petkov committed a grave abuse of power by unlawfully opening several dossiers of journalists, which spurred a sharp public reaction. It was followed by a wide debate whereby civil society representatives played a pivotal role for the adoption of a new dossier law passed with full political consensus just a few days prior to Bulgaria's accession to the EU (2007). The debate on opening the files was accompanied by strong international pressure from foreign MEPs and support by Pastor Joachim Gauk, the first head of the Stasi Records Commission in Germany, who contributed greatly with expert advice during his frequent visits to Bulgaria.

Activities of the Bulgarian Dossier Commission

In 2007, the Parliament elected a new Commission as an independent state body reporting to the National Assembly. It was made up of 9 members, with no political force enjoying majority in its composition.

With its efficient work, the Commission, which is still functioning today, has managed to make up for the 16 years lost due to the belated disclosure of files.

In the course of its 12-year activity, the Commission has established over 16,000 collaborators who have held senior positions to various state and public organizations throughout the transition period. The Commission has publicly disclosed more than 13,000 names and the difference of about 3,000 names pertains to deceased persons as such information under the Bulgarian dossier law cannot be made public (Commission for Disclosure of Documents and Announcing Affiliation of Bulgarian Citizens to the State Security and Intelligence Services of the Bulgarian People's Army, 2019).

As Bulgarian law does not provide for a lustration procedure, society is only informed about public figures with affiliation to the totalitarian secret services.

In 2011, the Commission completed the construction and opened in the town of Bankya near Sofia a Centralized Archive for the documents of the totalitarian Communist services, which is one of the most up-to-date archives in the countries of the former Eastern Bloc. Today, 14 km of State Security documents stored there are undergoing digitization.

The Commission energetically pursues international activities and is part of the European Network of Official Authorities in charge of disclosure of totalitarian archival Communist heritage. It has organized a number of conferences in the country and has actively participated in similar fora abroad.

In addition, the Commission carries out research activities and has published over 50 documentary collections of archival documents on various topics. A public reading room set up downtown Sofia provides a comfortable milieu where citizens and researchers can get acquainted with documents of interest to them.

The disclosure of totalitarian secret services' files is the only decommunization process successfully carried out in Bulgaria, albeit with a 16-year delay since the beginning of transition. Thanks to its work the public today is largely aware of the network of former agents and collaborators spread across various authorities, institutions, and organizations, hence it could be concluded that its influence throughout the years of transition has been enormous and continues to this very day.

Decommunization by Means of Education

Bulgaria still lacks a proper understanding of the crucial role of socio-cultural processes that redefine profound historical change. Influenced by the overall transformation of society, the change in cultural stereotypes and self-awareness of Bulgarian citizens since 1989 has been key to the establishment of a new value system.

In this sense rethinking the immediate past is pivotal. A survey of historical memory conducted at national level in 2011 indicates that topoi associated with Communism constitute a negligible part of the historical memory in our country. We have largely referred to this study as it is the first and last focused on historical memory (Unending Past, 2011). Here is what its results show: respondents who have indicated a most important place related to the Communist era are only 2.2%, protagonists from that period have garnered 5.7% and events – 8.4%. The latter was strongly influenced by the fact that the "Regenerative Process" was indicated as most important event by 15.1% of Turks and 11.1% of Bulgarian Muslims. Communism is defined as the most important historical event by 1.8% of Roma in Bulgaria, which is the highest percentage registered for this specific topos during the entire survey.

The picture concerning the so-called post-Communist period shows that the places associated with it are very few – 1.8%, personalities garner 2.4% and events – 13.9% in total. The most commonly articulated topos is Democracy/10 November 1989/Fall of Communism, which gets 3.6% from Bulgarians, 13.8% from Turks, 5.4% from Roma, and 14.4% from pomaks.

Absence of the Communist period as a general "memory" in the prevalent part of responses to our inquiry raises a number of issues from both historiographic, as well as juridical and socio-psychological aspect. The essential characteristics of Communism as a historical era of single-party totalitarian regime, unlimited violence, political terror, pervasive propaganda, and economic and financial failure are not found in the replies. An exception in this regard is the persecution of Muslims in Bulgaria and in particular the "Regenerative Process" naturally registered in the responses of Muslim communities. What becomes evident from the cited research is that a "Grand Narrative" on Communism does not exist, that a consensus on the true essence of the Communist period is totally absent and that the Bulgarian public lacks interest, desire, curiosity or a drive for catharsis regarding that period (Kelbecheva, 2013).

