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# The impact of domestic political challenges towards the accession of Bulgaria to the European Union in January 2007

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# Introduction

The following research report will look at a series of domestic political challenges in Bulgaria that posed a threat to Bulgaria's eventual integration into the European Union (EU) in January 2007. In this regard, the following research report will critically discuss the process of Bulgaria's accession into the Community in relation to the criteria and conditions towards EU membership, as imposed by the Community.

In this light, the following research report will highlight the efforts that the Bulgarian political leadership has implemented in order to meet those domestic political challenges and thus evaluate the progress that Bulgaria has achieved in meeting the political and economic criteria towards EU membership.

Throughout this study, the efforts that the Bulgarian political leadership has implemented in order to address those domestic political challenges is analysed in the context of the progress that Bulgaria has made towards fulfilling the EU membership criteria. Therefore, the process of addressing and responding to those challenges is identical with the progress that Bulgaria has made to reach the criteria for EU membership. In other words, addressing those domestic political challenges has been the essence of the strategy for Bulgarian leaders to reach the EU membership criteria, so Bulgaria could successfully become a member of the EU in early January 2007.

In particular, this present work will focus on a series of domestic reforms, measures and policies that have been implemented by the Bulgarian political leadership in the domestic political realm especially in the last two years. Thus, a specific reference will be made to the *Commission*'s *Reports* on the state of Bulgaria's preparedness towards EU membership in 2005 and 2006, which will highlight in details the progress that Bulgaria has made towards becoming an EU member and the series of reforms that have been implemented.

Therefore, the following research report will look at the process of Bulgaria's accession into the Community seen mainly from a domestic perspective and not necessarily from an EU perspective or from a general integrationist perspective. Thus, the main theme of this research report will be a critical analysis of the dynamics and underlying themes that were involved in the process of Bulgaria's accession into the Community.

The following research report will also highlight a number of actors that were involved in the process of Bulgaria's integration into the EU. Thus, the following study will highlight the contribution of all these different actors to Bulgaria's eventual integration into the EU and highlight their tasks and responsibilities throughout this process.

In this regard, this particular study will be described by the theoretical tradition of the *multi-level governance* approach, which assumes the involvement of supranational (external), national and sub-national (domestic) actors in the processes of European integration. Thus, the process of Bulgaria's accession into the Community will be portrayed mainly from an *actor-centric* point of view and the application of theory will be crucial to illustrate *who* did *what* in the process of Bulgaria's accession into the EU.

The following research is important to the study of International Relations and European politics for the following reasons.

On the one hand, it is concerned with the study of European enlargement and integration, which has for a long time been at the core of political debates and theoretical prescriptions about the future of European politics and the EU. Political scientists and theorists have continuously developed conceptual tools and theoretical explanations that would enable us further to obtain a thorough understanding of the future of European politics and the EU.

However, their attempts could not have been proven applicable or inapplicable to the process of European integration, because negotiations about the accession of Eastern European states to the EU have been advanced only recently. With the enlargement round

in 2004 and the accession of ten new member-states, and the last enlargement round in 2007 with the accession of Bulgaria and Romania, theoretical prescriptions about the future of the EU and European politics could for the first time be critically assessed.

The contribution of this research report to the study of European integration and enlargement therefore lies in the fact that it looks at this process from a critical and analytical point of view. It does so by providing numerous examples that might reveal whether different theoretical interpretations of EU enlargement match with the practical execution of these ideas.

On the other hand, this work is important to the study of International Relations and European politics, because it addresses questions concerned with the accession of a former socialist state in Eastern Europe, Bulgaria, to the EU. Having gone through a long period of communist rule and even more critical period of transition to democracy, Bulgarian foreign and domestic politics have long been ignored by the Western European states and the international community. Nevertheless, by joining the EU, it is widely estimated that Bulgaria will receive more attention by the European Community with regards to its domestic politics and will be given more voice and power to participate in European and world affairs.

Overall, this research report will provide a further understanding into the study of integrating Eastern Europe and Western Europe into one, which has been impossible during the years of the Cold War. After the end of the Cold War and with the demise of socialist rule in Eastern Europe, Europe has for the first time been given the opportunity to act as one in international affairs. Whether this is to be proven right or wrong, remains to be seen. However, this research report will not go so far as to draw predictions about the extent to which the EU will represent the interests of European states in the future or whether it will deepen integration and cooperation among them.

The following research report will be structured into five chapters. The aim of the first chapter will be to highlight briefly the history and evolution of European integration, the nature and distinguishing characteristics of this process, as well as the institutional

structure of the EU. This chapter will also illuminate the mechanisms and criteria that govern the process of EU enlargement and a specific reference will be made towards the process of the EU enlargement to Central-Eastern Europe.

The second chapter will discuss the theoretical background behind the study of European integration. Thus, this chapter will highlight the various theoretical traditions that explain the ambiguous nature and course of European integration. This chapter will also provide a definition of the *multi-level governance* approach, however the application of this theory to the present study will be provided throughout the last chapter of this research report.

The aim of the third chapter will be to discuss the impact of the transition towards democracy in Central-Eastern Europe in 1989 and the subsequent efforts towards integration. Thus, this chapter will reveal how the collapse of communism in Central-Eastern Europe in the early 1990s advanced the agenda towards integration, including Bulgaria as well. This chapter will also highlight that integration has been a major force in promoting democracy in Central-Eastern Europe and membership into the EU aimed to ensure the rule of democracy and free-market economy in those respective states. Ultimately, this chapter will also discuss in detail the process of EU enlargement to the east, its unique character and implications on the processes of European integration subsequently.

The fourth chapter will provide a brief background of the development of the relationship between Bulgaria and the European Community. In this light, it will illuminate the roots of this relationship and explain the political imperatives that drove the agenda towards Bulgaria's integration into the EU. Last but not least, this chapter will also discuss the dynamics and contentious forces at work throughout this process and highlight the financial assistance provided by the EU aimed at speeding up the process of integration.

The last chapter will introduce the main analytical part of this study. Therefore, this chapter will discuss the impact of domestic political challenges towards the accession of

Bulgaria into the EU. In this light, it will illuminate the efforts that have been implemented by the Bulgarian political leadership to address those existing domestic political challenges and thus evaluate Bulgaria's progress towards meeting the political and economic criteria towards EU membership. A particular focus will be placed on the last two years, because they have been the most crucial for Bulgaria to overcome these domestic political challenges and meet the EU membership criteria. This chapter will also highlight a series of provisions that were outlined in the *Accession Treaty of Bulgaria*, established in order to safeguard the proper functioning of EU laws and policies even beyond the time of accession. It will therefore address a number of areas where further progress is still needed and highlight the measures that have been implemented by the EU in order to ensure the proper application of EU laws in these areas.

Ultimately, the last section of this chapter will apply the theory to the present study of this research report and examine critically whether the *multi-level governance* approach successfully explains the process of Bulgaria's accession into the EU. Thus, this section will evaluate the participation of supranational (external), national and sub-national actors in the process of Bulgaria's integration into the Community, and conclude whether this particular theory is indeed a helpful tool towards our understanding of this main theme.

# Chapter One

# The Development of the EU:

# History, Institutions and *Enlargement*

The aim of the following chapter is to provide a brief background of the history and evolution of the EU. Thus, conducting a study of the process of European enlargement requires a careful examination of the controversies surrounding European integration since its early stages, the nature of this process, its distinguishing features, as well as a thorough elaboration of the direction in which the EU has developed. Therefore, the aim of the following chapter is to provide an insight into these main themes.

This chapter will be structured into three sections. The aim of the first section will be to highlight significant events of EU history. This section will also reveal the major provisions of the treaties establishing the legal framework of the Union and their contribution to the process of European integration.

The second section will briefly offer an insight into the major organs and institutions of the EU, their role in decision-making activities at the EU level and their relationship with the member-states. The third section will rather focus on the criteria and mechanisms that govern the process of EU enlargement. A specific reference will be made towards the process of the EU enlargement eastwards as it highlights the latest political and economic criteria for EU membership.

# Section One

# The History and Evolution of the EU

The idea of European integration was primarily born out of "the ruins" of the Second World War.[1] The aim of European leaders after the Second World War was to create conditions that would prevent people in Europe from "ever going" to war with each other again.[2] Thus, the establishment of the European Union was a consequence of an attempt to build peace and stability in Western Europe.[3]

A key figure behind the idea of promoting integration in Europe was Jean Monnet, who became the first President of the *High Authority* of the *European Coal and Steel Community* (*ECSC*) and who consistently pushed the agenda of a sort of "domino theory" of European integration: starting from some areas of economic policy and proceeding forward gradually, sector by sector.[4] This formula of integration thus foresaw that member-states would gradually relinquish a certain amount of their national autonomy over some policy-areas.[5]

The *ECSC* was established after the governments of the *Six* (France, Germany, Italy, Belgium, the Netherlands and Luxembourg) opened up negotiations and they signed the

[1] John McCormick, Understanding the European Union: A Concise Introduction, second edition, New York, Palgrave, 1999, p. 57.
[2] Ibid., p. 63.
[3] Ian Barnes and Pamela Barnes, The Enlarged European Union, New York, Addison Wesley Longman Limited, 1995, p. 7.
[4] Alex Warleigh, European Union: The Basics, New York, Routledge, 2004, p. 19.
[5] Loc. Cit.; This early approach to *regional integration* thus held that *cooperation* in one area of policy will lead to another and the end of the *integration process* in Europe would be the establishment of a new *political community*. This approach laid the foundation for the establishment of two extremely influential theories of *European integration*: '*functionalism*' and later '*neo-functionalism*'. For more information, please, refer to ***chapter two: section 2-b***. In particular, refer to ***footnote number 107***, ***footnote number 104*** and ***footnote number 112***.

*Treaty of Paris* on the 18th of April 1952. The organisation began work in August 1952 after ratifications of the terms of the treaty by each of the member-states.[6]

Two other Communities were formed in 1958 by the two treaties signed in Rome: the *European Economic Community* (*EEC*) and the *European Atomic Energy Community* (*EURATOM*).[7] In 1965, the institutions of the *ECSC*, *EEC* and *EURATOM* were merged into the *European Community* (*EC*) by the *Merger Treaty*.[8]

The period that followed from 1965 to 1985 was a period of "apparent stagnation" in the history of European integration.[9] In the 1970s, the first attempt at monetary union failed.[10] At this point, it looked as if European integration had come to an end. Despite this, three new members joined the EC in 1973 (Denmark, Ireland and the UK) and this event was, indeed, the first enlargement.[11]

The process of integration continued and Greece joined the EC in 1981, followed by Spain and Portugal in 1986. Thus, the period of the 1980s witnessed a significant revival of the idea of European integration.[12] The agenda towards integration was further strengthened upon the completion of the *Single European Act* (*SEA*) in the mid-1980s.[13]

## ***The Single European Act* (*SEA*): 1986-1987**

The *SEA* was signed in Luxembourg in February 1986 and after ratification by national legislatures, came into force in July 1987. It had several goals, the most

[6] John McCormick, Op. Cit., p. 66.
[7] Ian Barnes and Pamela Barnes, Op. Cit., p. 8.
[8] Alex Warleigh, Op. Cit., p. 12.
[9] Ibid., p. 21.
[10] Ibid., p. 24.
[11] Loc. Cit.
[12] Loc. Cit.
[13] Loc. Cit.

important of which was to complete all preparations for the *single market* by midnight on the 31st December 1992.[14]

According to Steven McGiffen, the signing of the *SEA* could be regarded as the beginning of the transformation of the *European Economic Community* (*EEC*) into the *European Union* (*EU*).[15] The main idea behind the signing of the *SEA* was a commitment of all member-states to remove all remaining barriers to trade. The internal market thus foresaw unrestricted movement of goods, people, capital, services and labour.[16]

According to John McCormick, the passage of the *SEA* was widely considered as the most "significant and successful step" in the process of European integration since the *Treaty of Rome*. It brought about a series of "important consequences" towards the process of European integration. On the one hand, it created the "single biggest market" and "trading unit in the world".[17] On the other hand, many internal passport and customs' controls were "eased" or "lifted"; banks and companies could do business throughout the Community and EC residents could live, work, open bank accounts or draw their pensions anywhere in the Community.[18]

In this regard, Neil Nugent argues that the *SEA* provided a "major boost" towards the process of European integration. He states that it did so by strengthening the treaty base for policy activity, most particularly with regards to the completion of the internal market where a "deadline was set".[19] On the other hand, it did so by strengthening the institutional system of the Community, especially with regards to the increased capacity of the *Council of Ministers* to take decisions by *qualified majority voting* (*qmv*), and the increased legislative powers given to the *European Parliament* (*EP*).[20]

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[14] John McCormick, Op. Cit., p. 74.
[15] Steven McGiffen, The European Union: A Critical Guide, London, Pluto Press, 2001, p. 3.
[16] Loc. Cit.
[17] John McCormick, Op. Cit., p. 75.
[18] Loc. Cit.
[19] Neil Nugent, (**1**), The Government and Politics of the European Union, fourth edition, London, Macmillan Press, 1999, p. 51.
[20] Loc. Cit.

In relation to this, Alex Warleigh states that since the establishment of the *SEA*, a process of revival of European integration has begun.[21] Thus, the mid-1980s witnessed a significant "recasting of the European bargain". He states that this trend continued with the *Treaty on European Union* (*TEU*), signed at Maastricht in 1992, which is also known as the *Maastricht Treaty*.[22]

## ***The Maastricht Treaty* (*The Treaty on European Union*)**

According to Steven McGiffen, the treaty signed at Maastricht on the 7th of February 1992 brought some extremely significant developments towards the integrationist agenda.[23] The treaty was finally accepted in May 1993 after a second referendum was held in Denmark.[24]

According to Alex Warleigh, the *TEU* largely built on the successes of the *SEA* and the signing of the *TEU* was largely a result of two factors. He argues that the first factor was the perceived need to maximise the benefits of the *single market* by introducing a common European currency.[25] Secondly, he argues that it was the result of the collapse of communism in Central and Eastern Europe, which brought about three significant outcomes: the re-unification of Germany, the end of the Soviet Union as a perceived threat to Western Europe and the need for Western Europe to develop the capacity to deal with the "newly-liberated countries" of the former Soviet bloc.[26] Indeed, this issue will be discussed in greater detail throughout the third chapter of this research report.

The *Maastricht Treaty* brought four substantial changes to the structure, functions and the role of the EU. Firstly, like the *Single European Act*, it furthered the competence of

[21] Alex Warleigh, Op. Cit., p. 26.
[22] Loc. Cit.
[23] Steven McGiffen, Op. Cit., p. 3.
[24] John McCormick, Op. Cit., p. 77.
[25] Alex Warleigh, Op. Cit., p. 26.
[26] Loc. Cit.

the Community's institutions into new policy areas. In addition, it established new and "far-reaching objectives" which were openly integrationist in nature.[27] It also aimed to create a single currency and set a timetable for its introduction by January 1999, and created the rules by which member-states would qualify for admission and how the currency would be governed.[28]

Last but not least, the *Maastricht Treaty* established a wholly new structure within the Community. The name was changed to the *European Union*, because the *EC pillar* was joined by two new *pillars*: the *Common Foreign and Security Policy* (*CFSP*) and cooperation in the field of *Justice and Home Affairs* (*JHA*).[29]

In January 1995, three more states joined the EU: Austria, Finland and Sweden-the fourth enlargement of the EU.[30] Subsequently in June 1997, EU leaders signed the *Treaty of Amsterdam*, which contained a new set of revisions to the founding treaties of the EU.[31]

## ***The Treaty of Amsterdam***

According to John McCormick, the *Treaty of Amsterdam* did not reach its goal of achieving political union to accompany the economic and monetary union promoted by the *SEA* and the *Maastricht Treaty*, mainly because the fifteen leaders could not agree on anything more than simply some "modest changes" to the structure of the EU institutions in preparation for enlargement.[32] For that reason, Desmond Dinan argues that the *Amsterdam Treaty* itself should not be regarded as a "new, stand-alone treaty"

[27] Steven McGiffen, Op. Cit., p. 4.
[28] Loc. Cit.
[29] David Wood and Birol Yesilada, The Emerging European Union, New York, Longman Publishers, 1996, p. 84.
[30] John McCormick, Op. Cit., p. 77.
[31] Ibid., p. 79.
[32] Loc. Cit.

underpinning the EU, but simply as a treaty containing some changes to the founding treaties of the Union.[33]

Thus, with regard to policy deepening, its most "important contribution" was the strengthening of EU decision-making capacity in certain justice and home affairs' areas. In respect of institutional deepening, its most important changes were to extend the *Maastricht*-created co-decision procedure to more policy spheres and to virtually abolish the *SEA*-created cooperation procedure.[34] On the other hand, it provided for "greater cooperation" between member-states in the pursuit of a common foreign and security policy and empowering the Union to carry out "humanitarian aid" and "peace-keeping tasks" (known as the 'Petersburg tasks').[35]

## ***The Treaty of Nice* (2000-2001)**

With the last deepening of European integration and the anticipated EU enlargement to the east, the pressure for changes within the structure and the institutions of the EU increased. With already fifteen members and the intention to grow to twenty or even more, the nature of the relationship between the member-states needed to be "revised".[36] Changes also had to be made with regards to the distribution of votes and seats in the EU institutions. Thus, such changes became the agenda of negotiations which led to the writing and signing of the *Treaty of Nice* in December 2000-the most recent set of revisions to the *Treaty of Rome*.[37]

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[33] Desmond Dinan, 'Treaty Change in the European Union: The Amsterdam Experience', in Laura Cram, Desmond Dinan and Neil Nugent (eds), Developments in the European Union, London, Macmillan Press, 1999, p. 305.
[34] Neil Nugent, (**1**), Op. Cit., p. 51.
[35] Steven McGiffen, Op. Cit., p. 9.
[36] John McCormick, Op. Cit., p. 82.
[37] Loc. Cit.

Unfortunately, the new treaty was concerned more with "numbers" (such as votes in the *Council of Ministers*, seats in the *European Parliament* etc.) rather than with a revision of the tasks, nature and structure of the EU institutions.[38] Thus, the treaty dealt predominantly with the "leftovers" of the *Amsterdam Treaty*, such as the weighting of votes under *qualified majority voting*; the size and powers of the *Commission*; representation in the *European Parliament*, and the whole question of the EU institutions and the relationship between them and the member-states.[39] It was finally ratified in 2002, after it was initially rejected by a referendum in Ireland.[40]

## Other Recent Developments

A further significant development within the EU subsequently was the successful launch of the single currency in 2002, an ambition of EU leaders since the early days of European integration. As a result, all member-states except Denmark, Sweden and the UK abolished their national currencies and adopted the '*euro*' (€).[41]

In 2004, the fifth enlargement of the EU took place. Ten new states joined the Union and for the first time European integration turned its attention eastwards. Thus, Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia became new EU members.[42] Bulgaria and Romania have recently joined in January 2007.

A recurring theme of this thesis is the idea that the process of EU enlargement eastwards has had a profound influence on the processes of European integration ever since. Thus, the enlargement to the east has been a unique process in terms of both its

[38] Loc. Cit.
[39] Steven McGiffen, Op. Cit., pp. 5-6.
[40] Alex Warleigh, Op. Cit., p. 13.
[41] Ibid., p. 29.
[42] Ibid., p. 13.

size and its impact on the political unification of the continent. It has transformed the political map of Europe by integrating the two halves of Europe that were for nearly five decades divided. At the same time however, this enlargement has posed a series of challenges for both the Union and the new member-states.

Thus, with the recent expansion of EU membership and the issue of further enlargement on the agenda, the volume of EU regulations that the member-states have had to deal with has increased and the number of actors involved in the European policy-making process has expanded.[43]

Moreover, the intensification of the decision-making process, in terms of both deepening and extending the range of European policy has confronted the member-states with the necessity to respond to these changes in the European environment.[44] These issues will be further examined throughout the third chapter of this research report, which will highlight in essence the major provisions of this event on both the Union's development and the processes of European integration.

The purpose of this section was rather to describe the evolution of the EU, the main characteristics of its institutional development, as well as few competing tendencies throughout its development. The aim of the following section will be to offer an insight into the institutional framework of the European Union and its main ruling bodies. At the same time, this section will also describe the relationship between these institutions and the national governments of the member-states.

[43] Kenneth Hanf and Ben Soetendorp, 'Small States and the Europeanisation of Public Policy', in Kenneth Hanf and Ben Soetendorp (eds), Adapting to European Integration: Small States and the European Union, New York, Addison Wesley Longman, 1998, p. 6.
[44] Loc. Cit.

