

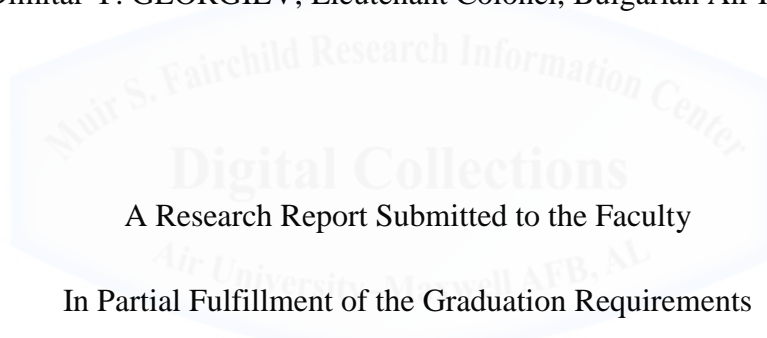
AIR WAR COLLEGE

AIR UNIVERSITY

**BULGARIA'S MULTI-VECTOR FOREIGN POLICY APPROACH
TO SECURITY CHALLENGES IN EASTERN EUROPE**

by

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Biography

Lieutenant Colonel Dimitar Georgiev is assigned to the Air War College, Air University, Maxwell AFB, AL. He is a graduate of the Bulgarian Air Force Academy, class 1997, where he earned his Master Degree in Air Traffic Control and Computer Engineering. As a commissioned officer he received assignments as a Fighter Controller and Air Traffic Controller at 22nd Air Force Base, Bezmer, Bulgaria. In 2007 he has been selected to attend the Air Command and Staff College, Maxwell AFB, AL. He graduated in 2008 with a Master Degree of Military Operational Art and Science. His follow-on assignment brought him back to 22nd Air Force Base, Bezmer as a Chief of the Air Traffic Control Center. In 2010, he has been appointed as a Chief of the Military Air Traffic Control, HQ Bulgarian Air Force where he served for two and a half years. In 2012, he received a three-year tour of duty as Bulgarian Air Force Representative at the NATO Supreme Headquarters Allied Powers Europe (SHAPE), Mons, Belgium. Prior to his selection for the Air War College student, he served for ten months as an Air Operations Officer, A3 Division at the HQ Bulgarian Air Force.

Abstract

The high tensions in Eastern Europe fomented by the Ukrainian crisis and Russia's annexation of Crimea came as the first surprising shock for the European security after the end of the Cold War. The small Eastern European states are facing now a fundamentally altered strategic challenges. The re-emergence of Russia as an ambitious predatory actor, the EU with facing the BREXIT and failing to get back on track as a first-tier geopolitical player, and the abatement of US interest in Europe, will require wise foreign policy maneuvers to address the changes in the transformed security environment. As outside leverages of security become less reliable while Russia's destabilizing tendencies more apparent, the small Eastern European nations, like Bulgaria, will have to rethink their policy options and adapt their strategies to the changing security circumstances based on their current and projected power capabilities. This study proposes the implementation of a multi-vector policy which should focus on loyalty and firm commitment to the EU and NATO allies, while avoiding alienation with Russia and exploiting all prudent opportunities for mitigating the threat of energy supply catastrophe. In support of this strategic approach, this paper finds a theoretical explanation in the realist school of study and presents an analysis of the reasons, costs and benefits for each policy option.

“...the strong do what they can and the weak suffer what they must.”
Thucydides

I. Introduction

The political developments in Eastern Europe fueled by the Ukrainian crisis and Russia’s annexation of Crimea represented the biggest challenge to the European security after the end of the Cold War. The aggression against Ukraine was not only an assault on the sovereignty and territorial integrity of the EU’s largest neighbor but had its ramifications for Europe at large. It effectively questioned the architecture, rules and institutions of the post-1989 order of European security and exposed the multiple vulnerabilities of some NATO and EU countries to the Russian influence in their political, economic and energy policies. The small Eastern European (EE) states are facing now a fundamentally altered strategic environment characterized by Russia’s assertiveness to remain a creative and predatory actor. At the same time the American position is more tenuous than ever with the new controversial Trump administration and the EU nascent foreign policy efforts already failed in handling the challenges in its eastern flank. As outside leverages of security become less reliable, while Russia’s destabilizing tendencies more apparent, the small EE nations will have to rethink their policy options and adapt their strategies to the changing security circumstances based on their current and projected power capabilities.

