


EU-27 WATCH



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On the project

Due to the new treaty provisions of the Lisbon Treaty and the economic crises the enlarged EU of 27 member states is on the search for a new modus operandi while also continuing membership talks with candidate countries. The EU-27 Watch project is mapping out discourses on these and more issues in European policies all over Europe. Research institutes from all 27 member states and the four candidate countries give overviews on the discourses in their respective countries.

The reports focus on a **reporting period from December 2009 until May 2010**. This survey was conducted on the basis of a questionnaire that has been elaborated in March and April 2010. Most of the 31 reports were delivered in May 2010. This issue and all previous issues are available on the EU-27 Watch website: www.EU-27Watch.org.

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Bulgaria**Weakness of the common currency is a monetary phenomenon**

Katia Hristova*

Bulgarian experts and economists believe that the single currency was the victim of speculative attacks and its weakness during the first half of the year should be assessed as a momentary phenomenon. According to Lachezar Bogdanov from "Industry Watch",¹ the instability of the Euro is a negative trend that should be tackled in time by the European Central Bank and the governments of the Eurozone. The rescue package for Greece provoked an intense debate among experts and financial observers in Bulgaria. Some independent experts have assessed the package as pouring money into a bankrupt economy that would further weaken the Euro, others stressed the fact that the plan has the potential of providing a long-term remedy in case Greece will be ready to apply the envisaged drastic financial measures.² For the experts of Industry Watch, the Greek crisis uncovered public finance problems in Europe and has the potential to deteriorate Bulgaria's fiscal position rapidly.

The idea of "a strong coordination of economic policies in Europe" is mainly discussed by Bulgarian policy makers in the framework of their meetings with officials from other member states or EU institutions. During his visit to the European Parliament, former Prime Minister and leader of the parliamentary group of the Bulgarian Socialist Party (BSP) Sergey Stanishev expressed the view that the Europe 2020 Strategy should be much more ambitious. According to the leader of the Bulgarian Socialists, the EU should take much more courageous steps, such as raising the requirements for convergence of the national economies and economic policies of member states. Other measures should include the introduction of fees for financial transactions, allowing all citizens access to new information and communication technologies and the creation of "green jobs".³

Bulgaria still lacks a serious debate on the main priorities addressed in the Europe 2020 Strategy. In an attempt to overcome these deficiencies, a team of Bulgarian NGOs have tried to urge public discussions around the forum "Europe 2020 – The Civic Vision" held in Sofia on 29 and 30 January 2010. Recommendations from the civil society sector pointed out a list of needed further steps in strengthening the present social cohesion, the reform of the European employment policy, and the refocus of the solidarity policies towards concentrated investments in fields with growth potential.⁴

According to the Foreign Affairs Minister Nikolay Mladenov, Bulgaria has two priority areas in the framework of the Europe 2020 Strategy – education and innovation.⁵ Bulgarian officials fear the country will not be ready to fulfil the fifth objective of the Europe 2020 Strategy on poverty reduction. Although the country supports the idea that economic growth and employment are important objectives in themselves, the target set in the Strategy for reducing the number of people living below the poverty line by 25 percent in 2020 is not a realistic one for Bulgaria.⁶

¹ Available at: www.iwatchbulgaria.com (last access: 30 July 2010).

² Available at: <http://www.segabg.com/online/new/articlenew.asp?issueid=5795§ionId=4&id=0000701> (last access: 30 July 2010).

³ Available at: www.focus-news.net (last access: 30 July 2010).

⁴ Available at: <http://parliament.europe.bg/en/?id=26996&category=371> (last access: 30 July 2010).

⁵ Available at: http://www.dnevnik.bg/evropa/novini_ot_es/2010/06/17/918748_nikolai_mladenov_obrazovanieto_i_inovaciite_sa/?ref=rss (last access: 30 July 2010).

⁶ Available at: <http://www.mfa.government.bg/bg/news/view/29867> (last access: 30 July 2010).

Questionnaire for EU-27 Watch, No. 9

Reporting period December 2009 until May 2010 – Deadline for country reports 21 May

All questions refer to the position/assessment of your country's government, opposition, political parties, civil society organisations, pressure groups, press/media, and public opinion. Please name sources wherever possible!

1. Implementation of the Lisbon Treaty

On the 1 December 2009 the EU-reform ended with the entering into force of the Lisbon Treaty. However, the new treaty provisions still have to be implemented. Some procedures and conditions have to be determined. In other cases, procedures, power relations, and decision-making mechanisms will change due to the new provisions.

- How is the work of the new President of the European Council, Herman Van Rompuy, assessed in your country? Which changes to the role of the rotating council presidency are expected?
- How is the work of the new High Representative of the Union for Foreign Affairs and Security Policy, Catherine Ashton, assessed in your country? Please take into particular consideration both her role within the European Commission and her relationship to the Council of the European Union.
- On 25 March 2010 a "Proposal for a Council Decision establishing the organisation and functioning of the European External Action Service" was presented. How is this concept perceived in your country? Which alternatives are discussed?
- On 31 March 2010 the European Commission presented a proposal defining the rules and procedures for the European Citizens' Initiative (ECI). What are the expectations for the ECI in your country? What are the various positions concerning the rules and procedures?

2. Enlargement and European Neighbourhood Policy

The European Commission has given its opinion on Iceland's application for EU-membership and a decision from the Council is expected before the end of June. Croatia seems to have settled its border dispute with Slovenia. Against this background:

- Which countries does your country expect to become members of the European Union in the next enlargement round? What are the opinions in your country on the membership of these countries?
- How are the membership perspectives of those countries discussed, which are not expected to become a member in the next enlargement round?

The Eastern Partnership and the Union for the Mediterranean were the last major projects dealing with the European neighbourhood:

- How are these projects assessed in your country?

3. European economic policy and the financial and economic crisis

The European Council agreed on 25/26 March on the key elements of the Europe 2020 strategy, the successor of the Lisbon strategy. While not being on the formal agenda the economic and financial situation in Greece was discussed. The European Council agreed on a finance package combining bilateral loans from the eurozone and financing through the International Monetary Fund.

- How is the finance package for Greece assessed in your country? Are there any opinions on the process, how the agreement on the package was reached?
- Which lessons should be drawn from the Greek case for a reform of the Stability and Growth Pact?
- How is the idea of "a strong coordination of economic policies in Europe" perceived in your country? What concepts of an European economic governance are discussed in your country and which role do they assign to the Euro group?
- How is the Europe 2020 strategy discussed in your country? What are the priorities for the Europe 2020 strategy from your country's perspective?

4. Climate and energy policy

The climate conference in Copenhagen took note of the Copenhagen Accord but did not reach a binding agreement. The next conference of the parties (COP 16 & CMP 6) will take place at the end of November 2010.

- How is the Copenhagen conference assessed in your country? Please take into consideration the negotiation strategy of European Union and the results of the conference.
- Does the European Union need to change its own energy and climate policy in order to give a new impulse to the international negotiations?
- Is a global agreement within the UNFCCC the best strategy to fight climate change? If not, which alternative strategy should the European Union follow?
- What is your country's position on financing mitigation and adaptation efforts in developing countries?

5. Current issues and discourses in your country

Which other topics and discourses are highly salient in your country but not covered by this questionnaire?