# Section Two

# Major Organs and Institutions of the EU

According to Ian Barnes and Pamela Barnes, the European Union is like any other government or democratic organisation with three separate branches of government: the judiciary, the legislature and the executive.[45] These roles are split between the institutions of the EU: the *Commission*, the *Council* (*of Ministers*), the *European Parliament* (*EP*), the *European Court of Justice* (*ECJ*), the *Economic and Social Committee* (*ECOSOC*) and the *Committee of the Regions* (*CoR*).[46]

The *Commission* has the primary responsibility for tabling the proposals, the *Council* is responsible for decision-making power and in the dialogue between the two, the *European Parliament* is also performing an increasingly "important role".[47] Thus, once the *Commission* has proposed a new law or policy, it is then discussed and amended by the *Council of Ministers* and the *EP*. The *ECJ*, on the other hand, is the "supreme judicial authority" of the EU and its task is to ensure that the legislation is in keeping with what is set out in the treaties.[48]

## *The Council of the European Union* (*The Council*)

The *Council of the European Union* (known also as the *Council of Ministers*, the *European Council* or simply the *Council*) is the most powerful of all the EU institutions

[45] Ian Barnes and Pamela Barnes, Op. Cit., p. 14.
[46] Loc. Cit.
[47] Ibid., p. 15.
[48] Loc. Cit.

with regards to "day-to-day politics".[49] It represents the member-governments of the states and no EU legislation is possible without the *Council*'s agreement. The *Council* is therefore the "ultimate and main legislator" of the EU.[50] Membership of the *Council* changes according to the "issue at stake" and it always consists of the relevant ministers from the member-governments.[51] In relation to that, Neil Nugent argues that as the forum in which heads of governments meet, it has the "highest political status" and probably the "greatest political legitimacy" of any of the EU institutions.[52]

According to Fiona Renshaw, the 1990s witnessed the *European Council* playing a primary role, having the responsibility of the "construction of Europe".[53] Mainly because of its "intimate involvement" with preparations towards EU enlargement, the *Economic and Monetary Union* (*EMU*), and the institutional reform proposals discussed at the 1996-1997 *Intergovernmental Conference* (*IGC*) (which culminated in the *Amsterdam Treaty*), the *Council* has therefore been a "chief source" of the impetus towards European integration ever since.[54]

## ***The Commission of the European Communities* (*The Commission*)**

The *Commission* has been primarily involved in the Union's decision-making at "all levels" on "all fronts".[55] It plays an extremely significant role in the EU policy-process. For example, it performs the tasks of initiating policy; it creates legislation; represents the EU abroad and acts as a "watchdog" to ensure the implementation of EU policies. Last

[49] Alex Warleigh, Op. Cit., p. 38.
[50] Loc. Cit.
[51] Loc. Cit.
[52] Neil Nugent, (**2**), 'Decision-making', in Laura Cram, Desmond Dinan and Neil Nugent (eds), Developments in the European Union, London, Macmillan Press, 1999, p. 131.
[53] Fiona Renshaw, 'The European Council and the Council of Ministers', in Laura Cram, Desmond Dinan and Neil Nugent (eds), Developments in the European Union, London, Macmillan Press, 1999, p. 24.
[54] Loc. Cit.
[55] Neil Nugent, (**3**), The Government and Politics of the European Community, second edition, London, Macmillan Press, 1991, p. 61.

but not least, the *Commission* takes responsibility for the administration of Community programmes.[56]

## ***The European Parliament* (*The EP*)**

The *EP* is the only "elected institution" of the EU.[57] It consists of members elected in each member-state, who sit in cross-national party groups (or as independents) rather than as members of national delegations.[58] First and foremost, the role of the *EP* is to "reject, amend or take steps" to approve legislation. The *EP*'s function is also to approve the appointment of the *Commission* and act with the *Council of Ministers* as the "budgetary authority" of the EU.[59]

It should still be mentioned that like any other institution of the EU, the *EP* also has its limitations. In this regard, Karlheinz Neunreither believes that the growing institutional influence of the *EP* is not matched by an improvement in the relationship between the *Parliament* and the citizens of the EU.[60] Thus, he argues that public awareness of the *EP* has advanced "only slowly". He adds that in general, people have become more critical towards all the EU institutions since the "post-Maastricht debates".[61]

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[56] Laura Cram, (**1**), 'The Commission', in Laura Cram, Desmond Dinan and Neil Nugent (eds), Developments in the European Union, London, Macmillan Press, 1999, p. 45.
[57] Alex Warleigh, Op. Cit., p. 41.
[58] Loc. Cit.
[59] Ian Barnes and Pamela Barnes, Op. Cit., p. 34.
[60] Karlheinz Neunreither, 'The European Parliament', in Laura Cram, Desmond Dinan and Neil Nugent (eds) Developments in the European Union, London, Macmillan Press, 1999, p. 81.
[61] Loc. Cit.

## ***The European Court of Justice* (The *ECJ*)**

The *ECJ* is the "supreme judicial authority" of the EU.[62] Its primary responsibility is to act in an "independent and impartial" way in order to ensure that the legal framework provided in the treaties is observed in both its "interpretation" and its "application" by the member-states.[63]

Other EU courts include the *Court of First Instance* (*CFI*) and the *Court of Auditors*. The *Court of Auditors* is part of the structure of the financial accountability within the EU. Respectively, the *Court of First Instance* was established by the *SEA* in order to "ease the caseload" of the *ECJ*.[64]

Having provided an overview of the main organs and institutions that have had an extensive impact on EU policies and decision-making, the aim of the following section will be to offer an insight into the criteria and mechanisms that govern the process of EU enlargement. A specific reference will be made to the latest enlargement round to the east which redefined the complete rules and regulations that govern EU membership.

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[62] Ian Barnes and Pamela Barnes, Op. Cit., p. 18.
[63] Loc. Cit.
[64] Daniel Wincott, 'The Court of Justice and the Legal System', in Laura Cram, Desmond Dinan and Neil Nugent (eds), Developments in the European Union, London, Macmillan Press, 1999, p. 86.; There is also a number of other institutions within the EU, such as the *European Central Bank*, the *Court of Auditors*, the *Ombudsman*, the *Economic and Social Committe*e (*ESC*), and the *Committee of Regions*. Nevertheless, their function will not be examined throughout this section, because the role they play in the EU policy-making process is insignificant. For more information, please, read: Alex Warleigh, Op. Cit., pp. 44-45.

# Section Three

## The *EU Enlargement*:

## '*Criteria*' and '*Mechanisms*'

As was already mentioned, throughout its existence the Union has witnessed five enlargements: the first-Northern-in 1973 when Britain, Ireland and Denmark joined; the second and third-Southern-in 1981 with the accession of Greece and in 1986 with the accession of Spain and Portugal; a fourth one-in 1995 when Austria, Sweden and Finland joined the Union; and a fifth one-in 2004 with the accession of ten new states from Central and Eastern Europe-the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia.[65] However, the accession of Bulgaria and Romania was delayed and they only joined the EU in January 2007.

Indeed, all except the last enlargement round were completed with the participation of no more than four states. With the fall of the Berlin Wall in 1989, the path to a new re-unification of the continent "was opened".[66] Thus, the establishment of new democracies in Central and Eastern Europe created new relations with the Community with exclusive dynamics, related to their fast incorporation into the EU. On the other hand, these events have had a significant impact on the nature and direction of the integration processes in Europe ever since.[67]

At a session of the *European Council* in Copenhagen in June 1993, these countries were basically approved as eventual future members of the EU under the condition that

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[65] Chavdar Nikolov et al., European Integration: Economic Aspects (translated), Blagoevgrad, Neofit Rilski Publication, 2003, p. 151.
[66] 'The Enlargement of the EU', http://www.evropa.bg/bg/del/europe-a-to-z/eu-enlargement.html, 2006, p. 2.; The impact of *democratisation* in Eastern Europe on the subsequent processes of *EU enlargement eastwards* has been enormous. For more information, please, refer to ***chapter three: section 1-a***.
[67] Veselin Boiadgiev et al., Bulgaria in a United Europe: A Guide for Future European Citizens (translated), Sofia, *Paideia Foundation* Publication, 2004, p. 9.

they would fulfill the economic and political criteria for membership.[68] Once adopted, these *Copenhagen criteria* for accession generalised the basic requirements for EU membership. Thus, the political criteria consisted of a series of obligations for the new member-states and its main provisions included stability of the institutions that guarantee the rule of democracy, supremacy of law, human rights and respect and protection of the rights of minorities.[69]

The economic criteria presupposed the pursuit and existence of an operational free-market economy and the ability to withstand the competition pressures and the power of the market within the Union. Last but not least, the legal criteria for EU membership defined the ability of the country to fulfill the obligations for EU membership, including the incorporation of the objectives of the political, economic and monetary union, and the adoption of the mechanisms governing the rules for EU membership (the *acquis communautaire*).[70]

In order to assist the applicant states with preparations towards receiving full membership, the *European Council* at a session in Essen in December 1994 adopted a pre-accession strategy that aimed towards a progressive incorporation of those countries into the mechanisms of economic integration into the Community's standards for democracy.[71]

The essence of this strategy was expressed in June 1995 in Cannes in the so-called *White Book* adopted by the *Council* titled: '*Preparation of Associated Countries from Central and Eastern Europe for Integration into the Internal Market of the EU*', which basically turned into a practical handbook for future accession and pointed out the most substantial measures and approaches that needed to be adopted in every sector of the economy and the legislature.[72]

[68] Chavdar Nikolov et al., Op. Cit., p. 144.
[69] Loc. Cit.
[70] Ibid., p. 145.
[71] Loc. Cit.
[72] Veselin Boiadgiev et al., Op. Cit., p. 23.

Agreements on association, preceded by agreements on trade and cooperation were also included. The common framework of the agreements reached by the Central and Eastern European countries was expressed in a report of the *Commission* on the 27th of August 1990, which provided a progressive proposal towards an area of free trade within a period of ten years. After negotiations in seven circles, Bulgaria signed a similar agreement on the 8th of March 1993 and after a ratification procedure, it came into force on the 1st of January 1995.[73]

A pre-accession financial assistance on the programme of restructuring the economy named *PHARE* was also included, which initially assisted Poland and Hungary and afterwards other applicant countries. Indeed, this is where its name initially comes from: (*Poland and Hungary Action for Restructuring the Economy-PHARE*).[74] *ISPA* was another programme aimed towards supporting structural projects in transportation and environment; *SAPARD*-towards agricultural development in rural regions from 2000 to 2006, and *INTERREG*-towards trans-border cooperation.[75]

At a session in Madrid in December 1995, the *European Council* defined enlargement as a "political necessity" and a "historical opportunity" for the continent and assigned the *Commission* with the task to present a report on the consequences of this process on the policies and the budget of the Community.[76]

Furthermore, in July 1997 a strategic document, *Agenda 2000*, was presented to the *European Parliament*. It represented a clear and systematic description of the development of the Union when entering the twenty-first century.[77] Its main components included a new financial framework for the budget of the Community from 2000 to 2006, an analysis of the common agricultural policy after enlargement and propositions for necessary reforms, a review of future changes within the structural funds, the effect of the

[73] Chavdar Nikolov et al., Op. Cit., p. 145.
[74] Marie Lavigne, The Economics of Transition: From Socialist Economy to Market Economy, London, Macmillan Press, 1995, p. 97.
[75] Chavdar Nikolov et al., Op. Cit., p. 145.
[76] Ibid., p. 146.
[77] Veselin Boiadgiev et al., Op. Cit., p. 24.

enlargement on other EU policies, and a proposition for a stronger pre-accession strategy.[78]

*Agenda 2000* was put into practice after a decision of the *European Council* in Luxembourg in December 1997, when re-integration of Central and Eastern European countries to the world of democracy was actually stated. Thus, the process of enlargement to the east was qualified as a global, comprehensive, evolutionary and an extremely progressive project.[79]

In this regard, the purpose of the third chapter will be to highlight in more details the process of EU enlargement to the east and its impact on the processes of European integration per se. The aim of this chapter was rather to illustrate the history and evolution of the EU, where the early idea of European integration came from and the distinguishing characteristics of this process. This chapter also tried to provide an insight into the major organs and institutions in EU decision-making and the main criteria and mechanisms that govern the rules for EU membership.

The aim of the following chapter will be to reveal the theoretical background behind the study of European integration. Thus, the following chapter will attempt to provide an insight into the early theoretical prescriptions about the nature and course of the process of European integration. This chapter will also highlight the main assumptions of the *multi-level governance* approach, which will be in fact the main theoretical model for describing the process of Bulgaria's accession into the Community.

[78] Loc. Cit.
[79] Loc. Cit.

# Chapter Two

## The *Theory* and *Practice* of *European Integration*:

The aim of the following chapter is to discuss the theoretical background behind the study of European integration. This chapter will be structured into three sections. The first section will reveal the complexity behind the theoretical examination of European integration, its ambiguous nature and course of action. Thus, this section will illustrate that various conceptual frameworks and interpretations have been proposed to explain the phenomenon of European integration.

The second section will highlight that the theoretical debate on European integration has evolved around two classical paradigms or policy-making models of the EU: *intergovernmentalism* and *supranationalism*. Thus, all theories of European integration have been built around the nexus of these two opposing extremes and favoured one side of the debate or the other. Wherever applicable, a definition of each one of them will be provided.

The aim of the third section will be to illuminate a particular theoretical tradition that has attempted to solve the battle between *intergovernmentalism* and *supranationalism* and recognise the contribution of both theories to the study of European integration: the *multi-level governance* approach. This approach is also cited, because it is by far the most appropriate theoretical model with regards to the present study of this research report.

# Section One

# Theories of *European Integration*:

## a) the '*unique nature*' *of European integration*

To begin with, there is not a single theory that explains the process of European integration and enlargement in full details for a variety of reasons. On the one hand, the nature and course of European integration has been subject to constant change throughout its development and theories of integration have not been able to capture all the complexities and issues involved. On the other hand, theorising about the future of the European Union has also proven extremely problematic, given its distinctive nature as a political entity and the controversy surrounding the issue of sovereignty versus the issue of interdependence in decision-making at the EU level.

Last but not least, the scale of enlargement has dramatically changed since the 1990s, especially in the last few years. Thus, with the accession of ten new member-states in May 2004 and with the accession of Bulgaria and Romania in January 2007, it is not clear yet what the ultimate purpose of the enlargement process will be and with what speed it will happen.

According to Robert Jones, an agreement has not yet been reached as to the "ultimate goal" of European enlargement, its "size" and "shape". Thus, he argues that the process of European integration has been "unfinished" and its development has been "uneven", characterised by times of relatively "rapid development" and of "inertia".[80] In other

[80] Robert Jones, The Politics and Economics of the European Union: An Introductory Text, Northampton, Edward Elgar Publishing, 2001, p. 2.

words, the latest phase of the process of European integration could yet be considered as another, very powerful "push on the accelerator" in the Union's development.[81]

In this regard, Neil Nugent states that the enlargement agenda has always been at the core of the EU policy-agenda and is thus "hardly in itself a new phenomenon" with regards to the Union's development. Nevertheless, what is new has been the scale of the enlargement process that has been underway since the mid-1990s.[82] The EU has undergone a major "qualitative change" in its development after the end of the Cold War, which resulted in its expansion eastwards and reforming its relationships with the countries from Central and Eastern Europe.[83]

Moreover, Dimitris Chryssochoou argues that theories of integration have also failed to predict the direction and speed of the integration process in Europe because of the complex and unique nature of the EU.[84] As a result all "process theories" of regional integration, such as *functionalism*, *neo-functionalism* and *transactionalism* have found it very difficult to "grasp" the complex governance structures of the "European polity" and its "distinctive nature".[85]

When discussing the unique nature and course of European integration and its provisions on the debate on theories of integration, it should also be noted that this is an analysis of the EU as well, provided that the EU is both the primary and the ultimate object of the study of European integration. In other words, theorising about the process of European integration is also theorising about the EU (its development and enlargement) in its own right (and vice versa), because it is by far the most evident example that all these paradigms could be applied to and proven right or wrong.

As was mentioned earlier, quite often theoretical and conceptual tools have been inadequate in explaining the Union's development and the whole meaning and purpose of

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[81] Loukas Tsoukalis, The New European Economy: The Politics and Economics of Integration, Oxford, Oxford University Press, 1993, p. 2.
[82] Neil Nugent, (**4**), 'The EU and the 10+2 Enlargement Round: Opportunities and Challenges', in Neil Nugent (ed.), European Union Enlargement, New York, Palgrave Macmillan, 2004, p. 1.
[83] Jones, Op. Cit., p. 1.
[84] Dimitris Chryssochoou, Theorising European Integration, London, Sage Publications, 2001, p. 2.
[85] Loc. Cit.

integration. Moreover, in most of the instances these theoretical insights have also failed to reveal the complexities and competing tendencies in the development of this process, its ambiguous nature and last but not least- its ultimate objective.

Thus for example, Robert Keohane and Stanley Hoffman state that theories of European integration have failed to predict the EU's institutional change in the mid-1980s (the signing of the *SEA*), the subsequent collapse of the communist rule in Eastern Europe in 1989 and the unification of Germany.[86]

On the other hand, early theoretical prescriptions about the course and exact stages in the pursuit of European integration were primarily concerned with the elimination of trade barriers, which brought about a "still incomplete customs union" in goods and the "rapid growth of trade interdependence".[87]

Nevertheless, as was mentioned above, developments since the mid-1980s brought about a "qualitative shift" in this process and resulted in the establishment of a "European economic system" as a "superstructure", that was built on top of "already densely knit national economies".[88] As a result of that, the main issues, policies and agendas that have dominated ever since were mainly concerned with the "regulation of markets", development of common policies at the "micro- and macro-economic levels", and the whole restructuring of the European economic system.[89]

[86] Robert Keohane and Stanley Hoffman, 'Institutional Change in Europe in the 1980s', in Brent Nelsen and Alexander Stubb (eds), The European Union: Readings on the Theory and Practice of European Integration, first edition, Boulder, Lynne Rienner Publishers, 1994, p. 239.
[87] Loukas Tsoukalis, Op. Cit., p. 2.
[88] Loc. Cit.
[89] Loc. Cit.

## b) *the development of 'integration theory'*

As it has become clear so far, theories of European integration have proven incomplete or exclusive in providing a full description of the complex nature and course of European integration. Each theory of integration should rather be applied to a particular stage in the evolution of the Community and the course of European integration, thus explaining its dynamics, underlying themes and contentious forces at work.

Using Mary Kaldor's words, each theory of integration should be therefore developed upon "normative choices being made" in any "given historical situation" that reflects a particular stage in the development of the Union. It is not possible to explain the course of European integration simply on the basis of analysing "past trends" in the evolution of the Community.[90]

A different approach should be rather developed when examining the complex network of policies, outcomes and agendas that characterise the EU system. In this regard, Michael O'Neill explains that a conceptual approach to the meaning of integration therefore needs to provide an "inclusive" and not an "exclusive" account of the broad range of views and opposing tendencies that define the nature and the making of the "European process".[91]

In other words, the "multi-faceted phenomenon" of European integration cannot be explained by a single theoretical tradition, because it is a "moveable feast" with a multiplicity of meanings, issues and agendas involved into its every-day decision-making.[92] Ultimately, this process is comprised of extremely "complex and ambiguous"

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[90] Mary Kaldor, 'Eastern Enlargement and Democracy', in Catherine Hoskyns and Michael Newman (eds), Democratising the European Union: Issues for the Twenty-First Century, Manchester, Manchester University Press, 2000, p. 139.
[91] Michael O'Neill, The Politics of European Integration: A Reader, London and New York, Routledge, 1996, p. 14.
[92] Ibid., p. 15.

social, political and economic relationships that cannot be captured or fully explained by a single theory of European integration.[93]

Thus, on the one side of the debate are those thinkers who believe that member-states should pursue cooperation and pool out certain amount of their sovereignty in favour of a supranational institution or authority. On the other side of the debate are the defenders of the realist paradigm (the *intergovernmentalists*) who hold that regional politics is still characterised by sovereign states pursuing their national interests and their actions therefore limit the scope for interactions and the fulfillment of common tasks through cooperation.[94]

Indeed, any theory of regional integration largely reflects one side of this debate and is therefore highly subjective most of the time. In this regard, the purpose of the following section will be to highlight in more details the battle between *intergovernmentalism* and *supranationalism* in the context of key decisions and policy-making at the EU level.

From the outset of this analysis however, it should be noted that *intergovernmentalism* and *supranationalism* are more than simply theories of European integration. These two classical paradigms should rather be understood as approaches to European integration in the sense that they both address the main issues at stake in the process of European integration.

Put simply, they are more concerned with the complex network of competing tendencies and contentious forces that characterise the level of interaction among the member-states in the EU. Therefore, they need to be rather understood as intellectual tools that would enable us to understand better the nature of the integration process taking place in Europe, its dubious course and ultimately, the battle of competing interests that define its outcome.

When applied to this present study, other theories of European integration, such as *functionalism* and *neo-functionalism* will also be described in terms of how they

[93] Loc. Cit.
[94] Ibid., p. 14.

contribute to our understanding of the main issues and conflicting interests involved into the process of European integration. However, this section will not go so far as to provide a detailed definition of each theory of European integration, but it will rather provide an insight into the dynamics and underlying themes of this process.

# Section Two

# The '*Battle*' between

# *Intergovernmentalism* and *Supranationalism*

## a) *intergovernmentalism and supranationalism-theoretical insights*

*Intergovernmentalism* has its origins in international relations theory and more specifically the theoretical tradition of *realism*. According to *realism*, nation-states are the primary actors in international relations and key political decisions and arrangements between states are carried predominantly by national governments.[95]

In contrast to *neo-functionalism*, *intergovernmentalism* does not assume that supranational actors and institutions play a decisive role in political arrangements amongst states and respectively, in the process of integration.[96] Thus, to the extent that supranational institutions arise, they solely serve the ultimate goals of state executives.[97]

[95] Neil Nugent, (**5**), The Government and Politics of the European Union, fifth edition, New York, Palgrave Macmillan, 2003, p. 482.
[96] Loc. Cit.
[97] Gary Marks et al., 'European Integration from the 1980s: State-Centric versus Multi-Level Governance', in Brent Nelsen and Alexander Stubb, (eds), The European Union: Readings on the Theory and Practice of European Integration, second edition, London, Lynne Rienner Publishers, 1998, p. 275.

