

Hard Bargaining amongst Friends: An Overview of Contemporary Russian–Bulgarian Relations

By Kyril Drezov, Keele, UK

Abstract

The fall of Boyko Borisov's government and the forthcoming early elections revived hopes in Moscow that Russian energy projects abandoned during his mandate, notably the Belene nuclear power station, can be resurrected. President Putin had established a good working relationship with the outgoing premier, although he and Russian officials were often irritated by Borisov's volatile and unpredictable style. Russia is likely to work with all existing political factions in Bulgaria, although parties and groups on the left are traditionally more amenable to Russian influence.

'The Long Hand of Moscow'

The mass protests over high energy prices achieved more than just forcing the resignation of Borisov's Citizens for Bulgaria's European Development (GERB) cabinet in February 2013. They were instantly mythologised as another example of Russian meddling in Bulgarian politics. The conspiracy narrative of Borisov's partisans already depicts him as a selfless patriot, who stood in the way of Moscow's imperial juggernaut and was toppled by paid agents of Moscow. One of the last acts of the outgoing parliament was to vote through 'the definite' abandonment of the Belene nuclear power project on the strength of the combined vote of parliamentarians from GERB and the Blue Coalition, in the face of vocal opposition from the Bulgarian Socialist Party (BSP) and Ataka. The Burgas–Alexandroupolis Oil Pipeline was abandoned in similar circumstances on the last day before parliament was dissolved. For GERB the main value of these acts was electoral, as early salvos in the campaign for the forthcoming early elections in May 2013. GERB is keen to appropriate the traditional anti-communist and rightist vote for itself, and to present the early elections as a straight choice between pro-European modernisers (GERB) and retrograde and unpatriotic ex-communists (BSP). BSP is also keen to mobilise the traditionally leftist, nostalgic and Russo-ophile vote—and thus the Right's united vote against the Belene project serves it just fine. Both camps are already working hard to transform the spontaneous anti-elite and anti-party mass protests against economic deprivation into a more familiar confrontation between 'patriots' and 'foreign agents'.

The reality is a far cry from the simplistic propaganda picture of principled and ideological conflict between GERB's 'Westernisers' and BSP's 'Russophiles'. Borisov, whose GERB is little more than a fan club or clientele, is at heart an entirely pragmatic and non-ideological populist, whose position on Belene changed several times between approval and negation. BSP had

ample opportunities to start the Belene project when it was the lead party in the previous coalition government in 2005–2009, but failed to act for fear of alienating its Western partners.

Real and alleged differences on Russian projects in Bulgaria tend to be played up before elections. Moreover, public discussion of these projects is rarely on their merits, but more often than not is enmeshed in acrimonious exchanges on Russia's historical role in Bulgaria—whether it should be viewed as benefactor (and liberator), or as eternal curse. What is more rarely discussed is why Bulgarian politicians of both Left and Right have enthusiastically promoted the interests of various Russian corporations (Gazprom, Lukoil, Rosatom) at the expense of Bulgarian economic interests.

Bulgaria features only episodically in Russian political discourse, although the sharp about turns of Borisov's cabinet on Russian energy projects solidified Bulgaria's reputation as unpredictable and difficult partner. Russian politicians also have their historical preoccupations with Bulgaria. On one hand, they are heavily involved in keeping alive the memory of a Russian liberation of Bulgaria from the Ottomans in 1877–78 (through regular celebrations, visits, restoring and building monuments); on the other hand, they are vigilant about neglect or desecration of the more controversial Soviet-related monuments and vigorously oppose plans to dismantle or remove any of these. These twin preoccupations exemplify the Soviet-Imperial synthesis attempted first under Yeltsin and institutionalised further under Putin. The latter even timed his two official visits to Bulgaria to commemorate the 125th and 130th Liberation anniversaries (in 2003 and 2008 respectively).

