

CRITICAL QUESTIONS

EU Sanctions on Bulgaria

Janusz Bugajski
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Q1: Why is the European Commission suspending financial aid to Bulgaria worth hundreds of millions of euros?

A1: Despite repeated warning by the Commission that Bulgaria has to implement effective measures against organized crime and official corruption, the Socialist government has made virtually no progress. The country lags behind in judicial reform, its penal code is outdated, and government agencies are allegedly involved in large-scale misappropriation of EU funds. This is unacceptable to the EU taxpayer, and the Commission has decided to impose sanctions on an EU member. Romania is also criticized in the new Commission report for its shortcomings in judicial reform, but the country has avoided being penalized for the time being. It too faces sanctions unless more significant progress is made.

Q2: What will be the impact of the EU sanctions on Bulgaria?

A2: The failure of the Socialist government in securing EU funds for economic development, combined with Bulgaria's potential exclusion from the Schengen zone (passport-free travel) and the Eurozone (common currency), will have a political impact.

The center-right opposition will most probably push for early general elections, which are currently scheduled for June 2009, and seek to mobilize public outrage against poor government performance. They are also likely to focus attention on the increasingly close connections between Socialist officials and opaque Russian companies active in Bulgaria that benefit from corrupt governance.

Q3: What does the EU Commission report signal for other candidates for EU membership?

A3: The Commission decision against Bulgaria indicates that future EU candidates will be more rigorously inspected before they are allowed into the union. In particular, there will be closer monitoring of judicial reform, law enforcement, the transparency of government agencies, and the implementation of anticorruption laws. Above all, government officials cannot be immune from investigations of corruption and embezzlement. This could delay the progress of other countries in the Balkans, including Albania and Macedonia, into the European Union.

Janusz Bugajski is director of the New European Democracies Project and senior fellow in the Europe Program at the Center for Strategic and International Studies in Washington, D.C.

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