When applied to the study of European integration, *intergovernmentalism* thus holds that actions and decisions taken by the governments of the European states explain the direction and pace of the integration process in Europe.[98] In this regard, Stanley Hoffman suggests that the proponents of this theoretical tradition emphasise rather the "logic of diversity" than the "logic of integration" in the process of cooperation among states.[99]

Another core assumption of this state-centric governance model is that European integration does not challenge the autonomy of nation-states. Thus, the proponents of this argument suggest that state sovereignty is preserved or even strengthened through membership into the EU.[100]

Simon Bulmer sums up some of the main assumptions of the domestic politics approach (*intergovernmentalism*). First of all, the "national polity" is the basic unit at the EC/EU level. It is the level at which governments, interest groups, parliamentary bodies and political parties derive their power and legitimacy and at which they also may be "called into account".[101]

Secondly, European policy represents only one aspect or a "facet" of a state's national policy. Thus, it is "somewhat artificial" to separate a member-state's European policy from its national policy. Thirdly, national governments therefore hold a "key position" at the junction of national policies with politics at the EU level.[102]

In contrast to this view, *supranationalism* holds that states work with one another in a way that does not allow them to exercise complete control over developments and key policy-outcomes. In this sense, *supranationalism* takes inter-state relations "beyond

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[98] Neil Nugent, (**5**), Op. Cit., p. 482.
[99] Loc. Cit.
[100] Paul Pierson, 'The Path to European Integration: A Historical Institutionalist Analysis', in Brent Nelsen and Alexander Stubb (eds), The European Union: Readings on the Theory and Practice of European Integration, second edition, London, Lynne Rienner Publishers, 1998, p. 301.
[101] Simon Bulmer, 'Domestic Politics and European Community Policy-Making', in Brent Nelsen and Alexander Stubb (eds), The European Union: Readings on the Theory and Practice of European Integration, first edition, Boulder, Lynne Rienner Publishers, 1994, p. 145.
[102] Loc. Cit.

cooperation into integration", which obviously leads to a certain loss of national sovereignty.[103]

In this regard, Haas' definition of supranationality provides a clear description of how integration works according to the proponents of this institutionalist approach.[104] Thus, he states that supranationality refers to a "process or style of decision-making" in which the participants refrain from "unconditionally vetoing proposals" and instead seek to "attain agreement by means of compromises upgrading common interests".[105]

Thus, while *intergovernmentalists* viewed the international system as a "gathering of sovereign states" which pursued their national interests through competition and conflict, *functionalists*, on the other hand, moved away from this idea of rational "self-interest" towards a "common interest in cooperation".[106] Thus, they argue that the process of integration operates with its own internal dynamic and if states cooperate in certain limited areas and establish new bodies to oversee that cooperation, they would also cooperate in other areas of interests. Thus according to *functionalists*, the process of European integration has "its own logic" that EC/EU member-states find "hard to resist" most of the time.[107]

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[103] Neil Nugent, (**5**), Op. Cit., p. 475.

[104] Ernst Haas along with Leon Lindberg have been the most influential thinkers on the theory of '*neo-functionalism*' with regards to the study of *regional integration*. For more information on their ideas and theoretical contribution to the study of *European integration*, please, read Ernst Haas, 'The Uniting of Europe' (1958) and Leon Lindberg, 'Political Integration: Definitions and Hypotheses' (1963) in Brent Nelsen and Alexander Stubb (eds), The European Union: Readings on the Theory and Practice of European Integration, second edition, London, Lynne Rienner Publishers, 1998, pp. 141-142 and pp. 149-156.

[105] Robert Keohane and Stanley Hoffman, Op. Cit., p. 245.

[106] John McCormick, Op. Cit., p. 10.

[107] Loc. Cit.; '*Functionalism*' was a theory of *regional integration* which assumed that the nation-state is "irrational and value-laden" and transnational institutions would be more efficient to respond to the "welfare needs of societies". Thus, this doctrine suggested that authority and governance in Europe should be linked to a "specific activity" in order to break away from the traditional link between authority and a definite territory. In this sense, '*functionalists*' foresaw a proliferation of "flexible task-oriented international organisations" as the means to address the priorities dictated by human need.
For more information, please, read Ben Rosamond, Theories of European Integration, New York, Palgrave, 2000, pp. 31-42. The early works on '*functionalism*' could be also found in David Mitrany, 'A Working Peace System', (1943), in Brent Nelsen and Alexander Stubb (eds), The European Union: Readings on the Theory and Practice of European Integration, second edition, London, Lynne Rienner Publishers, 1998, pp. 94-113. Also, please, refer to ***footnote number 5***.

In this regard, the aim of the following part will be to reveal that the course of European integration has indeed followed the prescriptions drawn by both classical paradigms. Thus, the following part will highlight the contribution of each theory to the development and practice of European integration.

## b) *intergovernmentalism, supranationalism and the course (practice) of European integration: the contribution of theory*

Throughout the course of European integration, both *intergovernmentalism* and *supranationalism* have been important features that defined the function and decision-making of the EU.[108] For example, the development of West European economic integration in the early 1950s received most attention from scholars that applied *functionalist* theories.[109]

Thus, the founding fathers of West European integration (Paul-Henry Spaak and Jean Monnet) did hope that the end result of a process of political integration would be a new political community. They also considered that this process would start off with the pooling of coal and steel within the *ECSC*.[110]

In this sense, the *neo-functionalist* concepts have, *post hoc*, provided a theoretical model which proved applicable to the development of West European integration in its early stage, assuming that member-states will have to give up parts of their national sovereignty in exchange for economic efficiency, prosperity and security.[111] From this perspective therefore, the development of the *ECSC* and the *EEC* could be best explained by the mechanism of "spill over", which implied that cooperation in specific economic

[108] Neil Nugent, (**5**), Op. Cit., p. 477.
[109] Peter Van Ham, The EC, Eastern Europe and European Unity: Discord, Collaboration and Integration since 1947, London, Pinter Publishers, 1993, p. 7.
[110] Loc. Cit.
[111] Loc. Cit.

fields will lead to cooperation on trade and monetary issues, as well as foreign policy. Since economic integration would call for political and military integration, unification in those fields was expected to "follow suit".[112]

Nevertheless, the 1960s seemed to disprove this *functionalist* model provided that West European leaders were not willing to "relinquish their decision-making autonomy" on foreign trade, let alone on other issues of *high politics*, such as foreign policy.[113] Thus, the *intergovernmentalist* perspective on regional integration clearly dominated both the "practice and the intellectual discourse" on European integration during the decade or so that followed the 1965 crisis.[114]

One can also observe elements of *intergovernmentalism* and *supranationalism* with regards to the EU institutions. For example, the importance of national governments in decision-making at the EU level is obvious in the *Council of Ministers*.[115] In this regard, state executives adjust policies according to their collective preferences, define the limits of European cooperation and to a large extent they also determine the role of the *European Commission* and the *European Court of Justice*.[116]

On the other hand, a clearly supranational institution of the EU is the *European Commission*, which needs to act in the "European" rather than any "national" interest, has

[112] Loc. Cit.; '*Neo-functionalism*' was a theory of *regional integration* which suggested that the process of *European integration* should be studied upon *behaviour* and *process* rather than an '*institutionalist analysis*'. Thus, a core assumption of this study was the idea of '*spill over mechanism*', which assumed that the creation and deepening of *integration* in one economic sector would create pressures for further *economic integration*. For further information, please, read Ben Rosamond, Op. Cit., pp. 50-65. The study on '*neo-functionalism*' could be also found in the early works of Ernst Haas and Leon Lindberg. (Please, see ***footnote number 104***).

[113] Loc. Cit.

[114] Michael O'Neill, Op. Cit., p. 56; The '1965 crisis' (often referred to as the 'empty chair crisis') refers to a period when the Community was brought to a "stand-still" by France's refusal to participate in meetings of the Council of Ministers between July and December 1965. The crisis was finally resolved in January 1966, with the Hallstein Plan being abandoned in favour of the 'Luxembourg Compromise'. For more information, please, read Alasdair Blair, The European Union since 1945, Harlow, Pearson Education Limited, 2005, pp. 34-35 and pp. 108-109 and p. 137.

[115] Simon Bulmer, Op. Cit., p. 142.

[116] Gary Marks et al., Op. Cit., p. 282.

the right to develop "new policies" and may also take "binding decisions", which do not have to be approved by the member-states.[117]

Another supranational institution is the *European Parliament*, which is elected directly by the European public and is composed of directly elected '*Members of the European Parliament* (*MEP*s) rather than representatives of the national governments of the member-states.[118] Yet, the *European Court of Justice* is also supranational in the sense that it has consistently developed and ensured the "supremacy of EU legislation" over the legal systems of the member-states.[119]

## c) *intergovernmentalism, supranationalism and the 'theoretical crisis': the need for reform*

As it has already become clear, both *intergovernmentalism* and *supranationalism* have largely characterised the EU system. In other words, the EU is both intergovernmental and supranational with regards to its institutions and the way it functions.[120]

In this regard, Wayne Sandholtz argues that the "*intergovernmentalist*-institutionalist dichotomy" therefore neglects important aspects of the Community politics that fit neither category.[121] Instead, the author argues that there is a link between the role of international institutions and state-interest formation at the EU level.[122]

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[117] Laura Cram et al., (**2**), 'Reconciling Theory and Practice', in Laura Cram, Desmond Dinan and Neil Nugent (eds), Developments in the European Union, London, Macmillan Press, 1999, p. 6.
[118] Neil Nugent, (**2**), Op. Cit., p. 136.
[119] Laura Cram et al., (**2**), Op. Cit., p. 6.
[120] Wayne Sandholtz, 'Choosing Union: Monetary Politics and Maastricht', in Brent Nelsen and Alexander Stubb (eds), The European Union: Readings on the Theory and Practice of European Integration, first edition, Boulder, Lynne Rienner Publishers, 1994, p. 260.
[121] Ibid., p. 259.
[122] Ibid., p. 260.

Thus, each member-state tries to ensure that EU outcomes are "as close as possible" to its national interests, but the point that needs to be made here is that those national interests are defined and redefined in the context of the EU.[123] Put simply, the national interests of the member-states are not "formed in a vacuum", they do not exist independently from other major events and policies at the EU level and then brought to Brussels. Those interests are rather "defined and redefined" in an international and institutional context that includes the EU.[124]

In this regard, the aim of the following section will be to provide an insight into a theory of regional integration that has recognised the existence of both domestic and supranational (institutional) actors in the processes of European integration. Thus, the following section will mainly look at a particular theoretical tradition that has tried to solve the battle between *intergovernmentalism* and *supranationalism* and rather offer an alternative approach to examining the nature and course of European integration: a middle-range theory.

## Section Three

## The *Multi-level Governance Model*:

## The '*Synthesis*' of Theory

As it has already become clear, membership into the Community largely reflects the flux of interactions and mutual relationships that characterise the complex EU system. In this sense, both classical paradigms largely undermined the dialectical nature and multi-dimensional level of operation at the EU level.

[123] Loc. Cit.
[124] Loc. Cit.

In this regard, Robert Keohane and Stanley Hoffman define the Community rather as a "network form of organisation", in which individual units and actors are not defined by themselves but in relation to other units.[125] As a result, the EU system has become today increasingly "multi-layered" and "inter-connected", provided that states form transnational agreements "in many different ways, in many different combinations and for many different purposes".[126]

Thus, the understanding of the EU as a "network form of organisation" tends to emphasise rather the "horizontal ties" among the actors in the EU decision-making process and reveal the complexity of their relationships.[127] Subsequently, this thought has led to the emergence of new explanatory models and theories of integration that aimed to emphasise the "multi-dimensional" nature of the EU and the complex level of interdependent relationships and networks operating at the EU level.[128]

In this regard, the latest of these paradigms' shifts represents a "clear break" with the previous interpretations and explanations of European integration. According to this new model, the process of European integration is rather defined as a "clear-cut process" with far more uncertain outcomes than those prescribed by the classical paradigms.[129]

Thus, this new theoretical appraisal of European integration prefers to view the EU rather as a "hybrid system" composed of multiple domestic and international variables at work.[130] In short, European integration is described as a "contingent process" that largely depends on the "issue agendas", "leadership skills" and the involvement of both supranational and domestic actors in the policy-making of the Community.[131]

Thus, the proponents of the syncretic (synthetic) paradigm actually combined together the conflicting tendencies of the mainstream theories within a new paradigm, which aims

[125] Robert Keohane and Stanley Hoffman, Op. Cit., p. 243.
[126] Neil Nugent, (**5**), Op. Cit., p. 510.
[127] Robert Keohane and Stanley Hoffman, Op. Cit., p. 244.
[128] John McCormick, Op. Cit., p. 18.
[129] Michael O'Neill, Op. Cit., p. 81.
[130] Ibid., pp. 81-82.
[131] Ibid., p. 82.

to offer a more "hybrid account" of the process of regional integration.[132] Therefore, this new paradigm defines the contemporary political process of integration as "two distinct but interacting environments". In other words, the process of integration is described as an interaction between the domestic arena of national politics with the international realm, where the national interests of the member-states are pursued.[133]

This new middle-range theory has focused the attention on the "actual logistics" of integration and interdependence at the Community level of operation rather than on the final outcome. Thus, it has provided some important insights into the complex nature and dynamics of EU functioning and policy-agenda: a network comprised of processes conducted by a wide range of actors with extremely complex "mix of motives" and "competing interests".[134]

In the scholarly literature on theories of European integration, this new paradigm has been referred to as the *multi-level governance model*. According to Lee Miles, the *multi-level governance* theoretical approach highlights the existence of interaction across "multiple levels of government" at the EU level. Thus, it does not deny the significance of state executives and state arenas in decision-making policies; however, they do not always remain the "most influential forces" in the processes of European integration.[135]

In this regard, the *multi-level governance* approach highlights the importance of interaction across levels of sub-national actors, such as political parties, interest groups, non-governmental organisations, different individuals etc.[136] Apart from sub-national actors, the influence of supranational actors, such as the EU institutions, for example, should also not be underestimated.[137] Thus, its basic proposition is an "actor centric"

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[132] Ibid., p. 83.
[133] Ibid., p. 92.
[134] Ibid., p. 136.
[135] Lee Miles, 'Theoretical Considerations', in Neil Nugent, (ed.), European Union Enlargement, New York, Palgrave Macmillan, 2004, p. 259.
[136] Loc. Cit.
[137] Jones, Op. Cit., p. 49.

rather than a "state-centric" level of political influence in the European integrationist agenda.[138]

In their 1996 article, Gary Marks, Liesbet Hooghe and Kermit Blank provide three main characteristics that could be seen at the core of the *multi-level governance model*. As it was already mentioned, decision-making competencies are exercised not only by national governments, but also by institutions and actors at other levels. Most of them are supranational and these are the EU institutions themselves: the *Commission*, the *EP* and the *ECJ*.[139]

Secondly, collective decision-making by states involves a "significant loss" of national sovereignty and therefore a "significant loss" of control by national governments. Thirdly, political arenas are viewed as "interconnected" rather than "nested". Thus, a variety of channels and inter-relations between different levels of government-supranational, national and sub-national are seen as both "existing and important".[140]

The proponents of this theoretical approach have argued that especially since the 1980s, the EU system has been transformed into a "multi-level polity" and therefore states no longer perform the task of the "exclusive nexus" between domestic politics and international affairs.[141] In particular, this theory received a "significant boost" from the revival of the European integration process in 1985 upon the completion of the *single European market* after a decade or more of "Euro-sclerosis".[142]

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[138] Lee Miles, Op. Cit., p. 259.
[139] Neil Nugent, (**5**), Op. Cit., pp. 473-474.; For more elaboration on these ideas, please, refer to the actual article in: Gary Marks et al., Op. Cit., pp. 276-277.
[140] Ibid., p. 474.
[141] Gary Marks et al., Op. Cit., p. 292.
[142] Michael O'Neill, Op. Cit., p. 83. The period between 1965 and 1985 was a period of a "low ebb" in the process *European integration.* Thus, upon the completion of the major goal of the *EEC* (the '*customs union*') in 1968, there was little impetus for those seeking *European integration.* Furthermore, during the 1970s, a major European project-'*monetary union*' failed. Thus, it seemed that *European integration* has come to an end although three new members joined in 1973 and the *European Parliament* enjoyed its first set of direct elections in 1979. For more information, please, read Alex Warleigh, Op. Cit., pp. 21-24.

This paradigm has therefore provided some important insights into the inter-connectedness, interdependence and interaction across multiple political arenas and policy areas at the EU level and, in such a way, revealed its nature as a "multi-level" and "multi-tiered political system".[143]

Thus, the *multi-level governance model* did not discard the insights of *intergovernmentalism* and *supranationalism* with regards to the study of European integration, but rather incorporated them into a "much larger" and "more complex" policy-making model.[144] As such, this particular theoretical paradigm therefore largely highlighted the complexities of the European integration process, its dynamics and competing interests at stake.

Indeed, the aim of this chapter was to illustrate that the study of European integration rests upon various theoretical prescriptions and interpretations and each one of them has largely contributed to our understanding of the subject. This chapter therefore tried to provide some insights into the theoretical crisis behind the study of European integration and explain at the same time why this phenomenon has attracted so much research attention.

This chapter also tried to offer an alternative approach to the theoretical definition of the process of European integration. Thus, the *multi-level governance model* has provided the most comprehensive account of the complex nature and functioning of the EU. At the same time, this model recognised that the EU could not be ascribed to any type of political organisation or regime elsewhere in the world, because of its unique nature and ambiguous course of action.

The aim of the following chapter will be to discuss the process of EU enlargement to the east and, more specifically, the impact of democratisation in Central-Eastern Europe on the subsequent efforts towards integration. In this regard, this chapter will also highlight the significance of the EU enlargement to the east with regards to the political future of Europe and the processes of European integration.

[143] Paul Pierson, Op. Cit., p. 297.
[144] Gary Marks et al., Op. Cit., p. 274.

# Chapter Three

# The Road to *Integration*:

# Transition to Democracy in Eastern Europe

# and *EU Enlargement* to the '*East*'

The aim of the following chapter is to discuss the relationship between democratisation in Central-Eastern Europe in the early 1990s and the prospects for EU enlargement eastwards. This chapter will illuminate how the collapse of communism in Central-Eastern Europe and the end of the Cold War advanced the agenda towards integration into the EU.

With the removal of communist rule in Eastern Europe, the nature and direction of all-European integration has changed dramatically and it has had implications not only on developments in Eastern Europe, but also on Western Europe and the course of European integration per se. It has also largely affected the contemporary security order in Europe, the political and economic development of the continent and above all, the future and direction of the EU.

In this regard, the aim of the first section is to discuss the impact of the collapse of communism in 1989 in Central-Eastern Europe on offering new prospects for European integration and the efforts that have been taken towards this agenda. Given that the main theme of this research report is the accession of Bulgaria to the EU, it is extremely important to illustrate that the transition towards democracy was a major driving force behind the agenda towards EU membership.

This section will also highlight that integration has been a major force in promoting democracy in Central-Eastern Europe. In other words, by forcing the new member-states

to adopt the principles of democratic governance and free-market economy in order to meet the criteria for membership and thus become EU members, the process of integration eventually led to the consolidation of democratic rule in those respective states. Thus, the processes of democratisation and integration have influenced and shaped one another in the long term: democratisation made it possible for integration to take place and on the other hand, integration into the EU guaranteed the rule of democracy and free-market economy in those respective states.

The second section will focus specifically on the process of EU enlargement eastwards, its unique nature and its implication on the processes of European integration per se. This section will also highlight the significance of this event in terms of security in Europe, and the political and economic development of the continent.

# Section One

# The End of *Communism* and

# Implications on *European Integration*:

# from *Disintegration* towards *Integration*

## a) from *democratisation* towards *integration*:

For forty years the East-West conflict had a decisive influence on political events in Europe and to a large extent in the entire world.[145] Thus, a striking feature of the 1989-

[145] Egbert Jahn, 'The Future of Europe, Eastern Europe and Central Europe', in Ronald Hill and Jan Zielonka (eds), Restructuring Eastern Europe, Aldershot, Edward Elgar, 1990, p. 203.

1990 revolutions was the "depth" of their impact on European settlement and the international political order.[146] The sharp division between capitalist democracy and communist dictatorship which had run through post-war Europe disappeared. Thus, the position and prospects for both parts of Europe were suddenly transformed by the removal of previously "solid barriers".[147] Moreover, the collapse of communism in Eastern Europe also "shattered" the bipolar security order that characterised East-West politics for the previous forty years.[148]

With regard to Europe, the events of 1989-1990 brought five major consequences: a unified Germany, the dissolution of the *Warsaw Treaty Organisation* (*WTO*), new Eastern European democracies in search of adequate foreign and economic security orientation, an institutionalised *Conference on Security and Cooperation in Europe* (*CSCE*) and as a result of that, choices for the EC in the process of deeper integration.[149]

The revolutions of 1989 were also closely linked with the evaluation of attitudes towards Europe and changes in the view of Eastern Europeans concerning their identity as members of a "broader international community".[150] According to Stephen Larrabee, many of the countries in Eastern Europe had much more in common with countries in Western Europe than they had with each other. For that reason, he states that Eastern Europe was always an "artificial concept", which reflected the political division of Europe after the Second World War rather than the historical and cultural conditions of the countries that fell under Soviet occupation.[151]

The goal of integrating with the "rest of Europe" was therefore a major force behind the transition towards democracy in Central-Eastern Europe. The people of Eastern

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[146] Paul Lewis, (**1**), 'Democratisation in Eastern Europe', in Geoffrey Pridham (ed.), Transitions to Democracy: Comparative Perspectives from Southern Europe, Latin America and Eastern Europe, Aldershot, Dartmouth Publishing Company, 1995, p. 380.
[147] Loc. Cit.
[148] Stephen Larrabee, 'Democratisation and Change in Eastern Europe', in Gregory Treverton (ed.), The Shape of the New Europe, New York, Council on Foreign Relations Press, 1992, p. 130.
[149] Wolfgang Danspeckgruber, 'The European Economic Area, the Neutrals and an Emerging Architecture', in Gregory Treverton (ed.), The Shape of the New Europe, New York, Council on Foreign Relations Press, 1992, p. 93.
[150] Paul Lewis, (**2**), 'History, Europe and the Politics of the East', in Stephen White, Judy Batt and Paul Lewis (eds), Developments in East European Politics, London, Macmillan Press, 1993, p. 266.
[151] Stephen Larrabee, Op. Cit., p. 135.