What are the underlying reasons for this fact?

The major reason for this huge white spot in Bulgarian historic memory is the historiographic vacuum existing until recently with regard

to these issues. This vacuum reflects, of course, directly on the textbooks and on the institutions claiming to revise the textbooks inherited from Communist times. While some of these revised textbooks demonstrate an attempt to introduce an academic tenor in respect to the Ottoman period, the period of Communism remains still untouched by historiographic reconsideration.

The public at large disavows the fact that the People's Tribunal held in Bulgaria is unprecedented in scale and severity of sentences in Eastern Europe. It is worth recalling that the Nuremberg Trial sentenced to death 12 out of 24 defendants, the Far East Military Tribunal tried 28 defendants with 7 death sentences issued, while the Communist Tribunals set records with 476 death sentences and 189 executed in Hungary and 5 in Slovakia. Bulgaria is a "champion" in this regard with 2,618 death sentences issued and 1046 people executed (Daskalov, 2009). An identical approach is applied to the assessment of the repressive Communist system and the concentration camps which were temporarily closed in Bulgaria only in 1962 after dozens of sadistic murders in the camp near Lovech.

As it clearly unfolded that public knowledge of Communism was yet to be shaped, Bulgarian intellectuals were invited by the European Parliament to collect and publish evidence of Communist crimes in Bulgaria. The Konrad Adenauer Foundation organized the first conference of its kind in Bulgaria, which systematically presented the entire spectrum of crimes of the Communist regime (Memory for Tomorrow. International Condemnation of Communism – the Bulgarian Perspective, 2004). The long-standing effort to condemn Communism as a crime against humanity ended with a declaration by the Parliamentary Assembly of the Council of Europe and a largely symbolic and ubiquitously obscure law, adopted on 5 May 2000, declaring the Communist regime in Bulgaria criminal.

In the wake of the Fall of Communism in November 1989 a few modest volumes appeared with memories of people who have survived the Communist concentration camps and prisons, but none of these stories found a place in any of the new Bulgarian history textbooks.

At the same time, the Bulgarian audiences were overwhelmed by memoirs and recollections of the highest functionaries of the Communist elite and State Security, such as Todor Zhivkov, Stanko Todorov, Ognyan

Doynov, Lachezar Avramov, Petar Mladenov, Stoyan Mihaylov, Dimitar Stoyanov, Kostadin Chakarov, etc.

It is only in recent years that some serious historiographic works on Communism have come to the fore, exploring a wide range of economic, financial, political, as well as cultural issues. This new historiography was made possible by the newly established Institute for Studies of the Recent Past (in 2005!), which strongly relies on authors born after the middle of the previous century. However, their exceptionally valuable studies are distributed in a very limitted circulation, which poses the question to what extent these studies could possibly influence mass audiences in Bulgaria and help initiate a debate and new knowledge on this period. Moreover, by the summer of 2019 none of the findings and assessments by the authors of the Institute have been included in textbooks or teaching aids, and the debate on the extremely interesting new archival discoveries have not yet transcended the rooms of periodic conferences organized by the Institute.

The big question, however, is what is the main reason for the refusal of the Bulgarian public in general to get to know and assess the Communist past. Is this due to skillfully managed media policies that have slowly, gradually, and steadily abandoned the subject of Communism in Bulgaria, or is it due to the aging, fatigue, and disappointment of the generation that has lived through that period; or to the misunderstood "Bulgarian tolerance", which will again bury the chances for historic and social assessment of our recent past. Moreover, political conjuncture and the contractual nature of socialist-party historiography have resulted in its thriving through huge circulations. Uncontained in the academic discourse it continues to successfully sustain the Communist myths in the mass consciousness. The "original sin", however, lies in the non-revised curricula and history textbooks.

The general public cannot be blamed of ignorance or nescience as both are result of clever manipulation policies well-crafted by ideologists and official historians of the so called "near past", who are simply trying to *post-facto* legitimize a criminal regime, some of whose chief functionaries still rule the country.