Mobilisation of Symbolic Resources

Russia's 'Historic Debt' to Bulgaria

This is a very sensitive issue for Bulgarians, who suspect that many Russians tend to ignore or belittle Bulgarian

contribution to Russian culture. After the collapse of communism high-level Russian visitors to Bulgaria took care to acknowledge these sensitivities. In 1992 Boris Yeltsin emphasised in Sofia that 'ancient Rus' had borrowed from Bulgaria the Slavonic alphabet presented to the world by the holy brothers Cyril and Methodius'. In 2012, Patriarch Kirill also emphasised in Sofia that the Bulgarian church ('the most ancient amongst Slavonic churches') had sent priests and books to Kievan Rus', which were 'the first holy texts of the newly-Christened Russian people'.

Bulgaria's 'Historic Debt' to Russia

The memory of Russia's war to liberate Bulgaria from the Ottomans in 1877–78 is regularly invoked by both Russian and Bulgarian dignitaries. There are around 400 monuments in Bulgaria related to this event. There are also two towns (Gurkovo and Aksakovo) and numerous villages, streets and institutions named after Russian soldiers, diplomats and medics of this war. Most of the monuments and names pre-date communism, although several notable monuments were built after 1944. In the last ten years the number of such monuments has increased almost annually, driven partly by initiatives from Bulgarian Russophiles, and partly by public or private financing from Russia. Paradoxically, the Russian imperial army is nowadays better commemorated in Bulgaria than in the Russian Federation, as nearly all monuments related to the Russo-Turkish War 1877–78 in Russia were destroyed after the 1917 Revolutions (although a small number was restored after 1991).

As the day this war officially ended has since 1990 been the most important official holiday in Bulgaria (which restores a pre-1945 tradition), leading Bulgarian politicians have to pronounce on this event every year. This discourse is rigorously policed in Bulgaria itself, and attempts by some Bulgarian politicians from pro-Western parties to omit the Russian role when talking of Bulgaria's 19th century liberation have been noted and condemned.

The Communitas Foundation found that in 2012 78% of Bulgarians view Russia positively (down from 88% in 2011), which is the highest number amongst EU and NATO countries; only Slovakia (64%) had comparable levels of positive views on Russia. Approval of Russia in Bulgaria is comparable with approval of the European Union (88% in 2012).

For all Bulgarian attempts to boost awareness of Bulgaria's contributions to Russia, there is no symmetry in such historical awareness between the two countries. There is hardly a Bulgarian not aware of Russia's contributions to Bulgaria—and it is hard not to be aware, with

monuments, streets and public pronouncements keeping this awareness alive. Conversely, the vast majority of Russians remain blissfully unaware of the Bulgarian origins of the Cyrillic alphabet and of the massive Bulgarian contribution to Russian Orthodox culture and language. Such awareness in Russia remains mostly the preserve of a small number of linguists, literary specialists, historians and theologians, and has virtually no impact on contemporary Russian education and mass culture. Bulgaria's presence in Russian collective memory is mostly a leftover from Soviet times, as a land of affordable holidays, vegetables, fruit and wine with a population that is friendly to Russians and the Russian language. The recent rise of Russian mass tourism to Bulgaria mostly enhances these same images, with the added bonus of affordable property.

Thus the mobilisation of symbolic resources in bilateral relations works well to promote a sympathetic attitude to Russian interests in Bulgaria and helps Russian investment and mass tourism in Bulgaria. However, there is less to mobilise in favour of Bulgarian interests in Russia, although Bulgaria has the most positive image of all former Soviet satellites amongst Russians (according to the Public Opinion Foundation, 67% of those polled in 2003 described Bulgaria as a 'friendly nation'). An added complication is the different regimes concerning foreigners in both countries. As a country geared to mass tourism, Bulgaria is a relatively easy destination for the Russian traveller and investor: visas are amongst the easiest EU visas to obtain, and once in Bulgaria, there are few bureaucratic obstacles to travel or register a company. In contrast, Russia remains a difficult country for individual travellers and investors (especially small ones), with stringent and irritating registration rules for foreigners.