Europe developed an "idealised image" of Western society through traveling to the West and from Western tourists, TV, and radio broadcasting.[152] Thus, the cultural invasion from the West, the explosion of tourism, the transnational effects of the mass media and the encouragement of the technological revolution in Eastern Europe largely contributed to the transition towards democracy in 1989.[153]

Economic integration was also "undoubtedly" given a "boost" by the *Europe agreements* signed in 1991 with Poland, Hungary and Czechoslovakia.[154] According to Paul Lewis, although the response of the West to the new situation that emerged in 1989 was in the eyes of many Central Europeans "slow" and in practical terms "meagre", agreement with the EC on the prospect of integration was reached surprisingly quickly and was therefore favorable to the "short-term interests" of the East. For example, in the case of Poland, diverse forms of agreement were reached over a range of sensitive areas and Polish expectation for steel products was largely met.[155]

For Eastern Europeans, this "return to Europe" implied a return to the Western world, ruled by democratic governments, functioning market economies and Western European standards of consumption.[156] Put simply, joining Europe meant joining the principles of political and cultural pluralism and the rule of law that already governed the political order in Western Europe.[157] As a result, people expected that a normal, Western European way of life would rapidly follow.[158]

In this regard, the expectations of the new political order were quite high by the Eastern European population. Now that communism had collapsed, people believed that

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[152] Marie Lavigne, Op. Cit., p. 94.
[153] Geoffrey Pridham, 'The International Dimension of Democratisation: Theory, Practice and Inter-regional Comparisons', in Geoffrey Pridham, Eric Herring and George Sanford (eds), Building Democracy? The International Dimension of Democratisation in Eastern Europe, London, Leicester University Press, 1994, p. 8.
[154] Paul Lewis, (**2**), Op. Cit., p. 272.
[155] Ibid., p. 273.
[156] Judy Batt, (**1**), 'The Politics of Economic Transition', in Stephen White, Judy Batt and Paul Lewis (eds), Developments in East European Politics, London, Macmillan Press, 1993, p. 206.
[157] Hanns Maull, 'Europe and the Changing Global Agenda', in Jonathan Story (ed.), The New Europe: Politics, Government and Economy since 1945, Oxford, Blackwell Publishers, 1993, p. 155.
[158] Judy Batt, (**2**), 'The International Dimension of Democratisation in Czechoslovakia and Hungary', in Geoffrey Pridham, Eric Herring and George Sanford (eds), Building Democracy? The International Dimension of Democratisation in Eastern Europe, London, Leicester University Press, 1994, p. 176.

they could live "normal lives" and "grow richer" in every way. They also thought that a free-market economy would raise their living standards, open frontiers would make all the good things of the Western world "accessible" and eventually democracy would encourage the development of a civil society.[159]

The principles of free-market economy and the rule of democracy later became the main conditions and political criteria for accession for the newly-liberated countries of the Eastern bloc.[160] As was mentioned throughout the first chapter, they were adopted by the EU in Copenhagen in 1993 and were respectively, called the *Copenhagen criteria* ever since.[161]

In this regard, the aim of the following part is to highlight that as much as democratisation has led to subsequent efforts towards integration, the process of integration has been also related to promoting democracy and free-market economy in Eastern Europe. Thus, the primary intention throughout the following section is to illustrate that the processes of democratisation and integration have been linked to one another, and they have both constituted a large component of the agenda towards making Europe safe for democracy.

## b) from *integration* towards *democratisation*:

The developments in the Soviet Union and Eastern Europe in 1989-1990 represented only the beginning of a process of "social and political transformation".[162] Thus, according to Andrew Michta and Ilya Prizel, whether post-communist states could rejoin

[159] Phillip Longworth, The Making of Eastern Europe: From Pre-History to Post-Communism, London, Macmillan Press, 1992, p. 25.
[160] Neil Nugent, (**5**), Op. Cit., p. 495.
[161] For more information on the *criteria* and *mechanisms* of *enlargement*, please, refer to the ***first chapter: third section***.
[162] Michael Randle, People Power: The Building of a New European Home, Stroud, Hawthorn Press, 1991, p. 9.

Europe largely depended on the ability of the "emerging democracies" to meet the necessary internal challenges to claim European citizenship and thus find a way to accommodate the region's "ethnic mosaic" and to overcome the legacy of "communist underdevelopment".[163]

In this regard, the most important issue facing the region in the early 1990s was whether the post-communist Soviet states could "redirect their energies" towards the development of their economic and political systems organised along Western democratic and market principles, so that they could be accommodated by a larger "pan-European design" later.[164]

The transition towards democracy also confronted Western governments and institutions with the opportunity to support those countries towards market economy and the consolidation of democratic rule. Thus, help in integrating the East with the West occurred on three complementary levels: through "cooperative agreements" with the EC, through "direct investment" and through a "network of bilateral and multilateral agreements" with Western governments.[165] Thus, with the EC just next door, foreign investment began to flow and Western governments together with international financial institutions began to offer technical help as well as some kind of monetary assistance.[166]

One of the main goals of the Western European agenda at that time was also to make Europe "safe for democracy". Thus, the idea that a democratic Europe must be made "safe for the world" was recognised as the "concomitant goal" of Europeans in the early 1990s.[167]

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[163] Andrew Michta and Ilya Prizel, 'Conclusion: Beyond Post-communism: Eastern Europe or Europe?', in Andrew Michta and Ilya Prizel (eds), Post-Communist Eastern Europe: Crisis and Reform, New York, St. Martin's Press, 1992, p. 197.
[164] Ibid., p. 198.
[165] Katherine Owen, 'East Meets West: Three Paths to Economic Integration', in Andrew Michta and Ilya Prizel (eds), Post-Communist Eastern Europe: Crisis and Reform, New York, St. Martin's Press, 1992, p. 150.
[166] Ibid., p. 166.
[167] Helen Wallace, 'What Europe for Which Europeans?', in Gregory Treverton (ed.), The Shape of the New Europe, New York, Council on Foreign Relations Press, 1992, p. 17.

The aims of the Community towards Eastern Europe were made explicit in some of the principal Community documents related to the *PHARE* programme and the *Europe agreements*, as well as in the statutes of the *European Bank for Reconstruction and Development* (*EBRD*). As was mentioned earlier, the *PHARE* programme was launched in July 1989 to aid Poland and Hungary in the first instance, then other Central and Eastern European countries.[168]

The aims of market economy and European and international integration were stated in very general terms, while the elements of democracy were variously specified to include the rule of law, human rights, political pluralism, a multi-party system and free and fair elections.[169] In this regard, the *Europe agreements* could be regarded as a "reward for progress" in establishing democracy. Thus, they provided favours for trade and implicitly for aid, and they established a framework of institutions, cooperation and to some extent of law, which could be some help to the consolidation of democracy.[170]

Another aim of the Community policy towards Central and Eastern Europe was the integration of these countries into the European and international systems, thus aiming to promote prosperity and democracy, as well as security, including the "damping down" of international conflicts.[171] The principles of the rule of democratic law and representative government were therefore obligatory for the members of the Community.[172]

There were indeed practical reasons why member-states needed to be functioning democracies. Thus, they have to respect the rule of law, because they need to accept the authority of the *Court of Justice* in matters of Community law and to cooperate effectively in the application of that law, as most cases under it are tried in member-states' courts.[173] These states also need to apply the principles of representative government, because the ministers they send to the *Council* have to be democratically

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[168] John Pinder, 'The European Community and Democracy in Central and Eastern Europe', in Geoffrey Pridham, Eric Herring and George Sanford (eds), Building Democracy? The International Dimension for Democratisation in Eastern Europe, London, Leicester University Press, 1994, p. 124.
[169] Ibid., p. 125.
[170] Ibid., pp. 132-133.
[171] Ibid., p. 133.
[172] Ibid., p. 136.
[173] Ibid., p. 134.

appointed and controlled, and their members of the *European Parliament* need to be properly elected.[174]

The governmental aspect of representative government also requires that they have competent public administrations, to which much of the execution of Community policy is delegated. In this regard, it was stated in the *Maastricht Treaty* that a member-state's system of government is founded on the principles of democracy.[175]

Thus, the Eastern European states would not have been considered for membership if they still had a "state-run economy". On the other hand, they would not have been considered for membership if they did not have "thorough and proven democracy". Furthermore, regimes that govern with riot police, abuse ethnic minorities, and "mouth anti-Semitism" are not likely to be admitted.[176] In this regard, Mary Kaldor argues that membership has not been a "mistake". Respectively, without membership, the situation in Central-Eastern Europe would not have improved.[177]

EU membership therefore played an important role in shaping democratic political values and expectations among key elite groups. While membership did not force member-states to create similar institutions as those within the EU, it still did set "broad parameters" that influenced the development of internal structures within member-states and moved them in broadly similar directions, thus helping to promote "democracy by convergence".[178] This has had important implications towards promoting democracy in Eastern Europe and in such a way, it highlighted the political benefits of full EC membership for those countries in the long term.[179]

The aim of this section was to reveal the long road to integration for the ten new members of the EU in 2004. Thus, this section tried to illustrate that the transition towards democracy has been central to the study of European integration and

[174] Loc. Cit.
[175] Ibid., p. 135.
[176] Michael Roskin, The Rebirth of East Europe, New Jersey, Prentice Hall, 1997, p. 194.
[177] Mary Kaldor, Op. Cit., p. 150.
[178] Stephen Larrabee, Op. Cit., p. 160.
[179] Loc. Cit.

respectively, integration into the EU presupposed certain criteria, among which the most important were the consolidation of democratic rule and free-market principles.

The aim of the following section will be to highlight the process of EU enlargement to the east and its implications on the processes of European integration. This section will also try to illuminate the significance of this event for the political future of Europe and the development of the EU.

# Section Two

# The *EU Enlargement* to the '*East*'

## a) the *EU enlargement* turns *eastwards*: the case of May 2004

The enlargement to the east has been seen as the most ambitious project planned ever since the establishment of the European Communities. When signing the *Treaty of Rome* in 1957, the founding countries sent an appeal to all citizens of Europe that shared their ideas to join and share their forces and put them into effect.[180] Subsequently, this aspiration found its full reflection in *Article 49* of the *Treaty of the EU*, where it was officially stated that every European country that accepts the principles of liberty and democracy, recognises human rights and fundamental liberties, can apply for membership into the Community.[181]

[180] Chavdar Nikolov et al., Op. Cit., p. 144.
[181] Loc. Cit.

Thus, on the 1st of May 2004, ten new countries joined the European Union.[182] This event not only marked a further step in the efforts towards economic and political integration of the continent, but through accession to the EU these countries also completed their long transition progress towards democracy. For the new member-states in particular, this event also offered new prospects for economic and political development.

The enlargement to the east has been the biggest enlargement of the EU throughout its history. As a result, the EU has become today the most developed form of a political and economic union in the world.[183] The addition of Cyprus, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovenia, the Czech and Slovak republics to the EU has increased the membership of the EU to twenty five.[184]

Having grown from six to twenty five members, the EU was still looking forward towards a next enlargement. Thus, Romania and Bulgaria joined in 2007, whereas with regards to Turkey, Croatia and the former Yugoslav Republic of Macedonia accession negotiations have been opened up, but a final date of their accession has not yet been finalised.[185]

The enlargement to the east has also been seen as the most challenging enlargement of the EU throughout its history. On the one hand, the big number of countries wishing to join demonstrates the willingness of all these candidates to participate actively in decision-making activities and policies shaping the future of Europe, and represent Europe with a single voice in international politics. On the other hand, this enlargement is taking place when the EU has reached an extremely high form of development and spheres of influence: in economics, politics, judiciary, legislature, sports and culture.[186]

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[182] Alex Warleigh, Op. Cit., p. 13.
[183] Emilia Georgieva and Kaloian Simeonov, European Integration (translated), Sofia, Vizantia Publications, 2005, p. 75.
[184] Alex Warleigh, Op. Cit., p. 13.
[185] Peter Poole, Europe Unites: The EU's Eastern Enlargement, London, Praeger, 2003, p. 47.
[186] Velko Marinov et al, European Economic Integration (translated), Sofia, Sofia University of Commerce and Economics Publication, 2004, p. 437.

Furthermore, this enlargement is unique, because it unites countries from completely different political background and history (the ex-communist states with the already existing member-states) and therefore the EU needs to deal with a diversity of cultures, nationalities and populations within its structures and territory.[187]

Moreover, neither of the previous enlargements of the EU had been planned within such a short period of time as the enlargement to the east. Thus, the time-frame between the introduction of *Agenda 2000* in July 1997 and the beginning of negotiations with the first wave of candidates towards accession (in March 1998) was only eight months.[188]

The increased range of EU functions and rules has also made this enlargement much more "complex and technical" than the previous enlargements. The process has also taken longer, not only because of the complexity, but also because the EU leaders were rather determined to launch the monetary union first, so integration preceded enlargement.[189] Once this was achieved, the negotiations for enlargement started to move relatively quickly. Also, given that this enlargement has taken place "against a backdrop of closer economic union and EU security cooperation", the new states have been expected to become deeply involved in the development of these new functions and processes.[190]

Moreover, this enlargement has implications not only on the relationship of Europe with other states and international institutions and organisations, but it also has extremely serious implications on Europe itself. Thus, the enlargement round of May 2004 has been seen as the culmination of numerous attempts of European politicians and policy-makers to unite the two halves of Europe and transform the continent into a zone of "peace, stability and democracy".[191] This event has been therefore the most significant step towards the elimination of the ideological, political and economic barriers that divided Europe for nearly half a century. In fact, this process started with the revolutions of 1989

[187] Veselin Boiadgiev et al., Op. Cit., p. 19.
[188] Velko Marinov et al., Op. Cit., p. 439.
[189] Peter Poole, Op. Cit., p. 13.
[190] Loc. Cit.
[191] Veselin Boiadgiev et al., Op. Cit., p. 19.

when communism was officially brought to an end, however only with the recent EU expansion eastwards, could the division of Europe be indeed, overcome.

The EU enlargement eastwards has also been extremely important with regards to security in Europe. For about half a century, the division of Europe posed enormous security concerns for policy-makers given that the Cold War created high levels of antagonism between the Soviet Union and the United States. However, with the recent EU enlargement to the east, security in Europe could be strengthened more.

Last but not least, the expansion of the EU eastwards marks the beginning of a new era in the history of European politics, which creates new opportunities for economic cooperation and political development throughout the continent. Thus, for the states that joined the EU, membership in the EU provides a number of opportunities to develop economically. On the one hand, they could extend their internal markets provided that there would be a removal of the barriers to trade of goods, services, capital and the free movement of labour within the EU. Furthermore, those states will adopt the *euro* (€) and the size of the internal market will be increased which should bring further economic development in the future. Moreover, having been granted accession to the EU, these new member-states are given the opportunity to participate more intensively in the directions of EU policies and decision-making activities at the EU level.

Thus, the recent EU enlargement will not only provide and encourage economic growth, but it will also increase competition, integrate Europe financially and economically and last but not least, it will represent Europe as a stronger political power to the rest of the world and to the United States, in particular. Ultimately, this enlargement to the east marks the triumph of liberal capitalism and market-oriented economy in the former ten communist states that recently joined.

## b) the challenges of the *Eastern enlargement*

Nevertheless, there has also been a series of challenges that the EU has been facing throughout its expansion eastwards. For example, a great challenge to the EU was the fact that it needed to accept new members with extremely different historical destiny, cultural identity and much lower economic and technological standards than those of the already existing EU member-states.[192] This has also made the Union much "more diverse" in terms of the political culture, relative wealth and policy preferences of national elites. Thus, the EU has a long way to go before it achieves "unity in diversity" and transforms itself into a structure that is capable of coordinating much of the policy-making that takes place in Europe.[193]

Apart from that, the countries from Central-Eastern Europe have largely undeveloped administrative capacity, judiciary and legislature as compared to the already existing EU member-states, which has posed an extremely serious task for them to meet the membership criteria.[194]

Petko Ganchev and Dimitrii Dimitrov explain that another great challenge which needs to be solved in the coming years is related to the battle between the interests of the national state and the principles of the Community in a form of a new federation, confederation or a new form of a supranational body or authority. By joining the EU the new member-states have also been at great risk of losing certain amount of their sovereignty and pursuing foreign policy in accordance with the interests of the EU.[195]

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[192] Petko Ganchev and Dimitrii Dimitrov, The Future of Europe: Prerequisites, Trends and Prospects in the Development of the European Union (translated), Sofia, *Riva* Publication, 2004, p. 246.
[193] Alex Warleigh, Op. Cit., p. 5.
[194] Velko Marinov et al., Op. Cit., p. 442.
[195] Petko Ganchev and Dimitrii Dimitrov, Op. Cit., p. 246.; For further clarification on this issue, please, look at the ***second chapter: section two and section three***, where the battle between *intergovernmentalism* and *supranationalism* has been discussed in great details.

The question remains of whether the EU will manage to implement its economic policies on states that for nearly five decades have run a centralised-planned economy.[196] On the other hand, the process of enlargement might lead to significant changes in the institutional framework and the structures of the EU, as well as decision-making activities and policies at the EU level.[197]

A further complication is the fact that although the EU has become more important to the lives of those who live in its member-states, this growth in importance has not yet been matched by the Union's popularity among the EU citizenry. Thus, many of the EU citizens are still unaware of the "powers and limits" of the EU and do not feel that their lives have been influenced by decisions or policies made at the EU level.[198]

According to Mary Kaldor, the success of this enlargement therefore depends on the degree to which the Union would be able to "transform itself" and in particular, on the degree to which it would be able to create mechanisms through which the demands of people in both Eastern Europe and Western Europe could be expressed. In other words, the success of this enlargement depends on the extent to which the Union would be able to "enhance democracy" in "substantive terms" and to "redistribute power" within Europe.[199] For that reason, the eastward enlargement is much greater than any previous enlargement, however it poses a series of both prospects and challenges to the EU and its member-states.[200]

The aim of this chapter was to reveal that the transition towards democracy in Central-Eastern Europe has been essential to the study of Eastern European enlargement and indeed, all European integration. Thus, the primary intention throughout this chapter was to highlight the symbiotic relationship between the processes of democratisation and integration, and illustrate how they have influenced and shaped one another in the Post-Cold War era.

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[196] Ibid., p. 247.
[197] Chavdar Nikolov et al., Op. Cit., p. 151.
[198] Alex Warleigh, Op. Cit., p. 5.
[199] Mary Kaldor, Op. Cit, p. 140.
[200] Ibid., p. 139.

In this regard, the first section aimed to illustrate the impact of the transition towards democracy on the subsequent efforts towards integration. This part therefore aimed to highlight that this transition created the principles of democratic governance and free-market economy in Central and Eastern Europe, and only under these conditions could those states apply for membership into the Community.

This section also tried to illuminate that as much as democratisation has led to integration, integration into the EU has been a major force in the process towards democratisation in Central-Eastern Europe. Thus, membership into the EU strengthened the rule of democracy and the principles of free-market economy in the new member-states and the process of democratisation was finally completed. The main criteria towards EU membership today include the rule of democracy and free-market economy and they are respectively, called the *Copenhagen criteria*.

The aim of the second section was to highlight the process of EU enlargement eastwards, its uniqueness and significance for the process of European integration per se. In this regard, this section aimed to illustrate that this enlargement has been unique in terms of both its nature and scale and for that reason it has achieved most research attention and academic interest. This section also tried to illuminate the series of challenges that this enlargement has posed to both the EU and the new member-states, and point out the areas that might even cause further problems.

In this regard, the aim of the following chapter will be to highlight that the EU enlargement eastwards was only completed with the south-eastern enlargement, or the accession of Bulgaria and Romania to the EU on the 1st of January 2007. Therefore, this next chapter will focus on this particular enlargement round of the EU and more specifically on Bulgaria's place in this enlargement.

Thus, this chapter will provide an insight into the development of the negotiations between Bulgaria and the EU towards EU membership and highlight the dynamics and underlying themes of this process. Finally, this chapter will highlight the reasons behind the agenda towards membership from the perspectives of both Bulgaria and the EU.

# Chapter Four

# The Relations between Bulgaria and the EU

The aim of the following chapter is to provide a brief history of the development of the relationship between Bulgaria and the EU. Thus, this chapter will try to explain the roots of this relationship and highlight the circumstances in which it has developed.

This chapter will be structured into three sections. The first section will highlight the process of the EU enlargement to South-Eastern Europe and Bulgaria's place in this enlargement. This section will also try to illuminate the political imperatives that drove the agenda towards Bulgaria's integration into the Community, both from a domestic perspective and from the perspective of the EU.

The second section will discuss the dynamics and tensions of this process and illustrate the pace of the integrationist agenda up until Bulgaria's eventual accession into the EU. The last section of this chapter will mainly describe the development of the relationship between Bulgaria and the Community, and highlight the role that the EU played in fostering the agenda towards integration.