The years since the Fall of Communism are a long enough period which, as it actually proved, has given birth to a new historiography of

Communism. This, however, does not mean that the memory of Bulgarians has internalized the 45 years of Communist dictatorship as an integral part of their historical consciousness, collective or personal, for there is still a huge gap between history academically produced and history as public (ne)science. The discourse in the Bulgarian cultural space is dominated by oblivion, substitution, and, ultimately, historical falsification of the nature and consequences of the Communist period in Bulgaria.

The above conclusions are confirmed by further sociological studies conducted in our country. In 2014 it was found that 94% of young people in Bulgaria knew nothing about the Communist period, against 31% of the adult population. It also turned out that 44% of Bulgarian citizens *regard* socialism in positive terms and only 14% assess it negatively. A comparison with a 1992 survey conducted by the National Center for Public Opinion Study (NCPOS) shows that in 1992 the negative attitude to Todor Zhivkov stood at 76% whereas by 2014 it has dropped down to 45% (Dimitrova, 2014).

The latest indirect data on the level of awareness and assessment of the Communist regime from a 2019 survey reveals a clear tendency of leftward shift among young people whose de-politicization stood at 40% in 2014 and was 14% in 2018. The latter is assessed as *functional political illiteracy* of the young generation in Bulgaria between 16 and 31 years of age (Mitev and Popivanov, 2019).

It turns out that 30 years after the Fall of Communism in Bulgaria the historical "memory" of it is extremely scarce, amorphous, and unarticulated. What is more, Communism does not exist as an established ideological category in the self-consciousness of the contemporary Bulgarian citizen. The reasons for that, as was said before, are numerous but it is above all due to the extremely skillful substitution of the narrative for Communism by a particular Communist and post-Communist elite that dominates the public space and disrupts the genuine channels of knowledge and assessment of the newest Bulgarian history. Last but not least, the non-Communist circles have generally failed in providing a sound and coherent strategy for either studying this past or spreading widely the knowledge among the Bulgarian public. The ultimate result is that Bulgarians today have no clear reflection of the economic, social, cultural or psychological

consequences of Communism, therefore the Communist regime is absent as a memory realm for the vast majority of Bulgarians.

Thus educational reform, through which the totalitarian Communist past could be studied by younger generations who have neither lived through it nor have an idea about it, became the ultimate segment of decommunization in Bulgaria. By implementing such a reform in education the democratic state counters fake nostalgia for Communism, while emphasizing the true meaning of basic human values that young people today take far too often for granted. However, they should be aware that many have paid a high price and even lost their lives upholding their belief in freedom, democracy, the right to choose, to religion, freedom of movement, creativity, etc.

The need for such educational policy was first indicated at the 2008 International Conference on European Conscience and Communism in Prague involving such prominent figures as Vaclav Havel and Pastor Joachim Gauck, who later became President of Germany. In 2009, the European Parliament adopted a resolution on European conscience and totalitarianism, expressing support for the Prague Conference and recommending to the EU Member States a number of policies, including the adoption of new curricula advocating the parallel study of the three totalitarian regimes of the twentieth century – Communism, Fascism, and National Socialism (Nazism). The Bulgarian Parliament backed this policy as early as 2009, with the only exception of the Bulgarian Socialist Party whose MPs voted against.

Regrettably, it took almost ten years before the Ministry of Education and Science adopted in 2018 a new curriculum, under which the period 1944-1989 will be taught for the first time in the 10th grade, starting from the current 2019/2020 academic year, as a separate chapter under the subject "History and Civilizations", involving new terminology and information. This has been achieved after a long period of civil pressure lead by the historian Prof. Evelina Kelbecheva with her civil petition for the need to teach the Communist regime under new curricula initiated in 2014 (Kelbecheva, 2014).

The initiative received active support from several politicians, including MEP Andrey Kovachev (EPP/GERB) and the then-GERB Parliamentary Group Chairman Tsvetan Tsvetanov.