To sum up, whilst Russia looms very large in Bulgaria, the latter has a negligible impact on Russia. The disparity is considerably greater than in Soviet times, when there was roughly a balance between exports and imports in bilateral trade. In 1991, 49.8% of Bulgaria's exports went to the USSR and 43.2% of its imports came from there. In 2011 only 2.6% of Bulgaria's exports went to Russia (making it Bulgaria's 10th most important export destination), while 17.7% of Bulgaria's imports came from Russia (1st place amongst importers). Most of these imports consist of oil and gas. After the privatisation of the Neftochim oil refinery in Burgas in 1999, the Russian company Lukoil controls 100% of oil refining in Bulgaria. This is the biggest industrial enterprise in Bulgaria, with commensurate contributions to the country's GDP and to state revenues. Even so, Russia is only the 10th largest foreign investor in Bulgaria.

Cooperation and Conflicts over Energy Projects

Belene Nuclear Power Station

This project is already over three decades in the making, and has consumed considerable investment, whilst being repeatedly delayed. The Belene project for a second nuclear power station in Bulgaria was first approved in 1981. Construction started in 1987, but was discontinued in 1990. The partially built site and supplied equipment were mothballed and have been monitored since then. In 2002 the project was re-launched by the government of Prime Minister Simeon Saksoburggotski, but this decision was followed by years of inconclusive negotiations and delays. In January 2008 Atomstroyexport (a subsidiary of Rosatom) and Bulgaria's National Electric Company (NEC) finally signed a contract for the design, construction and installation of units 1 and 2 of the Belene nuclear power station. However, the world financial crisis and the coming of Borisov's GERB to power in 2009 stopped the project once again. Frozen indefinitely in 2010 and officially abandoned in 2012, the Belene project became a focal point for mass mobilisation of opposition Socialists and Russophiles. A petition supported by over 600 thousand people forced a national referendum on its construction on 27 January 2013. However, this referendum fell short of legal requirements and could only return the issue back to parliament. There it was again officially terminated in the last days of February 2013, although a BSP win in the early elections in May could again re-open the issue. From 2011 Rosatom has opened arbitration proceedings against Bulgaria's NEC over delayed payments for its work on two nuclear reactors, at first for 58 million euro, and then increased to 1 billion euro. As NEC was quick to file a counterclaim, the arbitration proceedings are likely to drag on through the courts for years, pre-saging another re-launch of the project.

Critics of the Belene project emphasise that it is environmentally unsafe, as the chosen site is located in one of the most seismically active areas of Europe. It is also criticised as superfluous, as Bulgaria has one of the least energy-efficient economies in Europe, and would be better advised to improve its energy efficiency, rather than build new capacity. Finally, a major worry for many in Bulgaria, and amongst its Western partners, is that the project would strengthen Russian domination of Bulgaria's energy sector.

Burgas–Alexandroupolis Oil Pipeline

This project was proposed in 1993 by Russian and Greek companies as an alternative route for Russian and Caspian oil, bypassing the congested Bosphorus and the Dar-

danelles. It was planned entirely on Bulgarian and Greek territory, connecting the Bulgarian Black Sea port of Burgas to the Greek Aegean port of Alexandroupolis. A number of trilateral agreements on the project were approved in 1994, 1998 and 2005, culminating in the grand signing of an inter-governmental agreement on the project in March 2007 in Athens, in the presence of Russian president Vladimir Putin together with the Bulgarian and Greek prime ministers Sergey Stanishev and Kostas Karamanlis. However, the GERB government decided to abandon the project in December 2011, citing environmental and supply concerns. The Bulgarian government proposed terminating the tripartite inter-governmental agreement by mutual consent, but this proposal has been ignored by the Russian and Greek sides. Bulgaria then proceeded with unilateral abrogation of this agreement, approved by parliament on 12 March 2013 against vocal BSP opposition. Still, this project would be harder to revive even after political change in Bulgaria, as the Bulgarian government has already repaid its debt towards the joint company and no compensation claims seem to be forthcoming. In addition, Russian companies have sought agreement with Turkey and Italy to build an alternative pipeline from Samsun to Ceyhan, and Greek oil companies are experiencing financial problems. Also, environmental concerns about this project and its impact on tourism are shared by a wide constituency in the influential tourist region around Burgas (triggering three local referendums in the area in 2008–2009), and would be hard to ignore for any administration in Bulgaria.