# Section One

## The '*South-Eastern enlargement*' and

## Bulgaria's place in this *enlargement*

The EU enlargement to the east laid the path for the EU's next major expansion to South-Eastern Europe.[201] Thus, the accession of ten new states from Central and Eastern Europe to the EU was only temporary, because it was not going to be the final EU enlargement to the east.[202]

Thus, at the EU's Copenhagen summit in December 2002, the Prime Minister of Turkey was told that Turkey could begin accession negotiations in 2005 if it met the basic criteria for membership. EU leaders also stated that Bulgaria and Romania were on track to join the EU in 2007. Some EU officials still criticised the support that these two countries showed towards the US war in Iraq, however, it was obvious that the EU would not be able to stabilise South-Eastern Europe without the involvement of both Bulgaria and Romania.[203]

In fact, all of the countries of South-Eastern Europe (Albania, Bosnia, Serbia, Montenegro, Macedonia and Croatia) have been potential candidates towards EU membership and the EU is still in the process of "assuming major responsibilities" for the security of this region.[204]

In relation to Bulgaria, Dinko Dinkov argues that Bulgaria's integration into the EU has been its main "priority and foreign-policy goal" in the aftermath of the Cold War and

[201] Peter Poole, Op. Cit., p. 188.
[202] Ibid., p. 14.
[203] Ibid., p. 188.
[204] Ibid., p. 14.

the removal of the bipolar world order.[205] In this regard, the revolutions of 1989 opened up a "historical choice" for Bulgaria to redefine its role in Europe and integrate into the structures and mechanisms defining the future of Europe and Europe's role in world affairs. For that reason, Bulgaria's integration into the EU has been a "justified historical and political choice" in light of the events that swept across Europe and in the rest of the world at the end of the twentieth century.[206]

Integration into the EU does not only mean rejoining the "big European family", but it also provides Bulgaria with the opportunity to develop further its relationship with other European countries. Integration into the EU is also said to provide impetus for Bulgaria to maintain its relationship with the countries from the ex-Soviet bloc and Eastern Europe.[207]

From a domestic perspective, Bulgaria's membership into the EU is also said to play a significant role in the region and on the EU's relationship with the Balkans and South-Eastern Europe.[208] In this regard, Dinko Dinkov states that Bulgaria's accession to the EU does not simply mean "adding up one more member" to the organisation, but "securing a strategic partnership" between Bulgaria and the EU in fostering political and economic development throughout the region.[209]

Thus, ensuring peace and stability in South-Eastern Europe has been a primary goal in Bulgaria's foreign policy throughout the process of integration. Indeed, from a domestic perspective, its membership into the EU is said to "speed up" the whole process of the integration of the region into this large "pan-European design" and thus providing peace and stability throughout the region.[210]

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[205] Dinko Dinkov, Bulgaria in the European Integration (translated), Sofia, *B-M* Publishing House, 2002, p. 149.
[206] Ibid., p. 132.
[207] Ibid., p. 159.
[208] Veselin Boiadgiev et al., Op. Cit., pp. 11-12.
[209] Dinko Dinkov, Op. Cit., p. 158.
[210] Veselin Boiadgiev et al., Op. Cit., p. 158.

# Section Two

# The Road to *Integration*

In November 1989, the communist regime in Bulgaria collapsed and the transition towards democracy was "sudden" and at the same time "peaceful". The then-President, Todor Jivkov was removed from power and in 1990-1991 Bulgaria witnessed its first democratic elections.[211]

The events of November 1989 created new opportunities for the development of Bulgaria's relationship with the Community. Thus, the collapse of communism, the adoption of political pluralism and democratic elections, the transformation of the economic system towards free-market economy and the whole reorientation of Bulgarian foreign politics towards the West, created new prospects for the development of the relationship between Bulgaria and the EC.[212]

On the other hand, the EC became increasingly interested in the series of events in Bulgaria's domestic politics and eagerly supported the processes of political and economic transformation, and Bulgaria's transition towards democracy, political pluralism and free-market economy. Thus, the events of 1989 marked a "new beginning" in the history of Bulgaria's relationship with the Community and the goal of integration was given a new impetus.[213]

Nevertheless, the development of the agenda towards integration was "irregular" up until the mid-1990s. Thus, up until January 1997, the policies and decisions that governments followed in domestic politics did not necessarily conform to basic priorities of the "common European process". Right and left cabinets followed each other and

[211] 'Bulgaria and the EU: Development of Bulgaria's Relations with the Community' (translated), http://europe.bg/htmls/page.php?id=6&category=63, 2006, p. 1.
[212] Velko Marinov et al., Op. Cit., p. 463.
[213] 'Bulgaria and the EU: Development of Bulgaria's Relations with the Community' (translated), Op. Cit., p. 2.

throughout this period different governments have had their own policies regarding the nature of the political situation in Bulgaria.[214]

The first years of the transition also witnessed high levels of corruption in the domestic political realm and the institutional environment. The political consequences were as follows: there was a "common feeling" that the political and economic reforms did not proceed in a "fair and justified way" and they simply favoured certain interest groups.[215] On the other hand, the newly-formed political parties hardly gained any "public support" and people gradually started to lose their trust in the promising trends of the transition.[216]

The economic and financial crisis was also "inevitable". The high inflation in 1990-1991 was temporarily calmed between 1992-1995 due to some unpopular measures, such as issuing money, continuous structural reforms and insignificant privatisation.[217] The increased levels of economic instability also strongly affected domestic political stability-cabinets lasted for less than two years and with regards to foreign politics, Bulgaria was remarkably left behind other Eastern European countries on the road to Euro-Atlantic integration and integration into the EU.[218]

Yet, the period between 1997 and 2005 was a state of "smooth and regular progress" in the economy (monetary board, inflation reduction, growing GDP). With regard to foreign politics, Bulgaria joined the North Atlantic Treaty Organisation (NATO) in 2004 and was supposedly one step away from joining the EU on the 1st of January 2007.[219]

Thus, from a political point of view, the period between 1989 and 2006 (2007) has been dynamic and full of interesting and crucial events, and probably this is why it has attracted so much research attention. Yet, almost every event, position or interpretation

[214] Krasen Stanchev, 'Lessons from the Reforms between 1990 and 2004' (translated), in Asenka Hristova, Vladislav Slanchev, Georgi Angelov et al., (eds), Anatomy of the Transition: Bulgaria's Economy between 1989 and 2004 (translated), Sofia, *Ciela* Publication Company, 2004, p. 188.
[215] Ibid., p. 198.
[216] Ibid., p. 199.
[217] Ibid., p. 190.
[218] Loc. Cit.
[219] Loc. Cit.

related to this period is still extremely disputable and controversial even today. Perhaps, the only thing that generates full consent is the fact that this period witnessed the transition from communism to democracy and the process of democratisation has been said to lead towards further integration, and vice versa.[220]

In this regard, Veselin Edrov argues that the transition towards democracy and free-market economy still continues even today and only by integrating into the EU would Bulgaria eventually witness the consolidation of democratic rule and free-market economic principles.[221]

The aim of the following section will be to discuss chronologically the development of this integrationist agenda in light of the relationship between Bulgaria and the EU since the early days of democratisation. Thus, the following section will explain how this relationship evolved and developed, and also examine the role of the EU in favouring the agenda towards integration.

# Section Three

# History of the Relations between Bulgaria and the EU

## a) the development of negotiations towards *EU accession*

Official diplomatic relations between Bulgaria and the European Community were established in August 1988. This happened within the attempts to normalise relations

[220] For further clarification on this issue, please, look at the ***third chapter*** and more specifically, at the ***first section*** which explains the relationship between *democratisation* and *integration*, and vice versa.
[221] Veselin Edrov, 'Bulgaria's Interests in the Processes of Globalisation' (translated), in 10th Year Anniversary of Forum on *Globalisation, Regionalism* and *Economics* (translated), Varna, Steno Publishing House, 2001, p. 190.

between the *European Communities* and the *Council for Mutual Economic Assistance* in the spirit of the *Conclusive Act of the Organisation for Security and Cooperation in Europe*, signed in August 1975 in Helsinki.[222]

In May 1990, the *Agreement on Trade and Cooperation* was signed by Bulgaria and the European Community. It regulated their relations up until the 1st of January 1994.[223] The *Great National Assembly* declared Bulgaria's desire to receive membership into the European Community in its decision in December 1990. After the Community responded in 1991 to the desire for membership expressed by other former socialist countries, Bulgaria still negotiated and on the 8th of March 1993 signed a *European Agreement for Association*, which came into force on the 1st of February 1995.[224]

In 1990, Bulgaria also joined the *PHARE* programme. On the grounds of financial memorandums, Bulgaria has received aid according to the programme, despite the percentage of the agreed and absorbed sums being "relatively low".[225] As a basic financial instrument of the pre-accession strategy of the EU, this programme has opened up a chance for Bulgaria to resolve important problems of its preparation towards full EU membership.[226]

On the 8th of March 1993, the *Interim (Provisional) Agreement on Trade and Related Matters* was also signed and it comprised the main trade aspects of the *European Agreement for Association*.[227] Its intention was to establish a treaty basis for putting into effect various schemes for "liberalising mutual trade" and developing a "profound political dialogue" between Bulgaria and the European Community.[228]

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[222] Dinko Dinkov, Op. Cit., p. 133.
[223] 'Chronology of Bulgaria's Political Relations with the Community' (translated), http://www.evropa.bg/bg/del/eu-and-bulgaria/hitory-of-relations.html, 2006, p. 2.
[224] 'Enlargement: Relations with Bulgaria-Key Events', http://ec.europa.eu/enlargement/bulgaria/key_events_en.htm, 2006, p. 1.
[225] Dinko Dinkov, Op. Cit., p. 133.
[226] 'Chronology of Events in the Field of Bulgaria-EU Relations', http://www.eic.bcci.bg/chronolo.htm, 2006, p. 1.
[227] Dinko Dinkov, Op. Cit., p. 133.
[228] 'Chronology of Bulgaria-EU Relations', http://www.evroportal.bg/article_view.php?id=720724, 2006, p. 1.

The *Interim Agreement on Trade and Cooperation* came into force on the 1st of January 1994 and replaced the *Trade and Cooperation Agreement*. In fact, this is when the commercial aspect of the *European Agreement for Association* began to be applied and it eventually came into force on the 1st of February 1995. Thus, a legal treaty basis of "close political relations" between Bulgaria and the EU was established.[229]

The Republic of Bulgaria declared and proved that the connection to the European structures was a "first priority" in its foreign affairs policy in the aftermath of the Cold War. Through the *European Agreement for Association*, the EU has been committed towards a successful completion of the political and economic reforms desired towards full membership into the EU.[230]

Thus, this *Agreement* provided a framework for "full political dialogue" and created the basis for economic, political, financial, cultural and social cooperation between Bulgaria and the EU. It aimed to support Bulgaria to develop its economy and complete the transition towards democracy, political pluralism and free-market economy. These were the conditions and criteria that Bulgaria needed to fulfill later in order to become a member of the EU.[231]

In April 1994, the Government of the Republic of Bulgaria adopted a declaration confirming the willingness of the country to become a member of the EU. In November, Bulgaria and other associated countries were invited to join the EU declarations on foreign policy and security matters. One month later, the *European Council* in Essen adopted a *Strategy on Preparing the Associated Central Eastern European countries* towards accession into the EU.[232]

In June 1995, the *European Council* in Cannes adopted the *Commission*'s *White Paper* on the preparation of the associated countries from Central and Eastern Europe for their integration into the EU's internal market. A meeting of the Heads of State and the

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[229] Ibid., p. 3.
[230] Dinko Dinkov, Op. Cit., p. 134.
[231] 'The European Agreement for Association of Bulgaria to the EU' (translated), http://www.evroportal.bg/article_view.php?id=725640, 2006, p. 1.
[232] 'Chronology of Bulgaria-EU Relations', Op. Cit., p. 2.

Government, and the Ministers of Foreign Affairs of the EU member-states and EU-associated countries was organised.[233] On the 1st of December, the *37th National Assembly* approved Bulgaria's official application for full EU membership.[234] Shortly thereafter, during a *European Council* session in Madrid, the Bulgarian application for full EU membership was submitted.[235]

Throughout the application, it was stated that Bulgaria's membership into the Community has been a "long-standing political goal" of Bulgaria, reflecting the "national interests" of the country since the early days of democratisation.[236] It was also mentioned that Bulgaria's integration into the Community would eventually lead to the consolidation of democratic rule in Bulgaria-a process which started in the early 1990s, and it will lead further towards economic and political development.[237]

On the other hand, it was also stated that the consolidation of democracy in Bulgaria and the development of free-market economy was not only in the interest of Bulgaria or in the interest of the countries from the same region, but also in the interest of the whole of Europe. In other words, from a domestic perspective, Bulgaria's claim for membership thus reflected its willingness to participate in the realisation of the idea of a united Europe-a continent of "peace, prosperity, social justice and democracy".[238]

On the 16th of July 1996, the *European Commission* adopted its package of documents-*Agenda 2000*, comprising a vision for a '*Wider and Stronger Union*'; the *Commission*'s opinion on the applications of the associated countries from Central and Eastern Europe towards accession; a study of the effects of the eastern enlargement on the EU policies and a reinforced pre-accession strategy.[239] Furthermore, the *Commission* recommended to the *European Council* to start accession negotiations with Poland,

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[233] 'Chronology of Events in the Field of Bulgaria-EU Relations', Op. Cit., p. 1.
[234] 'The Enlargement of the EU' (translated), Op. Cit., p. 3.
[235] 'Enlargement: EU-Bulgaria Relations', http://www.euractiv.com/en/enlargement/eu-bulgaria-relations/article-129603, 2006, p. 1.
[236] 'Bulgaria and the EU: Development of Bulgaria's Relations with the Community' (translated), Op. Cit., p. 2.
[237] Loc. Cit.
[238] Dinko Dinkov, Op. Cit., p. 132.
[239] 'Chronology of Events in the Field of Bulgaria-EU Relations', Op. Cit., p. 1.

Hungary, the Czech Republic, Slovenia, Estonia and Cyprus and enhanced preparation of the other applicant countries towards accession.[240]

Bulgaria was assessed as a candidate country, which was not sufficiently prepared to start negotiations towards accession. Subsequently, the *European Commission* adopted the *Accession Partnership*.[241] In response to this new strategy of the Union on questions of enlargement adopted at a session of the *European Council* in Luxembourg in 1997, Bulgaria adopted its own *National Strategy for Preparation towards Accession to the European Union*. Thus, membership into the EU was defined as a "main national priority, interest and goal" of Bulgaria's foreign politics for the times ahead.[242]

Throughout this document, the resources and the organisations to achieve the goal of integration were thoroughly defined and described.[243] An attempt was also made to determine the time-frame for fulfilling those tasks and objectives in the framework of political transformations and structural reforms that would take place in Bulgaria. The strategy proposed throughout this document was given within a short-term (1998), middle-term (1999-2000) and a long-term perspective (from 2001 up until Bulgaria's eventual accession to the EU-January 2007).[244]

On the 31st of March 1998, official accession negotiations between the EU and Poland, Hungary, the Czech Republic, Slovenia, Estonia and Cyprus were opened. In April, Bulgaria along with Lithuania, Latvia, Romania and Slovakia started the general multilateral screening process of legislation related to its conformity with EU law.[245]

In May, the first *National Programme for the Adoption of the Acquis* (*NPAA*) was prepared. In September, the Bulgarian government adopted its first *Informal Report* on

[240] Loc. Cit.
[241] 'Chronology of Bulgaria-EU Relations', Op. Cit., p. 4.
[242] Velko Marinov et al., Op. Cit., p. 472.
[243] Dinko Dinkov, Op. Cit., p. 138.
[244] Loc. Cit.
[245] 'Chronology of Events in the Field of Bulgaria-EU Relations', Op. Cit., p. 1.

the progress achieved by the country for its preparation towards accession into the EU and addressed it to the *European Commission*.[246]

On the 10th of December 1999, the *European Council* in Helsinki adopted a decision to open official accession negotiations with Romania, Slovakia, Latvia, Lithuania, Bulgaria and Malta in February 2000. Also in December, the *Council of Ministers* of the EU decided to update the *Accession Partnership* with Bulgaria.[247]

Thus, accession negotiations between Bulgaria and the EU started on the 15th of February 2000. In March 2000, a *Committee on European integration* was set up within the Bulgarian Parliament.[248] In January 2002, due to the increased interest in the integration process, the Ministry of Foreign Affairs in Bulgaria developed the so-called *Communication Strategy for the Preparation of Bulgaria's Accession to the EU*. Its main aim was to provide information to the Bulgarian public and the EU citizenry about the benefits and challenges of Bulgaria's accession to the EU for both Bulgaria and the EU.[249]

This agenda was developed within "two main campaigns". On the one hand, it aimed to perform a policy of informing the ordinary Bulgarian people about the benefits of Bulgaria's joining the EU, as well as encouraging them to take active participation in this process. On the other hand, this strategy aimed to teach the citizens of the EU about Bulgaria's progress in fulfilling the criteria for EU membership and also reveal that Bulgaria's primary national interest has been indeed to be an active participant in developing and uniting Europe into a "zone of peace, stability and democracy".[250]

Thus, the *Communication Strategy for the Preparation of Bulgaria's Accession to the EU* successfully fell within the *Communication Strategy of the European Commission*, which essentially aimed to inform the EU citizenry about the subsequent enlargement to

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[246] Loc. Cit.
[247] 'Chronology of Bulgaria-EU Relations', Op. Cit., p. 5.
[248] 'Chronology of Bulgaria's Political Relations with the Community' (translated), Op. Cit., p. 2.
[249] 'Communication Strategy for the Preparation of Bulgaria's Accession to the EU' (translated), http://www.evroportal.bg/article_view.php?id=720461, 2006, p. 1.
[250] 'What is the Communication Strategy', http://www.evroportal.bg/cstrategy.php, 2006, p. 1.

the east and its contribution to the political and economic development of the continent.[251]

In October 2002, the *European Council* in Brussels arrived at the decision that the *Commission* and the *Council* shall prepare a package for Bulgaria and Romania to be presented at the Copenhagen meeting at the Heads of State in December 2002. They decided that the package should contain a "detailed road map" for accession for both countries and "increased pre-accession assistance".[252]

Thus, in December 2002, the *European Council* in Copenhagen expressed its support to Bulgaria and Romania in their efforts to achieve the objective of membership in 2007 and adopted "road maps" for both countries.[253] Their goal was to point out the "basic steps" that the two countries needed to follow in order to prepare themselves towards becoming members of the EU. They were based on engagements developed throughout the negotiation process and essentially pointed out what was necessary to be made in order to fulfill the *Copenhagen membership criteria*.[254]

The "road maps" also aimed to help both countries to fulfill the membership criteria by determining their future tasks and ensuring higher financial aid. Specific attention was paid to the state administrative and justice capacity, and the adoption of a series of necessary economic reforms.[255]

The analysis contained in the *Regular Report* for 2002 on the progress achieved by Bulgaria towards membership stated that Bulgaria needed to continue making significant progress in fulfilling the *Copenhagen membership criteria*. Thus, according to this document, Bulgaria was only "partially fulfilling the economic criteria".[256]

Thus, it was stated that Bulgaria had an operational free-market economy, but it still could not deal with the "competition pressures" and "market forces" within the Union. It

[251] Veselin Boiadgiev et al., Op. Cit., p. 67.
[252] 'Chronology of Bulgaria-EU Relations', Op. Cit., p. 6.
[253] Ibid., p. 7.
[254] Veselin Boiadgiev et al., Op. Cit., p. 64.
[255] Loc. Cit.
[256] 'Euro-Integration' (translated), http://www.government.bg/, 2006, p. 2.

was also stated that Bulgaria needed to follow a series of other principles of the *acquis communautaire*. Thus for example, it needed to perform a series of reforms within the state administration and justice system.[257] Bulgaria's progress in fulfilling these membership criteria will be examined further throughout the following chapter.

In June 2003, the *European Council* in Thessaloniki supported Bulgaria in its efforts to achieve the objective of concluding the negotiations by 2004 and to become a member in 2007.[258] Also in June, the chapter on *Environment* was provisionally closed. In October, the chapter on *Justice and Home Affairs* was provisionally closed. In November, the *Commission*'s regular reports were published. In June 2004, the chapters on *Agriculture, Regional Policy, Coordination of Structural Instruments and Financial and Budgetary Provisions* were provisionally closed. Furthermore, on the 15th of June, the chapters on *Competition Policy* and *Other* were provisionally closed.[259]

Thus, Bulgaria completed its accession talks on the 15th of June 2004, six months ahead of schedule, and was expected to attain full membership in January 2007. According to the then-Prime Minister, Simeon Saxe-Coburg Gotha, the year of 2004 has therefore been the "most important year since the start of democratic changes" in Bulgaria.[260]

In other words, the agreement reached in 2004 on Bulgaria's accession to the EU has been regarded as the "most essential time-period" in the history of Bulgaria's transition towards democracy. Thus, it has been widely believed that the process of Bulgaria's integration into the EU has been therefore the culmination and completion of numerous attempts to eventually establish the rule of democracy in Bulgaria, a process which started in 1989.[261]

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[257] Chavdar Nikolov et al., Op. Cit., p. 155.
[258] 'Chronology of Bulgaria-EU Relations', Op. Cit., p. 7.
[259] Loc. Cit.
[260] 'Enlargement: Bulgaria Reference-In Short', http://www.euractiv.com/en/enlargement/bulgaria-reference/article-132336, 2006, p. 1.
[261] Loc. Cit.; For more information on this topic, please, refer again to the ***previous chapter*** where the relationship between democratisation and *integration* has been explained in great details.