The Bulgarian Socialist Party protested in parliament against the adopted new curriculum, even demanding the resignation of Education and Science Minister Krasimir Valchev. A new scandal broke out in the summer of 2019, as it turned out that certain authors, selected by some of the publishing houses eligible to publish the new textbooks, were trying to spare some facts about the Communist regime and to manipulate or even distort others. Some of these authors are former members of BCP and BSP and cannot be identified as independent and objective historians. Against this backdrop, the non-governmental organization the Truth and Memory Foundation apprised the Minister of Education and Science, Krasimir Valchev, who refused to endorse the textbooks (Truth and Memory Foundation, 2019). The public debate invoked by the Foundation's experts forced the publishing houses to seriously revise their textbooks, only after which they were approved by the Minister.

Conclusion

The battle to implement the discussed educational reform does not end with MES adoption of new curricula or with rewriting textbooks. It must continue with retraining of the teaching staff and vigorous activities involving extracurricular forms of education offered and organized by experts in the field. Unfortunately, the Bulgarian Communist Party's successor – the Bulgarian Socialist Party emerged again as a fierce opponent to this form of decommunization in education by trying in every way possible to obstruct the reform and keep up the old propaganda cliches in history books on the 1944-1989 period.

Unlike in Bulgaria, in all other former Soviet camp countries the political debate on the Communist past has come to an end, the education reform has been completed and since long the peers of Bulgarian students in Poland, the Czech Republic, Romania, Hungary, and Germany not only study this period but have a clear idea and assessment of the nature and

consequences of the Communist regimes forcibly imposed by the USSR on more than 100 million people across Eastern Europe.

Adequate teaching of the Communist period and the subsequent period of transition in Bulgarian history is one of the most important tools for shaping young people's civic awareness and helping Euro-Atlantic values take a deep root in their ranks.

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STRATEGIC PARTNERSHIP FRAMEWORK BETWEEN THE UNITED STATES OF AMERICA AND THE REPUBLIC OF BULGARIA, 26.11.2019

The United States and the Republic of Bulgaria have forged a strong and enduring relationship as friends, strategic partners, and Allies that share transatlantic commitments. Recognizing the significant challenges currently facing our two countries and the international order, we affirm the need to develop and solidify the cultural, economic, institutional, and military ties that bind us together to enhance our mutual security, prosperity, and opportunity. We further express our continuing conviction that our relationship remains rooted in our shared commitment to democratic principles and values, including the rule of law and respect for human rights.

Taking into account the substantial progress we have achieved in recent years and looking to the future, we aim to undertake additional efforts to realize further the potential benefits of our strategic partnership in the following areas:

Security and Defense

Recognizing the need to enhance our collective security, Bulgaria intends to continue to undertake investments to modernize its military forces, increase interoperability, and meet its declared NATO capability targets. In line with the defense spending pledge made by all Allies at the

2014 NATO Wales Summit, Bulgaria intends to continue to implement its credible plan to reach defense spending targets by 2024.

Both countries intend to build upon the success of our 2006 Defense Cooperation Agreement to co-develop a roadmap to advance bilateral defense cooperation to counter maritime, cyber, and hybrid threats in the Black Sea region over the next decade. This 10-year roadmap will support Bulgaria's modernization efforts through the provision of security assistance, facilitating access to advanced U.S. defense technology and expanding the scope of military exercises, engagements, and training to bolster further our interoperability and respective capabilities.

Viewing with concern the security situation in the Black Sea, the United States welcomes Bulgaria's offer to provide a maritime coordination function at Varna in support of NATO's Tailored Forward Presence initiative. Both countries share a desire to pursue additional cooperation, bilaterally and through NATO, to bolster Bulgaria's maritime operations capabilities and thereby bolster our collective security along NATO's southeastern flank.

The United States and Bulgaria expect to convene a high-level strategic dialogue to discuss further the implementation of these goals.

Economic, Trade, and Energy Cooperation

Energy security is national security. The way to ensure Bulgaria's energy security and lower energy prices lies through real market liberalization and reforms. We want to engage in continued dialogue on this process. Our shared goal is for Bulgaria to become a true gas hub and key source of regional energy security, free of monopolists, foreign or domestic, and operating on market principles. U.S. experience can help Bulgaria create a truly dynamic energy market.