South Stream

This is the newest and the least controversial of the big Russian energy projects affecting Bulgaria. It was initiated as a joint Russian–Italian project 2007, with an agreement to build and operate the Bulgarian section of the pipeline approved by the Bulgarian Parliament in 2008. Further bilateral agreements on the project were signed in November 2010 and November 2012, with Bulgaria holding up the latter agreement until it gained a fixed reduction of Russian gas prices from 1 January 2013. However, the building and exploitation of South Stream is still a hostage to future agreement between Brussels and Moscow concerning the applicability of EU's Third Energy Package to Russian gas pipelines on EU territory. For the moment Russia is not keen to allow the transportation of competitors' gas on its pipelines, and Brussels has shown little inclination to grant exemption to Gazprom for South Stream.

Bulgaria had insisted that its support for South Stream does not mean lack of support for alternative projects such as Nabucco, or for applying the rules of the

Third Energy Package to South Stream. This is understandable, as both measures would benefit consumer nations like Bulgaria. Bulgaria is also looking forward to increased gas extraction from its Black Sea continental shelf, and in anticipation of this pressured Gazprom for a more flexible agreement on periods, volumes and prices for Russian gas.

About the Author

Kyрил Drezov is a Lecturer and Co-Chair of the Southeast Europe Unit at Keele University. As a leading expert on Bulgarian, Macedonian and Balkan politics he has contributed extensively to the BBC World Service and Oxford Analytica and has advised international consultancies, banks, and governments

Russia is adept at exploiting its historical links with Bulgaria to promote its trade and investment. However, Russia's position is not invariably strong, and the Borisov government had managed to pick and choose between Russian energy projects, whilst protecting the national interest. A period of prolonged instability may undermine this fragile achievement.

ANALYSIS

Still Talking Past Each Other: Romanian–Russian Relations

By Simona R. Soare, Bucharest

Abstract

The Romanian–Russian relationship can be characterized as functioning according to a strained dynamic, which occasionally escalates to outright tension. This dynamic is the product of deep historical and geopolitical factors. The gradual normalization of their bilateral relationship is proving a slow and difficult process due to mutually hostile perceptions and seeming politically-incompatible national interests.

Nearly two decades after the Cold War, the Romanian–Russian relationship continues to be strained, and occasionally tense. The causes for this are both historical and geo-political. On the one hand, Romanians—like most Central and Eastern Europeans—are suspicious of Russia as a consequence of the recent history of rocky relations with Moscow. Since Romania's independence in 1878, Russia has occupied Romanian territory repeatedly; participated in every partition of Romanian national territory; and Moscow strongly interfered in Romanian political and domestic affairs during the Cold War. Hence, it is not surprising that Romanians are weary of Moscow's intentions towards them. At the same time, Russia is suspicious of Romania's close strategic partnership with the United States; its support for Moldova's accelerated transition to democracy and its accession to the EU; its support for EU and NATO democratization and defense reform projects (the Black Sea Synergy, the Eastern Partnership, IPAP); its participation in the dissolution of enduring regional orders beneficial to Russia (the Montreux Convention); its anti-Russian stance on energy issues; and its hosting new American military projects, such as the anti-ballistic missile system in Europe. The 2008 Russian–Georgian war reminded Romania—and the rest of its Central and

Eastern European allies—of the need to lay down red lines beyond which the West should not tolerate Russian assertiveness and aggression. This event also convinced Bucharest and its Central and Eastern allies that their relations with Russia continued to be informed by balance of power logics. The return of Putin to the Presidency has only consolidated these perceptions.

The Sinuous Development of a Strained Relationship

During the early 1990s, Romanian–Russian relations were characterized by strategic ambivalence, with Romania thrown into Europe's grey area of instability and conflict after the Cold War, and in response urgently searching for strong security guarantees. In 1991 Romania was the only post-Communist state that signed a bilateral treaty on economic and technical-scientific relations with the USSR. However, this treaty was never ratified as the USSR was dissolved later that same year. The fast-declining USSR was a feeble shadow of its former self by 1990–1, but Romania nonetheless remained committed to the Warsaw Pact until 1991, when the USSR was eventually dissolved. The troubled Russian Federation, however, was in no position to extend the same security guarantees that the USSR had provided