In April 2005, the *European Parliament* gave its "overwhelming support" to Bulgaria. On the 25th of April 2005, the *Treaty of Accession of Bulgaria and Romania to the EU* was signed in Luxembourg. On the 11th of May 2005, Bulgaria ratified the *Accession Treaty*.[262] After the signature of the *Accession Treaty*, as it was enshrined in the treaty, Bulgaria received the status of an active observer, including participation in the *European Council*'s working groups and the *European Commission Committees* and may express views, which however are not binding for the relevant groups or committees.[263]

Bulgaria also subscribed in the framework of the *Accession Treaty* to a specific safe-guard clause. It allowed the EU to postpone upon a *Commission*'s recommendation at any time before the entry into force of the *Accession Treaty* Bulgaria's accession by one year to January 2008.[264] Thus, in case that there was a clear evidence that Bulgaria had been largely unprepared in a significant number of areas to reach the membership criteria, then its accession would have been postponed for one more year to January 2008.[265] This option however was not needed and Bulgaria successfully acceded to the EU in January 2007.

## b) the EU assistance:

The assistance of the EU has been extremely helpful in fostering the agenda towards integration. In this regard, the following part will examine the role and contribution of the EU in relation to this process.

The *PHARE* programme (which was established in 1989 for preparation towards accession) finances projects linked to the transposition of the *acquis* and institution-

[262] 'Enlargement: EU-Bulgaria Relations', Op. Cit., p. 1.
[263] 'Enlargement: EU-Bulgaria Relations-Main Steps towards the EU', http://ec.europa.eu/enlargement/bulgaria/eu_bulgaria_relations_en.htm, 2006, p. 1.
[264] Ibid., p. 2.
[265] Loc. Cit.

building across all sectors.[266] The *PHARE* programme also finances investment projects in the areas of cross-border cooperation and since 2000 it has financed programmes for economic and social cohesion, economic reforms, reforms in the administrative capacity of the state, the judiciary and the fight against corruption. Eventually, *PHARE* helped to meet the cost of participation in EU programmes and agencies.[267]

The *PHARE* programme committed a total of € 1.35 billion to Bulgaria during the 1992-2002 period.[268] The 2003 *PHARE* programme for Bulgaria consisted of an allocation of € 94.9 million towards the National Programme, complemented by € 28 million for cross-border cooperation. The EU raised the amount of financial assistance to Bulgaria by an average of 30% in the period between 2004 and 2006.[269] In addition to its annual *PHARE* allocation, Bulgaria received additional funding in the context of Bulgaria's commitment to close units 1-4 of the Kozloduy nuclear power plant.[270]

The *Instrument for Structural Policies for Pre-Accession* (*ISPA*) programme, which started in 2000, has supported environmental and transport infrastructure projects.[271] Bulgaria was allocated € 104.0 million by *ISPA* in 2000, € 106 million in 2001, and € 10. 6 million in 2002. The budgetary commitment in 2003 was € 12.6 million and the allocation for 2004 was € 134.8 million. The *ISPA* programme network is governed by environment and transport strategies drawn up by the Bulgarian authorities and agreed upon by the *European Commission*.[272]

Within the transport sector, important projects were improved by *ISPA* funding between 2000 and 2003, especially concerning the transit roads' rehabilitation and the Sofia airport construction and extension.[273] In the environmental sector, *ISPA* focused on projects located especially in the field of urban wastewater treatment plants and the

[266] Veselin Boiadgiev et al., Op. Cit., p. 54.
[267] Loc. Cit.
[268] 'The *PHARE* Programme of the EU: The 2003 *PHARE* Programme to Bulgaria-A *Financial Memorandum*' (translated), http://europe.bg/htmls/page.php?id=592&category=107, 2006, p. 1.
[269] 'Enlargement: EU-Bulgaria Relations-Main Steps towards the EU', Op. Cit., p. 3.
[270] Ibid., p. 4.
[271] Veselin Boiadgiev et al., Op. Cit., p. 55.
[272] Loc. Cit.
[273] 'Enlargement: EU-Bulgaria Relations-Main Steps towards the EU', Op. Cit., p. 4.

rehabilitation of wastewater treatment facilities for a set of towns along the Black sea Basin. In 2005, the *ISPA* programme allocated € 134.8 million to Bulgaria.[274]

The *Special Accession Programme for Agriculture and Rural Development* (*SAPARD*), which started in 2000, has supported agricultural and rural development measures. Bulgaria's allocation by *SAPARD* in 2000 was € 53 million, € 54.1 million in 2001 and € 55.6 million in 2002.[275] In 2003, the allocation was € 56.5 million and the indicative allocation in 2004 was € 68.0 million. In contrast to *PHARE* and *ISPA*, *SAPARD* is a decentralised programme, under which the Bulgarian authorities themselves select projects consistent with the agreed programme framework.[276]

The *SAPARD* programme framework is governed by a multi-annual *Rural Development Plan*.[277] It includes investments in agriculture holdings, improvements of processing and marketing of agricultural and fishery products, construction of wholesale markets, forestry, investments in improvement of the processing and marketing of forestry products, renovation and development of villages, and protection and conservation of rural heritage and cultural traditions.[278] In 2005, the *SAPARD* programme allocated € 68 million.[279]

Another EU institution, which has been actively involved financially in Bulgaria, is the *European Investment Bank* (*EIB*), which provides large-scale loans to projects aimed at helping the transition to a market-based economy and meeting the *acquis criteria*. *EIB*'s action is coordinated with the *PHARE* programme, as well as with the EU member-states' financing institutions and with the *EBRD*.[280]

The activities of the *EIB* in Bulgaria started in 1991, and since then the *EIB* has granted over € 1 billion to priority projects in the country. About 65% of this amount was spent for the transport sector while the rest financed key infrastructure and industrial

[274] Loc. Cit.
[275] Emilia Georgieva and Kaloian Simeonov, Op. Cit., p. 235.
[276] Loc. Cit.
[277] Velko Marinov et al., Op. Cit., p. 495.
[278] Loc. Cit.
[279] Emilia Georgieva and Kaloian Simeonov, Op. Cit., pp. 235-236.
[280] 'Enlargement: EU-Bulgaria Relations-Main Steps towards the EU', Op. Cit., p. 4.

projects. Between 2000 and 2005, the *EIB*'s investments in Bulgaria were the following: € 160 million in 2000, € 130 million in 2001, € 87 million in 2002, € 60 million in 2003, € 40 million in 2004 and € 30 million in 2005.[281]

Thus, the assistance of the EU throughout the negotiation process has been extremely important in fostering the agenda towards Bulgaria's accession into the EU. In this regard, supranational actors have played an extremely intensive role in helping Bulgaria achieve substantial progress in meeting the criteria for membership.

The aim of this chapter was to provide a brief description of the development of the relationship between Bulgaria and the EU and highlight the dynamics of this process. Thus, the first section aimed to highlight the enlargement of the EU to South-Eastern Europe and Bulgaria's place in this enlargement. Therefore, this section tried to reveal the reasons and imperatives that drove Bulgaria's agenda towards integration and highlight the significance of Bulgaria's membership for both Bulgaria and the Community.

The second section aimed to highlight the dynamics and competing interests at stake during the transition period towards integration. Thus, this section tried to illuminate briefly the pace of the integration process since the transition towards democracy up until Bulgaria's eventual integration into the Community. The third section tried to provide a chronological description of the development of the relationship between Bulgaria and the EU and highlight the EU's financial assistance throughout the processes of negotiations.

In this regard, the aim of the following chapter will be to assess critically Bulgaria's progress in meeting the criteria for membership on the road to integration. Thus, the following chapter will highlight the obstacles and challenges that defined the complex nature of the agenda towards integration. Eventually, this chapter will also illuminate the application of theory to the present study of this research report.

[281] Loc. Cit.

# Chapter Five

# The Impact of *Domestic Political Challenges*:

# Bulgaria's Progress towards *EU Membership*

The conditions for Bulgaria and Romania's accession to the EU were agreed in the *Accession Treaty* signed in April 2005 between the then-twenty-five member-states and both candidates. The *Treaty* stated that Bulgaria and Romania would join on the 1st of January 2007 unless the *Council* decided, upon a recommendation from the *Commission*, to postpone the accession of either country to 2008.[282]

The *Commission* was strongly committed to ensure that both countries successfully completed their final preparations towards EU membership. Thus, it closely monitored their final preparations towards EU accession and provided extensive support to help them continue with their reform efforts.[283]

Indeed, both countries achieved significant progress in transforming their political and economic systems into functioning democracies and free-market economies. The *Commission's Report* in October 2005 confirmed that Bulgaria and Romania considerably met the political criteria towards EU membership and showed progress towards meeting the economic and *acquis* criteria in full. However, it specified that a number of areas still needed further improvement.[284]

In this regard, the aim of the following chapter will be to highlight the impact of the domestic political challenges throughout the process of Bulgaria's accession into the EU.

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[282] 'Communication from the Commission-Monitoring Report on the State of Preparedness for EU Membership of Bulgaria and Romania-Brussels, 16.05.2006', http://eur-lex.europa.eu/smartapi/cgi/sga_doc?smartapi!celexplus!prod!CELEXnumd..., p. 1.
[283] Loc. Cit.
[284] Loc. Cit.

This chapter will assess critically the efforts that have been made by the Bulgarian political leadership to address those challenges and thus evaluate Bulgaria's progress towards meeting the political and economic criteria towards EU membership. In particular, this chapter will focus on the last two years, because they have been the most crucial for Bulgaria to overcome these domestic political challenges and meet the EU membership criteria.

This chapter will be structured in four sections. Thus, the first section will mainly look at Bulgaria's progress towards meeting the political criteria towards EU membership. In particular, few themes will be addressed that were outlined as areas of concern in the *Monitoring Report* in 2005, such as corruption, money-laundering, the judicial system, organised crime, human trafficking etc.[285]

The second section will illuminate Bulgaria's progress towards meeting the economic criteria towards EU membership. This section will also highlight the challenges that confronted Bulgaria to implement EU standards in the future with regards to its economic functioning and outline few possible guidelines in this regard.

The third section will highlight a series of provisions in the *acquis* and the *Accession Treaty* which have been established to safeguard the proper functioning of EU policies even after accession. It will address a limited number of areas where further progress is still needed beyond the time of accession and highlight the measures that have been implemented in order to address those existing domestic political challenges.

The fourth section will refer back to the theoretical background of this present work and apply the theory back to the present study of this research report. Therefore, this section will highlight whether the *multi-level governance model* could be indeed applied to the actual study of Bulgaria's integration into the EU. Ultimately, this section will

[285] Throughout this study, the use of the words *Commission's Report* and/or *Monitoring Report* is interchangeable; they both mean the same thing. They are concerned with the state of preparedness and the progress that Bulgaria and Romania have achieved towards meeting the *political* and *economic criteria* towards *EU membership* (the *acquis*). The full title is '*Comprehensive Monitoring Report on the State of Preparedness for EU Membership of Bulgaria and Romania*' and is being published by the *European Commission* once or twice each year upon the time of *accession*.

evaluate the participation of both supranational (external) and sub-national (domestic) actors in the process of Bulgaria's integration into the Community.

# Section One

# Bulgaria and the *political criteria* towards *EU membership*

## a) reforms within the judiciary and the justice system

With regard to the political criteria towards EU membership, Bulgaria has achieved significant progress in a number of areas, including the reform of the judiciary. Thus, according to the last *Monitoring Report* in September 2006, there has been substantial progress in the reforms within the justice system.

First of all, the new penal procedure has entered into force. Second, amendments to the law of the judiciary have been adopted. Third, training organised by the *National Institute of Justice* has "continued smoothly".[286] The *National Institute of Justice* has implemented a series of new programmes within the legal system. For example, a newly-established working group monitors the functioning of the new penal procedural code and its task is to collect information concerned with the "practical implementation" of this new procedure, and to identify possible tasks and problems.[287]

Furthermore, management structures in the prosecution office have also been improved and further efforts have been taken to strengthen the "accountability and responsibility" of individual prosecutors. Moreover, the newly-established specialised

[286] Commission of the European Communities, Communication from the Commission-Monitoring Report on the State of Preparedness for EU Membership of Bulgaria and Romania, Brussels, 26.09.2006, p. 14.
[287] Loc. Cit.

department *Countering Organised Crime and Corruption* has been further reinforced and at the moment it consists of about eighty trained prosecutors.[288]

Nevertheless, there have still remained some areas of concern that need further attention. Thus, a further reform within the *Supreme Judicial Council* needs to be made and more precisely, improving its "accountability and capacity" to effectively manage judicial processes in Bulgaria. On the other hand, the monitoring mechanism of the new penal procedural code has been quite often "ineffective". Also, there have been major delays with regards to the adoption of the new *Civil Procedural Code*.[289]

The *Commission's Report* in September 2006 also addressed other changes that needed to be made with regards to the justice system. Substantial changes within the *Constitution* still have to be made that would "remove any ambiguity" in terms of the independence and accountability of the judicial system.[290] Moreover, further measures need to be taken towards combating and preventing corruption at high levels of authority. Also, new strategies need to be applied that would counter organised crime, money laundering, human trafficking and other sorts of criminal actions.[291]

## b) the fight against organised crime

According to the *Commission's Report* in September 2006, Bulgaria has also achieved substantial progress in police cooperation and in the fight against organised crime.

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[288] Loc. Cit.
[289] 'Key Findings of the Monitoring Report on Bulgaria's Preparedness for EU Accession', 26/09/2006', http://europa.eu/rapid/pressReleasesAction.do?reference=MEMO/06.345&format=H..., p. 2.
[290] Commission of the European Communities, Communication from the Commission-Monitoring Report on the State of Preparedness for EU Membership of Bulgaria and Romania, Brussels, 26.09.2006, Op. Cit., p. 15.
[291] 'Communication from the Commission-Monitoring Report on the State of Preparedness for EU Membership of Bulgaria and Romania-Brussels, 16.05.2006', Op. Cit. p. 2.

As was mentioned earlier, the new penal procedural code has been implemented already, which includes new investigation techniques to combat organised crime and the recruitment and training of police officers. Also, the *Chief Directorate for Combating Organised Crime* (*CDCOC*) consists at the moment of "highly qualified personnel".[292]

On the other hand, cooperation has continued with some neighbouring countries and other EU member-states towards "dismantling international criminal networks". As a result, the fight against organised crime has received more international attention and the assistance of external bodies.[293]

Some successful measures have also been taken against criminal networks involved in the trafficking of human beings. Moreover, agreements have been concluded towards cooperation on witness protection with the former Yugoslav Republic of Macedonia and the United States of America.[294]

However, the progress towards combating organised crime has remained unsatisfactory. For example, a more "modern and consistent system" of crime statistics still needs to be established. At the same time, the illegal possession of firearms has still remained a problem.[295] Also, the number of cases prosecuted successfully related to drug smuggling, money laundering and human trafficking, counterfeiting of goods, currency and documents has remained low.[296] Cooperation also needs to be further enhanced between the *CDCOC* and financial institutions, *Europol* and other relevant services abroad.[297]

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[292] 'Key Issues Outlined in the May 2006 Monitoring Report on Bulgaria' (translated), Brussels, 16 May 2006', http://evropa.dnevnik.bg/show/?storyid=194055, p. 3.
[293] Commission of the European Communities, Communication from the Commission-Monitoring Report on the State of Preparedness for EU Membership of Bulgaria and Romania, Brussels, 26.09.2006, Op. Cit., p. 18.
[294] Loc. Cit.
[295] Ibid., p. 18.
[296] Sofia Echo, 'Crime Still Hinders Bulgaria's EU Reforms Progress', http://www.sofiaecho.com/article/crime-still-hinders-bulgarias-eu-reforms-progress/id..., 2006, p. 2.
[297] Commission of the European Communities, Communication from the Commission-Monitoring Report on the State of Preparedness for EU Membership of Bulgaria and Romania, Brussels, 26.09.2006, Op. Cit., p. 18.

Overall, the *Commission's Report* in September 2006 concluded that there has been some progress achieved with regards to the fight against organised crime. However, a number of areas still need further attention and a more serious approach needs to be implemented in order to combat the phenomenon of organised crime in the near future.[298]

## c) the fight against corruption

With regard to the fight against corruption, Bulgaria has achieved some progress as well, however a series of further reforms still needs to be made.

Thus, for the last one year, a series of measures has been adopted towards the fight against corruption. For example, a code of ethics was adopted for the executive branch. Furthermore, an anti-corruption strategy for 2006-2008 was also adopted.[299]

As part of the programme towards more transparent governance and the prevention of corruption, amendments to the *Law on the Publication of the Assets of Persons Occupying High Public Positions* were adopted in August 2006. Their aim was to ensure that all members of political parties and governing bodies declare all their domestic and foreign assets, as well as their income and expenditure to the *National Audit Office*.[300]

In accordance with the *Law on the Administration*, inspectorates have been established in all ministries and most state agencies that may propose "disciplinary or legal measures" against staff in case of misconduct.[301] Contact points for receiving reports of corruption have also been established in many state bodies. At the same time, a plan for

[298] Sofia Echo, 'Crime Still Hinders Bulgaria's EU Reforms Progress', Op. Cit., p. 1.
[299] 'Communication from the Commission-Monitoring Report on the State of Preparedness for EU Membership of Bulgaria and Romania-Brussels, 16.05.2006', Op. Cit. p. 2.
[300] Commission of the European Communities, Communication from the Commission-Monitoring Report on the State of Preparedness for EU Membership of Bulgaria and Romania, Brussels, 26.09.2006, Op. Cit., p. 16.
[301] Loc. Cit.

conducting anti-corruption training for about 50 000 officials at all levels of the administration has been drawn up.[302]

Hotlines and complaint boxes have been established for citizens to address reports of corruption to local and regional authorities. At the border, police arrangements have been made in order to decrease the chances of corruption through random changes in working hours and places of work.[303]

Nevertheless, a series of further reforms is still needed in order to counter corruption at high levels of authority. Thus, the *Commission's Report* in September 2006 stated that the implementation of measures towards high-level corruption has remained unsatisfactory.[304] For example, the secretariat to the *Anti-Corruption Commission* has not been yet "fully operational". At the same time, coordination of the anti-corruption strategy has remained "incomplete" and the bodies involved have been "too dispersed".[305] Moreover, the inspectorates within the public administration have not been yet "sufficiently independent" and their institutional competences need to be strengthened further. Further measures are also needed with regards to preventing corruption at border-crossing points.[306]

Therefore, corruption has still remained an area of concern for EU officials and the Bulgarian political leadership. More specifically, the public administration, including tax collecting agencies at the border and local government has remained "particularly vulnerable".[307]

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[302] 'Key Issues Outlined in the May 2006 Monitoring Report on Bulgaria' (translated), Brussels, 16 May 2006', Op. Cit., p. 3.
[303] Loc. Cit.
[304] Commission of the European Communities, Communication from the Commission-Monitoring Report on the State of Preparedness for EU Membership of Bulgaria and Romania, Brussels, 26.09.2006, Op. Cit., p. 17.
[305] Loc. Cit.
[306] Loc. Cit.
[307] Ibid., p. 4.

## d) reforms within the public administration

Bulgaria has achieved significant progress in the field of public administration. Thus, the Bulgarian government has adopted a series of propositions by the *European Commission* to strengthen the state administration and build up the capacity to cope with the pressures as a future participant in the EU programmes and policies.

Thus, a primary reform within the public administration has been the development of new institutions and organs that would prepare Bulgaria to participate in the *Structural* and *Cohesion Funds* of the EU.[308]

At the same time, the Government has adopted a series of amendments to the laws of administration and civil servants, and a new *Code of Administrative Procedure*. Policy initiatives have been also implemented towards the disabled and the mental health-care system.[309]

## e) money-laundering

Significant progress has also been achieved in the fight against money-laundering. Thus, legislation on money-laundering has been largely in line with the *acquis*.[310]

Positive developments could be also reported concerning responses to international requests for cooperation and operations against money laundering activities by foreign nationals. The revised recommendations of the *Financial Action Task Force* on the

[308] 'Key Issues Outlined in the May 2006 Monitoring Report on Bulgaria' (translated), Brussels, 16 May 2006', Op. Cit., p. 3.
[309] 'Communication from the Commission-Monitoring Report on the State of Preparedness for EU Membership of Bulgaria and Romania-Brussels, 16.05.2006', Op. Cit. p. 2.
[310] 'Key Findings of the Monitoring Report on Bulgaria's Preparedness for EU Accession', 26/09/2006', Op. Cit., p.3.

prevention of money laundering and terrorist financing have been "taken into account".[311]

Certain concerns still persist. Effective implementation of legislation has remained rather limited, with an absence of "tangible results" with regards to "enforcement and prosecution". The effectiveness of the fight against money-laundering continues to be seriously hampered by corruption and organised crime.[312]

## f) the fight against human trafficking

Bulgaria has also made some progress in the fight against human trafficking. Thus for example, continuous cooperation with member-states towards the fight against trafficking of human beings has led to the dismantling of already one network. In August 2006, the penal code was amended and now it defines trafficking of pregnant women and trading of babies as serious crimes.[313]

Despite this, further action in this area is still necessary. Thus, no functional office has been made available yet to the *National Anti-Trafficking Commission*. Bulgaria has still remained a country of transit and origin for the trafficking of human beings.[314]

The absence of reliable registration mechanisms has also led to a lack of clear information on a number of missing people. Furthermore, Bulgaria has not yet signed the *Council of Europe Convention on the Fight against Trafficking of Human Beings*.[315]

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[311] Loc. Cit.
[312] Commission of the European Communities, Communication from the Commission-Monitoring Report on the State of Preparedness for EU Membership of Bulgaria and Romania, Brussels, 26.09.2006, Op. Cit., p. 18.
[313] Loc. Cit.
[314] Loc. Cit.
[315] 'Bulgaria and the EU: Development of Bulgaria's Relations with the Community' (translated), Op. Cit., p. 4.