The two countries intend to work together on addressing the challenges of the future. Recognizing Bulgaria's interest in moving toward more efficient, cleaner sources of energy, we want to cooperate on increasing the supply of gas from reliable sources and diversifying the

nuclear energy sector, as well as on increasing the share of sustainable renewables in the overall energy matrix. Continued commercial exchanges in this realm are expected to bolster Bulgaria's energy security and lower energy prices for the Bulgarian consumer. We recognize the importance of civil nuclear power as a reliable and clean energy source and look forward to working together to find solutions to Bulgaria's energy needs. To take maximum advantage of secure and affordable gas offered by U.S. liquefied natural gas producers, Bulgaria needs the right infrastructure. Together, we intend to monitor and work to ensure decisive progress on the Interconnector Greece-Bulgaria and the Alexandroupolis Floating Storage and Regasification Unit in Greece.

In the interest of deepening our economic relationship and strengthening our commercial links, we intend to enhance our sustained dialogue on investment climate issues. Our goal is to help foster connections between our two countries' entrepreneurs and to further improve Bulgaria's investment climate, helping attract additional U.S. investment and know-how. We intend to ensure that investors are treated fairly and that any investment disputes are resolved in a just manner that reinforces investors' confidence. As part of this dialogue, we intend to identify ways to solidify the positive performance and to extend recent gains in Bulgaria's Intellectual Property Rights enforcement regime.

Strengthening Democracy and the Rule of Law

Good governance forms the basis of our shared security and prosperity. The United States intends to support Bulgaria as it addresses corruption that limits economic growth and trust in public institutions through robust judicial and law enforcement cooperation and technical assistance and training. These efforts aim to prevent and prosecute high-level corruption, transnational organized crime, and financial crimes in Bulgaria. Bulgaria plans to foster strong economic development by upholding the primacy of law and the sanctity of contracts. The United States and Bulgaria also intend to partner to protect media freedoms.

LONDON DECLARATION ISSUED BY THE HEADS OF STATE AND GOVERNMENT PARTICIPATING IN THE MEETING OF THE NORTH ATLANTIC COUNCIL IN LONDON 3-4 DECEMBER 2019

1. Today, we gather in London, NATO's first home, to celebrate seventy years of the strongest and most successful Alliance in history, and mark the thirtieth anniversary of the fall of the Iron Curtain. NATO guarantees the security of our territory and our one billion citizens, our freedom, and the values we share, including democracy, individual liberty, human rights, and the rule of law. Solidarity, unity, and cohesion are cornerstone principles of our Alliance. As we work together to prevent conflict and preserve peace, NATO remains the foundation for our collective defence and the essential forum for security consultations and decisions among Allies. We reaffirm the enduring transatlantic bond between Europe and North America, our adherence to the purposes and principles of the United Nations Charter, and our solemn commitment as enshrined in Article 5 of the Washington Treaty that an attack against one Ally shall be considered an attack against us all.

2. We are determined to share the costs and responsibilities of our indivisible security. Through our Defence Investment Pledge, we are increasing our defence investment in line with its 2% and 20% guidelines, investing in new capabilities, and contributing more forces to missions and operations. Non-US defence expenditure has grown for five consecutive

years; over 130 billion US dollars more is being invested in defence. In line with our commitment as enshrined in Article 3 of the Washington Treaty, we continue to strengthen our individual and collective capacity to resist all forms of attack. We are making good progress. We must and will do more.

3. We, as an Alliance, are facing distinct threats and challenges emanating from all strategic directions. Russia's aggressive actions constitute a threat to Euro-Atlantic security; terrorism in all its forms and manifestations remains a persistent threat to us all. State and non-state actors challenge the rules-based international order. Instability beyond our borders is also contributing to irregular migration. We face cyber and hybrid threats.