This paper in particular, aims to examine some possible options for the Republic of Bulgaria and to recommend a feasible strategic approach towards meeting the challenges posed by the recent political and economic dynamics in Eastern Europe. It argues, that the main imperatives which have to shape Bulgaria’s strategic approach should be focused on implementing a multi-vector policy directed on remaining a loyal and trustful EU and NATO member state with firm commitments to allied obligations and responsibilities, while avoiding alienation with Russia and exploiting all prudent opportunities for mitigating the threat of energy supply catastrophe. In

support of this argument, it finds a theoretical explanation of small states behavior through the framework of the International Relations concepts and particularly, the reasons why Bulgaria should keep “balancing” against external threats and at the same time undertaking some steps intrinsic to the policy of “bandwagoning” with Russia. While the former approach justifies the current membership in NATO and EU and all ensuing policies and obligations, the latter provokes discussions determining Bulgaria as being the Russia’s “Trojan Horse” in the Western institutions. Bulgaria has long been considered an anomaly in Europe, a country inside the EU and NATO, yet feeling close to Russia. That tension has been thrown into even sharper relief by the stand-off over Ukraine. Being the most pliable ally in Soviet time, Bulgaria had to fend off accusations of secretly working in the interests of Kremlin. A new direction towards warming economic ties with Russia would make the country face a new sternest test of loyalty to the EU. But in times when US involvement in Europe fades and EU struggles to recover from long-lasting economic decline, the strategic awakening of the members on its eastern fringe and their fight for finding solutions to vital economic issues must be accepted as a relief for the common EU policy. Otherwise, Bulgaria would not be able to sustain the consequences from the confrontation and sanctions against Russia. In seeking arguments supportive of this multi-vector policy approach, this paper discusses separately the balancing and bandwagoning options in order to explain small state’s behavior at a systemic level of analysis and its applicability to the case of Bulgaria. It also highlights the reasons behind this policy choice and provides a short analysis of the costs and benefits for each of the options. In a way to include the influence of domestic agenda in the formulation of strategic policy, this paper addresses the historical background of the bilateral Bulgarian-Russian relations as well as some contemporary political and public considerations.

II. “Small States Dilemma” and Bulgaria’s multi-vector foreign policy approach

Regardless of the rapid pace of globalization, the spread of international institutions and multinational corporations, states still remain the prime actors in the international system. All sovereign states are deemed to be equal, but in reality, states’ real position is defined by the power they possess. In international politics, being small and powerless is tough. Surrounded by larger states and unable to provide for their own security, the weak focus their efforts on reacting to the actions of the powerful. Like the Melian’s in Thucydides’ famous Dialogue, they must survive in a world where “...the strong do what they can and the weak suffer what they must.”¹ Because weak states are typically faced with external threats to national survival, foreign-policy will reflect more attentiveness to the constraints of the international environment and will be less affected by the domestic political influence.² Since according to neorealism, weakness makes survival more difficult for small states than for great powers, their foreign policy can be better explained by taking the international system as the preferred level of analysis. The Balkans are historically categorized as an unstable region. Therefore, it could be assumed, that under constant systemic threats, when state survival reflexes are dominant and security-seeking attitude determines state’s behavior, the neorealist approach applies.

In *The Origins of Alliances* and several other works, Stephen Walt, a famous realist scholar, offers the so called balance-of-threat theory. When confronted by a threat, Walt concludes, states may either balance or bandwagon.³ Balancing is defined as allying with others against the threat, while the bandwagoning refers to alignment with the source of danger.⁴ He claims, that the balancing behavior is much more common than bandwagoning and the latter occurs only under certain identifiable conditions.⁵ He also states that if balancing is more prevailing on the global stage than bandwagoning, the result will be more security for the international community because there is a united stand taken against the dominant power. On the other hand, if

bandwagoning is the main tendency, it causes an unsecure structure, because the hegemon striving for power can attract more countries and thus becoming more powerful than the opposing group of nations.⁶ With regard to the weak state behavior, Walt argues, that they can be expected to balance when threatened by states with roughly equal capabilities and tempted to bandwagon when threatened by a great power.⁷ The key determinant of state behavior relates to the degree of threat smaller states feel with respect to states with greater power. The entire balancing-bandwagoning paradigm is built on the assumption that nations try to fend off being dominated by more powerful nations by forming alliances. Balancing and bandwagoning on the part of smaller states are therefore a response to threats, with threat perception being influenced by the aggregate power of another state, based on its proximity and offensive capability. External threats drive states into one alliance or another for self-protection, and as such, the realist approach to international relations presents a risk-averse solution and is typically a zero-sum gain with state survival as the objective.