## g) protection and integration of minorities

Progress has been made regarding the social integration of the Roma people. Thus, a programme for Roma literacy and occupational training *From Social Aid to Employment* was launched in May 2006, which aims to provide basic occupational training for jobless Roma people.[316]

The administrative capacity of the *Commission for Protection against Discrimination* has been also strengthened by recruiting additional staff. Further training was provided to officials of the *Directorate Ethnic and Demographic Issues*.[317]

Yet, many concerns still remain. For example, measures to integrate Roma children in schools of higher education still need to be further enhanced. The health status of the Roma population is still very low and many diseases have spread, caused by poverty or lacking hygiene. Furthermore, the inclusion of Roma people in the labour market still needs to be further enhanced.[318]

## h) other issues that need further progress

A number of other issues outlined in the *Commission's Report* in September 2006 still need further progress.

For example, the living conditions in many child welfare and mental health-care institutions still need to be improved by implementing policy initiatives, and alternative

[316] Commission of the European Communities, Communication from the Commission-Monitoring Report on the State of Preparedness for EU Membership of Bulgaria and Romania, Brussels, 26.09.2006, Op. Cit., p. 21.
[317] Loc. Cit.
[318] 'Bulgaria, Romania and the EU Enlargement: Discussions and Analyses', http://www.evroportal.bg/article_view.php?id=731298, 2007, p. 1.

care-systems. Moreover, it is necessary to enhance the *Agency for Disabled Persons* as the institution responsible for planning and implementing the national disability policy.[319]

Efforts are also needed towards ensuring the prevention of further institutionalisation and the realisation of the actions set out in the *National Action Plan for the Implementation of the Mental Health Policy of Bulgaria-2004-2012*. The projects and priorities that exist do not "sufficiently" meet the needs of the people in the institutions.[320]

It is also necessary the address the issues outlined in the *Commission's Report* in September 2006 with regards to the areas of prison conditions, treatment and respect of obligations under international conventions in detention centres and prisons.[321]

## Section Two

## Bulgaria and the *economic criteria* towards *EU membership*

With regard to the economic criteria towards EU membership, Bulgaria has also made significant progress. Thus, Bulgaria has made substantial progress towards becoming a free-market economy, which should enable it to cope with competitive pressures and market forces within the Union in the near future. Bulgaria has also made significant progress in maintaining macroeconomic stability and advancing structural reforms.[322]

[319] Commission of the European Communities, Communication from the Commission-Monitoring Report on the State of Preparedness for EU Membership of Bulgaria and Romania, Brussels, 26.09.2006, Op. Cit., p. 21.
[320] Loc. Cit.
[321] Ibid., p. 20.
[322] 'Communication from the Commission-Monitoring Report on the State of Preparedness for EU Membership of Bulgaria and Romania-Brussels, 16.05.2006', Op. Cit., p. 1.

## a) macroeconomic stability and current account deficit

According to the *Commission's Report* in May 2006, there has been substantial progress in the following areas.

Merchandise export growth increased to about 30% in the first half of 2006 and was higher than import growth. At the same time, the current account deficit also declined in June for the first time in more than a year.[323] Fiscal policy remained "tight" and the general government surplus reached 3.6 % of the forecasted GDP in the first seven months of 2006. Moreover, wages rose by 1.5 % in the first half of 2006.[324]

However, a series of issues still remain to be addressed. For example, the current account deficit remained high and widened further from 11.8 % at the end of 2005 to 14.3% in the 12 months to June 2006. This was largely due to lower incomes from tourism, substantially lower current transfers and a lower surplus in the income balance. Therefore, "tight" macroeconomic policies need to be maintained in order to contain the high external deficit.[325]

## b) privatisation and industrial restructuring

According to the *Commission's Report* in May 2006, the process of privatisation and the liberalisation and restructuring of utilities were also well advanced. Thus, substantial progress has been registered in the following areas.[326]

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[323] Loc. Cit.
[324] 'Bulgaria-2006 Article Four: Consultation Discussions, Concluding Remarks', http://www.imf.org/external/np/ms/2006/051706.htm, May 17, 2006, p. 1.
[325] Ibid., p. 2.
[326] Ibid., p. 3.

The process of privatisation "has regained momentum". The sale of the river shipping company and the thermal power plant in Varna were completed. Sales procedures for the privatisation of some district hesting companies have also begun. The tender procedure for the sale of Bulgaria air was launched in June 2006. The liberalisation of the energy market continued with a lowering of thresholds for direct contracts between larger customers and suppliers.[327]

However, a number of "outstanding issues" still remain to be addressed. For example, the process of privatisation as foreseen by the government needs to be completed. The *Council of Ministers* has still been revising the privatisation strategy for the maritime shipping company.[328]

Furthermore, the liberalisation of the gas and electricity markets and the unbundling of the *National Electricity Company* and *Bulgargas* still remain to be completed. Moreover, further efforts are needed towards improving the financial situation of the railway companies in Bulgaria.[329]

## c) business environment

According to the *Commission's Report* in May 2006, there has been "limited progress" in the following areas. The draft deficit procedure code has been submitted to *Parliament* in May. Amendments to the insolvency legislation were also adopted in May. Furthermore, in June an *Action Plan* on better regulation, including a survey of the most

[327] Commission of the European Communities, Communication from the Commission-Monitoring Report on the State of Preparedness for EU Membership of Bulgaria and Romania, Brussels, 26.09.2006, Op. Cit., p. 22.
[328] Loc. Cit.
[329] Loc. Cit.

problematic regulations currently in place, was adopted by the *Council for Economic Growth*.[330]

However, a number of issues still remain to be addressed. Further efforts are needed in order to improve the business environment and to encourage domestic and foreign investment.[331] Moreover, regulatory impact assessments have to be implemented more systematically. As was mentioned earlier, the functioning of the administrative and judicial systems still needs to be improved further.[332]

## d) labour market flexibility

According to the *Commission's Report* in May 2006, the regulatory framework for the labour market still needs to be made more flexible. Yet, there has been some progress registered in the following areas.[333]

For example, amendments to the *Labour Code* in May have made working time arrangements "more flexible". Also, the maximum weekly working time for employees that perform additional work has been raised to 48 hours. These workers have been allowed to work longer hours in case that they had given their written consent. At the same time, in certain cases the maximum reference period for the calculation of average weekly working hours has been increased to six months.[334]

Issues that still remain to be addressed include provisions in the *Labour Code* on working time and fixed-term work, which have remained rather "restrictive". Quite often,

[330] Loc. Cit.
[331] 'Bulgaria-2006 Article Four: Consultation Discussions, Concluding Remarks', Op. Cit., p. 3.
[332] Commission of the European Communities, Communication from the Commission-Monitoring Report on the State of Preparedness for EU Membership of Bulgaria and Romania, Brussels, 26.09.2006, Op. Cit., p. 22.
[333] 'Bulgaria-2006 Article Four: Consultation Discussions, Concluding Remarks', Op. Cit., p. 4.
[334] Commission of the European Communities, Communication from the Commission-Monitoring Report on the State of Preparedness for EU Membership of Bulgaria and Romania, Brussels, 26.09.2006, Op. Cit., p. 23.

normal overtime work has also remained prohibited except in few cases. Moreover, seniority bonuses have not been integrated yet into the regular pay scale.[335]

## Section Three

## '*Accompanying Measures*' and '*Safeguards*' after *Accession*

As it has already become clear, Bulgaria has carried out an intensive reform process in order to adjust its economy and policies to EU standards and has therefore gone through a remarkable process of transformation. Nevertheless, as was already pointed out, there have been a number of areas in which further progress is still required even beyond the time of accession.[336]

In this regard, the following section will address those domestic political challenges that have posed a serious threat to Bulgaria's conformity with EU laws and standards even beyond the time of accession. Thus, this section will highlight the preventive measures that the EU has taken in order to ensure the correct application of these laws and policies in Bulgaria in the near future, and reveal the areas which require further progress and attention.

The *Commission's Report* in September 2006 stated that the *Commission* would take "remedial measures" or accompanying mechanisms, where necessary, to ensure the proper functioning of EU laws and policies even beyond Bulgaria's accession into the Community. These have been cases mainly concerned with the areas of food safety, air

[335] 'Labour Market Flexibility Trends Examined', http://www.eiro.eurofond.eu.int/2006/08/feature/bg0508102f.html, 2007, p. 1.
[336] 'Commission Confirms Bulgaria's and Romania's EU Accession on the 1st of January 2007, Completed by a Rigorous Package of Accompanying Measures', http://europa.eu/rapid/pressReleasesAction.do?reference=IP/06/1257&format=HTML..., 26/09/2006, p. 1.

safety, EU agricultural funds, the judiciary and the fight against money-laundering, organised crime, fraud and corruption.[337]

Thus, the *Commission* has proposed a mechanism to cooperate and verify progress in these areas. For this purpose, benchmarks have been established and Bulgaria needs to report regularly on the progress in addressing these specific benchmarks. The first report should be submitted by 31st of March 2007.[338]

These benchmarks have been outlined in the *Accession Treaty* and they are concerned with the following areas. Thus, Bulgaria needs to adopt constitutional amendments that would remove any "ambiguity" with regards to the "independence and accountability" of the judicial system. Secondly, Bulgaria needs to ensure a more efficient and transparent judicial process by adopting a new judicial system and the new civil procedural code.[339]

Moreover, Bulgaria still needs to implement further reforms in order to enhance professionalism within the justice system. Bulgaria also needs to report annually the results of these reforms to the *European Commission*.[340] Also, Bulgaria needs to report on professional investigations into allegations of high-level corruption and report regularly to the *Commission* on internal inspections of public institutions and on the publication of assets of high-level officials.[341]

On the other hand, Bulgaria needs to implement further measures against corruption, in particular within local government and at borders. At the same time, Bulgaria should implement mechanisms to fight organised crime, money laundering and the systematic confiscation of assets of criminals. In this regard, Bulgaria needs to report annually to the

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[337] Commission of the European Communities, Communication from the Commission-Monitoring Report on the State of Preparedness for EU Membership of Bulgaria and Romania, Brussels, 26.09.2006, Op. Cit., p. 9.
[338] 'Accompanying Measures in the Context of Bulgaria's and Romania's Accession', http://europa.eu/rapid/pressReleasesAction.do?reference=MEMO/06/347&format=H..., 2006, p. 4.
[339] Commission of the European Communities, Communication from the Commission-Monitoring Report on the State of Preparedness for EU Membership of Bulgaria and Romania, Brussels, 26.09.2006, Op. Cit., p. 10.
[340] Loc. Cit.
[341] Ministry of Foreign Affairs of the Republic of Bulgaria, 'The Execution of the Measures Outlined within the Strategy towards Transparency, Prevention and the Fight against Corruption in 2006', http://www.mfa.government.bg/index.php?tid=73&item_id=16589, 29/08/2006, p. 1.

Commission on new and ongoing investigations, indictments and convictions in these areas.[342]

In the area of food safety, some safeguard measures have been put in place. For example, the export of live pigs and pig meat products of Bulgaria to the rest of Europe will remain banned until the animal disease 'classical swine fever' in feral pigs has been eradicated. Thus, the *Commission* may prevent the export of these products even for three years after accession if they do not comply with EU veterinary, phytosanitary and food safety rules.[343]

With regard to the area of aviation safety, there have been serious threats to Bulgaria's conformity with the EU aviation safety rules. Thus, in view of serious deficiencies identified by the *European Aviation Safety Agency* (*EASA*) and the *Joint Aviation Authorities* (*JAA*) in the area of aviation safety, the *JAA* denied Bulgaria's mutual recognition within the *JAA* system in a series of safety areas. More precisely, concerns have been raised with regards to areas, such as airworthiness, maintenance, operations and flight crew licensing.[344] Thus, in order to comply with these laws and standards, Bulgaria needs to submit a corrective action-plan in order to rectify all deficiencies within a "strict timetable" in close collaboration and supervision by the *EASA*. In case that Bulgaria does not carry out the reforms proposed by the EU, the *Commission* might apply safeguard measures and restrict Bulgarian aircrafts from access to the internal aviation market.[345]

The *Commission* has also introduced legal measures in order to ensure the proper management of structural and agricultural funds in Bulgaria before and after accession. Thus, any "improper use" of EU funds will lead to financial corrections as it has been

[342] Commission of the European Communities, Communication from the Commission-Monitoring Report on the State of Preparedness for EU Membership of Bulgaria and Romania, Brussels, 26.09.2006, Op. Cit., p. 10.
[343] 'Accompanying Measures in the Context of Bulgaria's and Romania's Accession', Op. Cit., p. 3.
[344] Commission of the European Communities, Communication from the Commission-Monitoring Report on the State of Preparedness for EU Membership of Bulgaria and Romania, Brussels, 26.09.2006, Op. Cit., p. 12.
[345] Loc. Cit.

outlined in the *Accession Treaty*. These financial corrections may consist of delayed disbursements, reduction on future payments or recovery of funds.[346]

With regard to agricultural funds, the *Commission* has introduced specific mechanism for Bulgaria in case that the *Integrated Administrative and Control System* (*IACS*) would not function properly beyond the time of accession.[347] This mechanism gives Bulgaria time to complete the reforms required for a proper functioning of the *IACS*. The *Commission* will monitor closely the situation in 2007 and in case of any repeated problems with the management of EU funds, the *Commission* will take decision later whether to withdraw provisionally 25 % of the payments covered by *IACS*.[348]

With regard to structural funds, the EU standards and regulations provide four types of control which could lead to financial corrections. For example, in case that Bulgaria lacks "adequate management, certification and audit authorities", no interim payments will be made. On the other hand, the disbursement of funds for the programmes could be interrupted, suspended or even cancelled in case that the *Commission* suspects any cases of irregularities, fraud or corruption.[349]

The *Accession Treaty* for Bulgaria provides for further safety measures related to other areas of concern even beyond the time of accession. For example, the 'general economic safeguard clause' is a policy measure which deals with adjustment difficulties in different economic sectors or areas as a result of accession. The *European Commission* may decide to implement such measures within a period of three years after accession.[350]

Moreover, the 'internal market safeguard clause' may be applied until three years after accession in case that Bulgaria fails to implement internal market legislation with a cross

[346] 'Accompanying Measures in the Context of Bulgaria's and Romania's Accession', Op. Cit., p. 3.
[347] Commission of the European Communities, Communication from the Commission-Monitoring Report on the State of Preparedness for EU Membership of Bulgaria and Romania, Brussels, 26.09.2006, Op. Cit., p. 11.
[348] 'Accompanying Measures in the Context of Bulgaria's and Romania's Accession', Op. Cit., p. 3.
[349] Loc. Cit.
[350] Ibid., p. 2

border effect, which would risk a "serious breach" in the legal functioning of the internal market.[351]

The 'internal market safeguard clause', which applies only to Bulgaria and Romania, covers the four freedoms and other sectoral policies, such as competition, transport, energy, telecommunication, consumer and health protection (such as food safety). The *Commission* will decide what measures to apply on a "case-by-case basis". These measures could limit the application of the internal market or cross-border EU policy in a given sector or an area as much as it is necessary "to remedy the situation".[352]

The *Commission* may also apply safeguard measures if there have been serious shortcomings in Bulgaria in the transposition or implementation of EU rules in relation to the mutual recognition of judgements in criminal or civil law. These safeguard measures are therefore closely related to the functioning of the justice system and are called 'justice and home affairs safeguards'. Areas covered by these safeguard measures are for example, proceedings on matrimonial matters, matters of parental responsibility, uncontested claim, insolvency proceedings or the *European Arrest Warrant*.[353] Safeguard measures in this area could be implemented until three years after accession and they could be applicable even beyond this date until the situation is remedied. The *Commission* can take this decision upon its own initiative or on the request of a member-state. For example, it could suspend temporarily specific rights of Bulgaria under the EU laws and standards. Thus, it could enable other member-states to deny "automatic recognition and enforcement" of certain civil and criminal judgements and arrest warrants in Bulgaria.[354]

The aim of this section was to provide some insight into the safeguard mechanisms that the EU has implemented in a number of areas in order to ensure the proper application of EU laws in Bulgaria in the near future. Thus, this section tried to highlight the efforts that the EU has taken in order to avoid any future possibilities and challenges

[351] Loc. Cit.
[352] Loc. Cit.
[353] Loc. Cit.
[354] Loc. Cit.

that might disrupt the correct application of EU laws in Bulgaria and thus affect Bulgaria's relationship with the Community in a negative way.

The aim of the following section will be to highlight the application of theory to the present study of this research report. Therefore, the following section will illuminate whether the *multi-level governance model* could successfully explain the dynamics and contentious forces at work in the process of Bulgaria's integration into the Community.

## Section Four

## The Theoretical Debate Revisited: Bulgaria and the EU

As was mentioned earlier, the *multi-level governance* theoretical approach recognises the existence of interaction across multiple levels of government in the process of European integration. Thus, it does not deny the role of state executives and officials in decision-making processes, however they do not always remain the most important actors in the process of European integration.[355]

In this regard, the *multi-level governance* approach highlights the importance of interaction across levels of national, sub-national and supranational actors in the process of European integration. Thus, the influence of national governments, political parties, interest groups and different individuals is crucial towards the process of European integration.[356]

At the same time, the influence of supra-national actors, such as the *European Commission*, the *EP*, the *European Council*, the *ECJ* and other EU institutions is also

[355] Lee Miles, Op. Cit., p. 259.
[356] Loc. Cit.

extremely important towards the process of integration.[357] Therefore, the basic proposition of this particular approach is an "actor-centric" rather "state-centric" level of political influence in the European integrationist agenda.[358] Put simply, this approach assumes that the political arenas in the process of European integration are "interconnected" rather than "nested" and EU decision-making largely operates at the junction level of national politics and European politics.[359]

In this regard, the influence of external and domestic actors has been extremely important towards the process of Bulgaria's integration into the Community. Thus, the aim of the following part will be to assess critically the contribution of domestic actors to Bulgaria's integration into the EU. This part will therefore describe the main tasks, responsibilities and duties of various governmental and non-governmental organisations (and institutions), and highlight the role they played during this process. The aim of the second part will be to evaluate the contribution of external actors to the process of Bulgaria's accession into the EU.

## a) the influence of national and sub-national (domestic) actors in the process of integration

Throughout the process of advancing the negotiations towards EU membership, a big number of national and sub-national groups were involved. In fact, various groups, institutions and individuals performed different tasks. Their role was therefore split up in a way that each team carried different responsibilities throughout the process of negotiations, however they often assisted each other. The main governmental (national)

[357] Loc. Cit.
[358] Jones, Op. Cit., p. 49.
[359] Liesbet Hooghe and Gary Marks, 'Contending Models of Governance in the European Union', in Alan Cafruny and Carl Lankowski (eds), Europe's Ambiguous Unity: Conflict and Consensus in the Post-Maastricht Era, Boulder, Lynne Rienner Publishers, 1997, p. 23.

actors included the *Council of European Integration*, the *Council of Ministers* and the relevant ministers from different departments.

The leading role in advancing the negotiations towards EU membership is carried by the *Council of European Integration*. The *Council of European Integration* includes the vice Prime Minister of Bulgaria and most of the ministers in the government. Its role is to develop propositions about the exact stages of the negotiation process towards Bulgaria's accession into the EU, determine particular tasks and issues of concern throughout this process, as well as propose the exact team that will take participation in this process.[360]

The *Council of European Integration* is also involved in proposing the exact strategies of Bulgaria's preparations towards EU membership and addressing them to the *Council of Ministers* (of Bulgaria). It also performs the task of approving the pre-accession financial assistance provided by the EU to Bulgaria and proposing the annual programme for the *Communication Strategy for the Preparation of Bulgaria's Accession to the EU*.[361]

The *Council of Ministers* is the supreme organ which determines the objectives of Bulgaria's relationship with the Community and no action is possible without the *Council*'s agreement. Therefore, the *Council of Ministers* is the only and ultimate institution that could implement, propose or amend legislation concerned with the exact stages, plans or strategies towards accession.[362]

The Minister of Foreign Affairs leads the delegation of Bulgaria to the EU and performs the task of addressing urgent issues of concern to the EU institutions. The Minister of Finance, assisted by the *National Fund for Financial Regulation*, needs to ensure the proper application of the EU pre-accession financial aid programs to areas in which further domestic reforms are required. Specific attention is paid to the proper management of the *PHARE* programme in various structural projects.[363]

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[360] Emilia Georgieva and Kaloian Simeonov, Op. Cit., p. 229.
[361] Loc. Cit.
[362] Loc. Cit.
[363] Velko Marinov et al., Op. Cit., p. 470.