4. NATO is a defensive Alliance and poses no threat to any country. We are adapting our military capabilities, strategy, and plans across the Alliance in line with our 360-degree approach to security. We have taken decisions to improve the readiness of our forces to respond to any threat, at any time, from any direction. We stand firm in our commitment to the fight against terrorism and are taking stronger action together to defeat it. We are addressing and will continue to address in a measured and responsible way Russia's deployment of new intermediate-range missiles, which brought about the demise of the Intermediate-Range Nuclear Forces Treaty and which pose significant risks to Euro-Atlantic security. We are increasing action to protect our freedoms at sea and in the air. We are further strengthening our ability to deter and defend with an appropriate mix of nuclear, conventional, and missile defence capabilities, which we continue to adapt. As long as nuclear weapons exist, NATO will remain a nuclear alliance. We are fully committed to the preservation and strengthening of effective arms control, disarmament, and non-proliferation, taking into account the prevailing security environment. Allies are strongly committed to full implementation of the Treaty on the Non-Proliferation of Nuclear Weapons in all its aspects, including nuclear disarmament, non-proliferation, and the peaceful uses of nuclear energy. We remain open for dialogue, and to a constructive relationship with Russia when Russia's actions make that possible.

5. We work to increase security for all. We have strengthened partnerships in our neighbourhood and beyond, deepening political dialogue, support, and engagement with partner countries and international organisations. We reaffirm our commitment to long-term security and stability in Afghanistan. We are increasing our cooperation with the United Nations; there is unprecedented progress in NATO-EU cooperation. We are committed to NATO's Open Door policy, which strengthens the Alliance and has brought security to millions of Europeans. North Macedonia is here with us today and will soon be our newest Ally. We are committed to the success of all our operations and missions. We pay tribute to all the men and women who have served for NATO, and honour all those who have sacrificed their lives to keep us safe.

6. To stay secure, we must look to the future together. We are addressing the breadth and scale of new technologies to maintain our technological edge, while preserving our values and norms. We will continue to increase the resilience of our societies, as well as of our critical infrastructure and our energy security. NATO and Allies, within their respective authority, are committed to ensuring the security of our communications, including 5G, recognising the need to rely on secure and resilient systems. We have declared space an operational domain for NATO, recognising its importance in keeping us safe and tackling security challenges, while upholding international law. We are increasing our tools to respond to cyber attacks, and strengthening our ability to prepare for, deter, and defend against hybrid tactics that seek to undermine our security and societies. We are stepping up NATO's role in human security. We recognise that China's growing influence and international policies present both opportunities and challenges that we need to address together as an Alliance.

7. Taking into account the evolving strategic environment, we invite the Secretary General to present to Foreign Ministers a Council-agreed proposal for a forward-looking reflection process under his auspices, drawing on relevant expertise, to further strengthen NATO's political dimension including consultation.

8. We express our appreciation for the generous hospitality extended to us by the United Kingdom. We will meet again in 2021.

9. In challenging times, we are stronger as an Alliance, and our people safer. Our bond and mutual commitment have guaranteed our freedoms, our values, and our security for seventy years. We act today to ensure that NATO guarantees those freedoms, values, and security for generations to come.

THE AUTHORS IN THE PUBLICATION

Rumen Kanchev is Professor of International Relations Theory and Geopolitics (G. S. Rakovski Military Academy, Sofia). He is a holder of two doctoral degrees, Doctor of Philosophy (PhD), and Doctor of Science in Strategic Studies (DSc). Among the books he has published are *Why Russia Does Not Pursue a Western-style Democracy* (2008); *Strategic Stability* (2014); *Strategic Rivalry at the Beginning of the 21st Century* (2018), etc. During his professional career, he has served as Head of Strategic Planning Directorate (MoD), Advisor-in-Chief at the National Assembly of Bulgaria, Deputy Minister of Defense (MoD), Chief Advisor at the Security Council of the Council of Ministers, etc. In 1997–1999 Dr. Kanchev was Deputy Chairman of the National Committee for Membership of the Republic of Bulgaria in NATO. His specializations include those in the Fulbright International Scholar Program at CSIS (Washington DC); the Centre for European Strategic Studies (Garmisch – Partenkirchen), NATO Defense College (Rome), and others. His main research Interests are focused on Global security and Geostrategy, Wider Black Sea Region security, the Russian political and military elite and its strategic thinking, Western Balkans security, etc.

During his 29 years of military career, Major General (Ret.) **Sabi Sabev**, PhD, has worked to build and strengthen military capabilities and structures, as well as to advance the reform of the Bulgarian Army. He has held various positions in the Air Force and the General Staff of the Bulgarian Army at the tactical, operational, and strategic level. He has led the development of doctrinal and strategic documents, reviews, plans and analyses, including organizing the participation of Bulgarian contingents in NATO exercises and peacekeeping operations. As a military representative, he has established and integrated the national military representation in the activities of the NATO Military Committee

and its subordinate working bodies. After the end of his military career Sabev worked as a chief expert at Rakovski National Defense Academy and as a lecturer at the New Bulgarian University. He has authored a number of publications on the transformation of the armed forces.

Engineer Hristo Kazandzhiev has over twenty years of experience in oil exploration in Bulgaria, Libya and Syria, encompassing the entire range of activities, as well as in the field of granting rights for prospecting, exploration, and extraction of energy and mineral resources (licensing and concessions) and management of related activities, and over 12 years of experience in the transmission, supply and distribution of natural gas. Kazandzhiev holds a master's degree from the University of Mining and Geology, Sofia, and is a qualified engineer in oil and gas exploration and prospecting.

Engineer Ivan Hinovski is an energy expert with over forty years of experience in energy project management. Hinovski has specialized in Italy, France, Canada, the United States and Japan. He has worked as a consultant for global companies such as Westinghouse, Siemens, Framatom, Gas de France and the European Bank for Reconstruction and Development. Over the years he has held a number of responsible positions: Member of the State Commission for Kozloduy NPP commissioning, Director of the Nuclear PP Directorate at Energoproekt (1998-2001), Executive Director of NEK (1997-1998), Deputy Chairman of the Management Board of Kozloduy NPP (1999-2001). At present Hinovski is Chairman of the Bulgarian Energy and Mining Forum and Director at ProEcoEnergy Consulting Company.

Nikolay Krastev first joined the "Horizont" Program of the Bulgarian National Radio (BNR) in 1992. His professional career is largely related to covering for BNR the processes in the Western Balkans, Turkey, and Russia. He has expertise in the field of international relations, defense, and ethno-religious processes in the Balkans. He has covered key moments from the conflicts in former Yugoslavia, the siege of Sarajevo, the wars in Bosnia and Herzegovina, Kosovo, the ethnic conflict in the Republic of Macedonia, and the fall of Slobodan Milosevic's regime in 2000. He has participated in a public diplomacy course at the US mission to NATO in Brussels, as well as in a number of seminars and conferences in the region dedicated to the problems of the post-Yugoslav space. He served as Correspondent of the Bulgarian National Radio in Belgrade for the Western Balkans (2003-2011) and in Moscow (2015-2017). Apart from BNR, Krastev has worked for Bloomberg TV Bulgaria and TV Bulgaria On Air, where in the period 2017-2019 he hosted commentary and review broadcasts. He has contributed to most of the Bulgarian print and electronic media outlets on topics related to the Blakans, Russia, and the processes in the post-Soviet space.

Sofiya Petkova is an expert in political science, international relations, and European studies. She is a graduate of the London School of Economics and Political Science (LSE) and a holder of Master of Science (MSc) degree in Politics and Government in the EU with a specialization in EU External Relations. She has completed academic, professional, and leadership programs in Europe and the United States, including programs of the US State Department; the Aspen Institute in Romania; the Northwestern University, Evanston, Illinois, US; Leiden University, the Netherlands; the Europeum Institute, Czech Republic. She has worked for the Bulgarian and European Parliaments, the Sofia Platform Foundation, the Sofia Office of the European Council on Foreign Relations, etc. Since September 2019 she is Executive Director of the Euro-Atlantic Security Center.

Hristo Hristov is an investigative journalist and researcher of the State Security archives with 30 years of experience. Founder of the site desebg.com aimed at rethinking the totalitarian communist past. Winner of a number of awards for investigative journalism. For his outstanding work, the European Parliament honored him with its Civil Award (2014). Author of numerous studies on the crimes of the Communist regime in Bulgaria, including 15 documentary books among which *The Secret Case of the Camps* (1999), *The Secret Bankruptcies of Communism* (2007), *Todor Zhivkov. Biography* (2009), etc. His investigation into the 1978 assassination of London-based writer Georgi Markov entitled *Kill the Wanderer* (2005) topped the world news.