The Minister of Regional Development, assisted by the *Regional Development Centre*, has to define the areas and projects for which the EU financial assistance could be used. The Minister of Justice, assisted by the *National Archives Center*, evaluates the progress that Bulgaria has made towards improving its legislation and judiciary in accordance with the *acquis* criteria. At the same time, the Minister of Justice along with the *National Archives Center* needs to provide a complete list of documents, which represents the latest developments and reforms that have taken place in the areas of legislation, judiciary and state administration.[364]

The process of negotiations towards Bulgaria's EU membership has also been influenced by a number of non-governmental (sub-national) institutions, groups and organisations. For example, an organisation called *Direction-European Integration*, attached to the Ministry of Foreign Affairs, has the primary responsibility to coordinate and ensure that Bulgaria's preparations towards EU membership follow the latest decisions and policies approved by the Ministry of Foreign Affairs. Thus, its role is to safeguard the proper application of these rules, polices and decisions.[365]

Another non-governmental organisation is *Direction-European Integration and Relations with International Financial Institutions*. It assists the *Council of Ministers* and is also responsible for performing the technical and organisational job for the *Council of European Integration*. It establishes contacts with international financial institutions and proposes certain projects that might facilitate Bulgaria's progress on the road to integration. Last but not least, this organisation is also involved in proposing certain mechanisms and programmes that would enable Bulgaria to transform its legislation largely in line with the *acquis*.[366]

The *Council for Coordination and Monitoring* is another sub-national institution. It assists the *Council of European Integration* and is composed of various working groups. Its task is to determine pressing issues and concerns throughout the process of Bulgaria's integration into the EU. At the same time, it needs to define the tasks and objectives of

[364] Ibid., pp. 470-471.
[365] Emilia Georgieva and Kaloian Simeonov, Op. Cit., p. 229.
[366] Velko Marinov et al., Op. Cit, p. 471.

any delegation that Bulgaria sends to the EU and determine the main themes and issues that need to be discussed at each particular meeting. This organisation is assisted by *Direction-European Integration* and *Direction-European Communication* which facilitate the process of integration by fostering deeper communication between Bulgaria and the EU. [367]

The working groups which assist the *Council for Coordination and Monitoring* are involved in developing certain propositions for further reforms in different areas, such as legislation, judiciary, state administration etc. These working groups therefore need to point out the necessary steps and actions that need to be taken, so Bulgaria's legislation, judicial system and public administration operate in accordance with EU law.[368]

In fact, their role has been extremely crucial towards determining the specific tasks and objectives throughout the process of negotiations. For example, these working groups also determined the exact organisational structure of the negotiation process. Thus, they divided the process of negotiations in different areas and chapters in order to ensure that each particular sector was dealt with separately, and the progress in each particular sector towards meeting the *acquis* was therefore assessed independently.[369]

Yet, the main negotiator throughout the process of integration is the Minister of European Affairs, whose task is to maintain a constant political dialogue with the EU and its institutions.[370] The main negotiator for Bulgaria has been Meglena Kuneva. She has performed the enormous task of representing Bulgaria's interests to the EU. Since 2001 she has been the main negotiator of each Bulgarian Delegation to the EU and she has also worked closely with the EU officials in the final stages of Bulgaria's preparations towards EU membership.[371] In August 2001, Kuneva left Parliament, because she was elected a Deputy Minister of Foreign Affairs and Chief Negotiator of the Republic of Bulgaria with the European Union. She represented the Bulgarian Government in the *Convention on the Future of Europe* (the *European Convention*), which designed the *EU*

[367] Emilia Georgieva and Kaloian Simeonov, Op. Cit., p. 229.
[368] Velko Marinov et al., Op. Cit, p. 471.
[369] Emilia Georgieva and Kaloian Simeonov, Op. Cit., p. 229.
[370] Loc. Cit.
[371] Wikipedia, 'Meglena Kuneva', http://en.wikipedia.org/wiki/Meglena_Kuneva, 2007, p. 1.

*Constitutional Treaty* (the *European Constitution*).[372] In May 2002, she was appointed Bulgaria's first Minister of European Affairs in the government of Simeon Saxe-Coburg Gotha. She held this job even after the 2005 elections in Parliament which were won by the *Bulgarian Socialist Party* (*BSP*), headed by Sergei Stanishev. In October 2006, Kuneva was nominated to be Bulgaria's first member of the *European Commission*.[373] The *European Commission* President Jose Manuel Durao Barroso assigned her with the portfolio of *Consumer Protection*. On the 1st of January 2007 (when Bulgaria joined the EU), she also commenced her mandate as an EU Commissioner.[374]

Throughout the process of negotiations, the role that the media, the schools, the universities and the Bulgarian public played throughout the whole integration process should be mentioned. In this regard, Meglena Kuneva stated that the support of the people throughout the process of negotiations was extremely precious.[375]

Thus, a variety of opinion polls and forums for exchange of debates were established online to reveal peoples' expectations and perceptions of this complex process. Some of these forums included the *EU-Observer*, *Bulletin Europe*, *Europe Server*, *Team: Europe-Bulgaria*, *My Europe* etc. A series of web-pages were also established, such as http://www.evroportal.bg, http://www.euractiv.com, http://europe.bg.html, which further deepened peoples' involvement in this process and made them express their thoughts and ideas concerned with the process of integration.[376]

For example, http://www.evroportal.bg was the first forum opened up in the Bulgarian web-space to the public. Its creators invited ordinary people from the public to discuss interesting and controversial issues and problems related to the process of integration. They clearly state that every Bulgarian should justify his (her) point of view by stating

[372] 'Meglena Kuneva', http://www.answers.com/topic/meglena-kuneva, 2007, p. 1.
[373] Loc. Cit.
[374] Wikipedia, 'Meglena Kuneva', Op. Cit., p. 1.
[375] 'Accession to the EU: A Critical Overview' (translated), http://europe.bg/htmls/page.php?category=5&id=3620, 2005, p. 4.
[376] 'The Road to Enlargement', http://www.evroportal.bg/article_view.php?-d=728214, 2005, p. 1.

whether he (she) is "Euro-optimist" or "Euro-skeptic" and publish their opinions on this matter. The purpose of this discussion is stated at the end as "Euro-motivate yourself!"[377]

As these examples have shown, domestic actors have thus played an extensive role towards advancing the process of Bulgaria's integration into the EU. In this regard, the aim of this part was to illuminate their contribution to the process of integration and highlight the involvement of various governmental (national) and non-governmental (sub-national) institutions and organisations in this process. The following part will illuminate the involvement of external actors in the process of integration.

## b) the influence of supranational (external) actors in the process of integration

The involvement of supranational (external) actors has also been extremely crucial towards the process of Bulgaria's accession into the EU. In this regard, the EU institutions have played an extremely significant role towards fostering the agenda towards integration.

Thus, for example, the *European Commission* has played an extremely important role in supporting Bulgaria throughout its preparations towards EU membership. First of all, the *Commission* has closely monitored the progress that Bulgaria has made towards reaching the political and economic criteria towards EU membership. Thus, it ensured that the reforms that have been implemented in the domestic realm have been largely in line with the *acquis*.[378]

The *Commission* assessed this progress by publishing annual reports submitted to the *European Council*, which reflected Bulgaria's preparedness towards accession. These

[377] Loc. Cit.
[378] 'Communication from the Commission-Monitoring Report on the State of Preparedness for EU Membership of Bulgaria and Romania-Brussels, 16.05.2006', Op. Cit., p. 1.

reports also highlighted a number of areas where the domestic reforms have been unsatisfactory and further progress was still necessary.[379]

In this regard, the last *Commission*'s *Report* in September 2006 confirmed that Bulgaria has made substantial progress in completing the preparations towards EU membership, demonstrating its capacity to apply EU principles and legislation as from the 1st of January 2007. As a result and upon the *Commission*'s approval, Bulgaria successfully joined the EU on the 1st of January 2007.[380]

As was mentioned earlier, the *Commission* has also adopted a series of legal provisions in order to ensure the proper functioning of EU laws and policies in Bulgaria even beyond the time of accession. Thus, the *Commission*, after consulting with the member-states, set up a mechanism for cooperation and verification of progress in a number of areas, including the judiciary, the fight against corruption, money laundering and organised crime. Thus, benchmarks have been established in order to ensure the proper application of EU laws and policies in these areas even beyond the time of accession.[381]

The *Commission* has also provided extensive financial support to help Bulgaria continue with its domestic reforms on the road to integration. Thus, the total volume of pre-accession assistance available to Bulgaria was substantial, around € 545 million in 2006, used towards pre-accession programs.[382]

Last but not least, the role of the *Commission* has been also extremely influential towards enhancing deeper communication between the EU and the Bulgarian public. Thus, its main task throughout the process of integration has been to inform ordinary

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[379] Commission of the European Communities, Communication from the Commission-Monitoring Report on the State of Preparedness for EU Membership of Bulgaria and Romania, Brussels, 26.09.2006, Op. Cit., p. 9.
[380] Ibid., p. 3.
[381] 'Bulgaria: EU-Bulgaria Relations: Main Steps towards the EU', http://ec.europa.eu/enlargement/archives/bulgaria/eu_bulgaria_relations_en.htm, 2007, p. 2. For more information, please, refer back to the ***previous section***.
[382] Ibid., p. 3. For more information on the EU financial assistance, please, refer back to ***chapter four: section 3-b***.

Bulgarian citizens about recent developments within the EU. In fact, this role of the *Commission* continues even today when Bulgaria has already joined the EU.[383]

Thus, each EU member hosts a *Representation of the European Commission*. Since the 1st of January 2007 (when Bulgaria joined the EU), the *Delegation of the European Commission* has been transformed into a *Representation of the European Commission in Bulgaria*.[384] The main task of this *Representation* is to help Bulgaria and the *European Commission* develop deeper understanding and communication. Thus, the *Representation* is responsible for informing the media about processes or events of the EU and, as a direct representative of the *European Commission*, it also needs to inform Bulgaria regularly on the work of the *Commission*. Thus, the *European Commission Representation in Bulgaria* needs to interact with the national and regional media, provide information about the *Commission*'s activities and fully explain its policies and programmes.[385]

The *European Commission Representation* also monitors and provides intelligence to the *Commission* on economic, political and social developments in Bulgaria and in such a way, it provides the *Commission* with feedback on recent events and political processes that have taken place in Bulgaria.[386] The *Representation* also provides general information on the EU to the public and helps enhance further activities of the *European Commission* in Bulgaria. It mainly cooperates with the *European Parliament*'s '*Information Point*' in Sofia.[387] It also aims to ensure the *Commission*'s direct contact not only with politicians, but also with ordinary citizens and contribute to "effective information flows" between the *Commission*, other European institutions and the media.[388]

Thus, the *European Commission Representation in Bulgaria* has been actively involved in the process of organising and hosting various events and seminar sessions on

[383] 'Representation of the European Commission in Bulgaria', http://www.evropa.bg/en/del/about-the-delegation/presentation.html, 2007, p. 1.
[384] Loc. Cit.
[385] Loc. Cit.
[386] Loc. Cit.
[387] Ibid., p. 2.
[388] Loc. Cit.

EU affairs in collaboration with different institutions. For example, the *European Commission Representation in Bulgaria* has collaborated with the government and other state institutions, the *European Parliament Information Bureau in Bulgaria* and a number of other non-governmental organisations and some academic establishments. The *Representation* has also cooperated with partners of the EU information network in Bulgaria.[389]

Another EU institution, which has been actively involved in Bulgaria, is the *Council of Ministers*. Thus, the main role that the *Council* played throughout the process of negotiations was to constantly support Bulgaria throughout its preparations towards EU membership. Thus, in 2002, the *European Council* announced its objective to welcome Bulgaria and Romania into the EU in January 2007, provided that they made sufficient progress towards meeting the EU membership criteria.[390]

In October 2002, the *European Council* in Brussels decided that the *Commission* and the *Council* should prepare a package for Bulgaria and Romania to be presented at the Copenhagen meeting of the Heads of State in December 2002. They decided that this package should contain a "detailed road map" for accession for both countries and pre-accession assistance.[391]

As a result, in December 2002, the *European Council* expressed its support to Bulgaria and Romania to join in January 2007 and adopted road maps for both countries. In fact, these road maps increasingly helped both Bulgaria and Romania increase the pace of their domestic reforms and thus speed up the progress towards meeting the EU membership criteria.[392]

As was mentioned earlier, these road maps mainly aimed at pointing out the basic steps that both Bulgaria and Romania needed to follow in order to become members of

[389] Loc. Cit.
[390] Commission of the European Communities, Communication from the Commission-Monitoring Report on the State of Preparedness for EU Membership of Bulgaria and Romania, Brussels, 26.09.2006, Op. Cit., p. 3.
[391] 'Chronology of Bulgaria-EU Relations', Op. Cit., p. 6.
[392] Ibid., p. 7.

the EU. In particular, their aim was to assist both countries to fulfill the *EU membership criteria* by determining their future tasks and responsibilities, and providing higher pre-accession financial aid. Specific attention was drawn to the areas of state administration, justice system and some other provisions of the *acquis*.[393]

The *European Council* recalled that all of the outstanding chapters in the accession negotiations with Bulgaria had been provisionally closed earlier in 2004. It welcomed the successful completion of these negotiations with Bulgaria on the 14th of December 2004 and looked forward to welcoming it as a new member as from January 2007.[394]

After being informed by the *Commission* on the state of Bulgaria's preparedness towards EU membership, the *European Council* concluded in 2004 that Bulgaria would successfully join the EU in January 2007, provided that it continued with the path of domestic reforms and successfully completed all the necessary preparations towards accession. The *European Council* also announced that safeguard mechanisms will be applied in order to ensure the proper functioning of EU laws in Bulgaria in case of serious problems in a number of areas before or after accession.[395]

Anticipating the successful completion of Bulgaria's preparations towards accession, the *European Council* proposed the finalisation of the *Accession Treaty* with Bulgaria and Romania with a view to its signing in April 2005, provided that the *European Parliament* gave its assent. Thus, the role that the *Council* has played towards fostering the agenda towards integration has been extremely crucial.[396]

As was mentioned throughout the previous chapter, another EU institution that has been actively involved in Bulgaria is the *EIB*, which provided large scale loans to projects aimed at helping the transition to a market-based economy and meeting the *acquis* criteria. Its action is coordinated with the *PHARE* programme as well as with the EU member-states' financing institutions and with the *EBRD*. Its activities started in

[393] Commission of the European Communities: The Commission's Report to the Council and the European Parliament: Road Maps for Bulgaria and Romania (translated), Brussels, 13.11.2002, p. 1.
[394] 'Enlargement: Bulgaria-Presidency Conclusions', Brussels, 16.12.2004, p. 2.
[395] Loc. Cit.
[396] Loc. Cit.

1991 and since then the *EIB* has granted over 1 billion to priority projects in the country.[397]

Another EU institution which has also provided some support to Bulgaria's EU membership is the *EP*. In fact, the role of the *EP* in supporting Bulgaria on the road to integration has not been as extensive as the role of the *European Commission* and the *European Council*. Nevertheless, it should be still remembered that the signing of the Accession *Treaty of Bulgaria and Romania to the EU* was a result of the support that the *EP* had given to Bulgaria's EU membership in April 2005. The vote was 534 in favour and 88 against, with 69 abstentions. As a result, the *Accession Treaty* was signed in Luxembourg on the 25th of April 2005.[398]

As it has already become clear, the role of the EU institutions has been extremely crucial towards fostering the agenda towards integration. In this regard, this part tried to illustrate that external (supranational) actors have largely contributed to the process of Bulgaria's accession into the EU. The aim of the first part was to highlight the involvement of domestic (national and sub-national) actors in the process of integration. This section therefore tried to illustrate that Bulgaria's integration into the EU has been largely a result of the involvement of both external and domestic actors throughout the process of negotiations.

This chapter essentially aimed to highlight the impact of domestic political challenges towards the process of Bulgaria's accession into the EU. This chapter therefore tried to illustrate their possible effect on the agenda towards integration and thus assess the efforts that both the Bulgarian political leadership and the EU have taken in order to address those domestic political challenges.

Thus, the aim of the first section was to highlight a series of reforms and policies that have been implemented in order to counter any possible challenges to the goal of

[397] 'Bulgaria: EU-Bulgaria Relations: Main Steps towards the EU', Op. Cit., p. 4. For more information, please, refer back to ***chapter four: section 3-b***.
[398] Ibid., p. 1.

integration, and thus assess the progress that the Bulgarian political leadership has achieved towards meeting the political criteria towards EU membership.

Specific attention was paid to the fight against corruption, money-laundering, human trafficking, reforms within the justice system and the public administration, as well as the protection of the rights of minorities. This section also tried to outline the areas in which further progress is still necessary, so Bulgaria could comply with EU laws and standards in the near future.

The aim of the second section was to illuminate the progress that Bulgaria has achieved towards meeting the economic criteria towards EU membership. Once again, this section also attempted to highlight few areas that require further attention and prescribed a series of reforms and guidelines in this regard.

The third section aimed to highlight the measures and policies that the EU has implemented in order to ensure the proper functioning of EU laws and policies in Bulgaria even beyond the time of accession. This section therefore tried to illustrate a number of areas which require further progress and thus assess the role of the EU in prescribing certain course of reforms that would ensure the proper application of EU laws in the future.

The aim of the last section was to relate the theory back to the present study of this research report. This section therefore tried to evaluate whether the *multi-level governance model* could be successfully applied to the actual theme of Bulgaria's accession into the EU and reveal whether it explains well the dynamics and underlying themes of this process.

# Conclusion

The aim of this research report was to highlight the impact of domestic political challenges towards the accession of Bulgaria into the EU. In this regard, this research report tried to illustrate the efforts that the Bulgarian political leadership implemented in order to address those domestic political challenges and thus evaluate the progress that Bulgaria has made towards reaching the EU membership criteria.

This research report was deliberately entitled "the impact of domestic political challenges" towards Bulgaria's accession into the EU. Thus, the primary intention of this research study was to highlight how these domestic challenges have shaped and influenced the course of integration. In this light, this present work tried to illuminate the reasons why Bulgaria's accession into the EU was delayed and Bulgaria could not join in 2004 as the other ten states from Central and Eastern Europe. At the same time, this research report tried to illustrate what measures the Bulgarian political leadership implemented in order to counter those domestic challenges, so Bulgaria could successfully become an EU member as from January 2007.

Essentially, this research report aimed to highlight the process of Bulgaria's accession into the Community from a domestic perspective and not necessarily from an EU perspective. Thus, the primary aim of this present work was to illuminate the internal dynamics and contentious forces at work in the process of Bulgaria's accession into the EU. As was mentioned early at the beginning of this study, this research report also tried to look at this process mainly from an enlargement perspective and not necessarily from a general integrationist perspective.

This research report was structured into five chapters. The aim of the first chapter was to illuminate briefly the history and evolution of European integration, the dynamics and nature of the European integration process and the institutional background of the EU. This chapter also tried to highlight the criteria and mechanisms that govern the process of

EU enlargement, and a specific reference was made towards the process of the EU enlargement to Central-Eastern Europe.

The aim of the second chapter was to discuss the theoretical background behind the study of European integration. This chapter therefore aimed to illustrate the various theoretical interpretations of the nature and course of European integration, and examine critically the link between the theory and practice of European integration. This chapter also tried to illuminate the main assumptions of the *multi-level governance* approach, however the application of this theory to the actual theme of Bulgaria's integration into the EU was provided mainly throughout the last chapter.

The third chapter aimed to discuss the impact of the transition towards democracy in Central-Eastern Europe in 1989 on the subsequent efforts towards integration. This chapter therefore tried to provide an insight into the relationship between the processes of democratisation and integration in Central-Eastern Europe. In this light, this chapter also tried to highlight that integration has been a major force in promoting democracy in Central-Eastern Europe. In other words, membership into the EU presupposed certain criteria among which the most important were the consolidation of democratic rule and free-market economy in those respective states. Thus, the agenda towards integration has largely contributed to the process of democratisation in Central-Eastern Europe, including in this number Bulgaria as well. Ultimately, this chapter tried to highlight the process of the EU enlargement to the east, its unique character and its implications on the processes of European integration subsequently.

The aim of the fourth chapter was to focus mainly on the process of Bulgaria's accession into the EU and describe the development of the relationship between Bulgaria and the EU. Thus, this chapter attempted to describe the roots of this relationship and explain where the early idea of Bulgaria's agenda towards integration came from. This chapter also tried to provide a chronological description of the development of the relationship between Bulgaria and the Community, and highlight the financial assistance provided by the EU aimed at speeding up the process of integration.

The aim of the last chapter was to provide an analysis of the essential theme of this particular study. This chapter therefore tried to discuss the impact of domestic political challenges towards the accession of Bulgaria into the EU. In this light, this chapter tried to illuminate the efforts that the Bulgarian political leadership has implemented in order to address those existing domestic political challenges.

This chapter also tried to illuminate a series of provisions and safeguard measures that were outlined in the *Accession Treaty of Bulgaria*, established in order to safeguard the proper functioning of EU laws and policies in Bulgaria even beyond the time of accession. Eventually, the last section of this chapter aimed to apply the theory back to the present study of this research report. Thus, this section tried to discuss critically whether the *multi-level governance* approach is indeed a helpful conceptual tool towards our understanding of the process of Bulgaria's accession into the EU. As this study tried to illustrate, the process of Bulgaria's integration should be understood from an *actor-centric* point of view and the *multi-level governance* approach therefore was used, because it illustrates this point the best.

The insights gained from this research could be summarised as follows. First of all, this research report aimed to highlight a topic that has not yet received much attention in the study of European integration-the recent accession of a former socialist state in Eastern Europe, Bulgaria, to the EU. Secondly, this present work tried to illustrate the accession process mainly from a domestic perspective and not from an EU perspective, which the literature on European integration often fails to do and rather portrays the accession process solely in the context of European integration. Thirdly, this research report could be used for further research in the area of Bulgaria's membership into the EU. For example, a relevant theme of another research study could be an analysis of what the political implications of Bulgaria's membership into the EU would be on Bulgarian politics, European politics or on the processes of European integration and enlargement per se. Last but not least, this present work could contribute to anybody who is interested in the history and evolution of European integration, the theoretical background of this process, as well as the dynamic and contentious forces at work involved in the process of European integration.

To sum up, integration into the EU has been defined by this particular study as a constant political choice for Bulgaria. As was mentioned earlier, Bulgaria needs the EU and the EU needs Bulgaria for several reasons. Thus, EU membership provides Bulgaria with the opportunity to participate actively in EU programmes and policies, strengthen its democratic institutions and develop further its economy. On the other hand, the EU needs Bulgaria, because Bulgaria could play an extremely important role of a strategic partner to the EU in the region of South-Eastern Europe and thus help promoting peace and stability throughout the region.

However, it should be mentioned at the end that Bulgaria's membership into the EU would be always a choice between the domestic realm of national politics and the policies and decisions of the European Union-thus lying somewhere in the debate between *intergovernmentalism* and *supranationalism*. This idea however, will be a matter for another research study.