Professor Evelina Kelbecheva is a historian and lecturer at the American University in Bulgaria, teaching European, Eastern European, Balkan, and Bulgarian history. She has specialized in the United States and Israel. EU Jean Monnet Lecturer. Fulbright Fellow and Visiting Lecturer at the University of California, Irvine (1993-1996). Chairman of the Eastern European Academic League (2000-2002). Advisor at the Free and Democratic Bulgaria Foundation (1993-1999). Member of the editorial board of the Balkan Forum magazine. She has lectured at Harvard, Columbia, and Toronto Universities, the Library of Congress, the Bulgarian Embassy in Washington, the Bulgarian Consulate General in New York, etc. She has a number of publications in the field of cultural history, historical memory, myths and falsifications of history. Kelbecheva is the initiator of civic pressure for teaching the Communist past in Bulgarian schools.

SUMMARY

The Annual Report „Bulgaria and the World 2019" is comprised of seven topics structured in seven separate chapters aiming to identify trends and key events of the past year that will provide the reader with a new prism through which to analyze what is happening at the national, regional, European, and global levels.

Chapter One examines the structure and dynamics of the global political arena after the Post-Cold War Period. By identifying the main geopolitical interests and goals of the three world powers today – the United States, China and the Russian Federation, the author defines the strategic context of 2019 and early 2020 as oscillating between strategic stability and instability. Multipolarity is likely to enhance this feature in the coming years. Against the unfolding tendency toward multipolarity, the geostrategic dynamics of the international system is largely determined by two highly dynamic bipolar cores: the US-Russia power-based bipolar strategic rivalry, supplemented by the economically-focused US-China bipolar competition.

Chapter Two analyzes the geopolitical and military-strategic realities in the wider Black Sea region. According to the authors, in the years following the 2014 annexation of Crimea, Kremlin's powerful military build-up in the Black Sea has resulted in a serious imbalance in the region tilting the scales in favor of the Russian Federation. In response, NATO should reconsider its approach and implement the concept of Enhanced Forward Presence (EFP) in the Black Sea region. The allied maritime

presence should be bolstered by establishing a standing regional Allied maritime task group and a NATO command center for the Black Sea.

By analytical retrospective of the development of Russian energy projects in Bulgaria and the role of Bulgarian governments over the years, **Chapter Three** traces out the logic underlying Russia's growing political and economic influence in the region of Southeast and Central Europe and the risks involved.

Chapter Four discusses the state of the energy sector, the competitiveness and current energy policies in Bulgaria, drawing parallels with the European energy policy. The problems of ensuring level playing field for investors in the Bulgarian energy sector and the lack of serious market reforms are also analyzed.

Chapter Five analyses the ever more intensive intelligence interest by the Russian Federation towards the Balkans as a strategic region with key importance for the transport and energy corridors between the East and the West. Looking at the activities of the Russian intelligence agencies in Serbia, Bulgaria, Montenegro, North Macedonia, and Greece, the analysis concludes that their enhanced activeness aims to destabilize these countries and shake into hesitation the Euro-Atlantic orientation of the local elites and societies. In this situation, the EU and NATO should have a proactive role in the region so as to counteract Russian espionage and disinformation campaigns.

Chapter Six discusses EU internal security as an exclusive pledge for the future of the European Union at a political and geostrategic cost. The analysis adresses the two major challenges to EU security – terrorism and migration, their interrelation and nexus to organized crime. With security threats becoming increasingly cross-border in character, the activities of the EU agencies Europol and Frontex are generating particularly important added value through an integrated approach and innovative so-

lutions. The effectiveness of their work is substantiated by their expanded mandates and growing scope and volume of tasks. At the same time, both agencies are experiencing strains related to financial or staffing problems that require timely solutions.

Chapter Seven provides a historical overview of the period of totalitarian communist regime and its legacy in modern democratic Bulgaria. The analysis discusses concepts such as transitional justice, lustration, and decommunization in the context of building the foundations of a democratic Bulgarian society. The fact, that the political debate on the communist past is not yet over and the educational reform has still a long way to go in ensuring that we have learned the lessons of the past, proves that the careful astudy of the communist period and the impact of its forces on the present and future of our country is critical.

EASC, January 2020