Nowhere has this theoretical perspective and the Melian predicament been more keenly felt than among the small countries in Eastern Europe which territories lie at the intersection of overlapping and occasionally competing geopolitical orbits. Too weak to play opponents against strong powers, and too exposed to ignore the security issues, they had little choice but to pick a side and hope for the best.

1. Balancing

The Balkans have traditionally been characterized by political instability and turmoil. In the late nineteenth century, the region was the object of great powers rivalry, as Britain, Russia and Austria-Hungary sought to exploit the political vacuum caused by the disintegration of the Ottoman Empire to expand their influence in the region. This rivalry exacerbated local tensions and contributed to the outbreak of World War I. Similarly, in the early post-Cold War period, the

Balkans have again emerged as a source of instability and concern. At the time of the disintegration of the Soviet Block in the early 1990s, Bulgaria remained vulnerable politically, economically and militarily. Since in the international scene the most important goal of individual states has been survival, for Bulgaria, the only state survival option in the ethnically-torn Balkan Peninsula was to take a westward direction and seek alliance with the Western nations led by the United States. The strategic need to approach NATO and the EU was the only solution to achieve a long-term political certainty in the region. For the most of the post-Cold period, Russia was militarily and economically weak, and remained politically calm. Compared to Bulgaria, however, Russia was a great power with an interest to preserve as much as it can from its Soviet legacy in the region. As Russia had no means to stop NATO enlargement, it did see the enlargement process as an open-ended project aimed to further degrade its status and influence in Europe. Russian officials reacted to Bulgaria's ambition of NATO membership negatively and treated it as an unfriendly act toward their country. The Russian Foreign Ministry issued a statement saying that the plans of US and NATO to set up bases on Bulgarian territory did not "promote security and stability in Europe, particularly in its Southeastern part."⁸ But it was not only the resentment of declining Russia that had to be balanced by joining the NATO alliance.

The break-up of Yugoslavia and the violent ethnic crisis of 1990s erupted soon after the fall of the communist regime in Bulgaria. The politically divided nation and domestic uncertainty quickly became multiplied by foreign policy concerns. The short-term coalition governments had to ensure the Yugoslav wars did not spill over, the disintegration and ethnic clashes did not affect Bulgaria's security and the consequences of the embargo and sanctions imposed on Serbia would be minimized. The third security challenge came from the south and stemmed from the legacy of the Soviet time. The Turkish minority in Bulgaria faced a harsh assimilation campaign since

1984 intended to eradicate its cultural and religious identity. The campaign gained visibility in the last months of the communist regime, summer of 1989, when demonstrations against assimilation were violently suppressed by the police and armed forces, followed by a mass expulsion which forced tens of thousands of Turks to leave Bulgaria. Facing a disastrous economic situation and regional security concerns, the only option to guarantee the security of the country was to pursue an alliance with the Western nations, including neighboring Greece and Turkey, through the mechanisms of NATO and EU.

Quarter of a century later, Bulgaria seemed to have achieved its two parallel macrostrategic goals by enjoying a decade-long full membership in both NATO and EU, but the security environment in the Balkans has not dramatically changed. Ultimately, Bulgaria has greatly valued its long-awaited NATO and EU membership and stayed closely aligned with the common foreign policy in a way to balance against threats to the fragile security in the region. Although the first decade of the new millennium marked a relatively calm period in Eastern Europe, this peaceful trend didn't last too long. The above mentioned three challenges to national security still exist, some even posing greater concerns for stability in the region. Serbia shows some signs of moving toward pre-accession negotiations with NATO and EU, but remained firm in its nationalistic position over Kosovo independence. NATO troops are still deployed in both Bosnia and Kosovo as a part of the ongoing stability operations. Turkey, a crucial NATO ally, is moving towards suppression of secularism and is repositioning itself as the putative leader of the Muslim world, one that is approaching close ties with Russia, China and Iran, rather than aligning its policy with NATO and EU. The ruling president, Redjep Erdogan, is openly demonstrating an aggressive pursuit of Turkish interests in Syria, Kurdistan, as well as throwing some hints for the former Turkish territories in the Balkans.

There is no question that the events during the spring of 2014 achieved prevalence over all other security issues and has ushered in a new period of instability in Europe. Russia's military intervention and violation of the territorial integrity of Ukraine posed a direct threat to the post-Cold War order on the continent. The decision of the Russian President Vladimir Putin to redraw the boundaries by force highlighted Russia's firm determination for establishing a regional dominance and created conditions of confrontation with Western powers. It seems the time of geopolitical marginalization of Russia has come to an end. The country was ready to show again its identity as a great power, capable of opposing any further expansion of the Western influence in close proximity to its borders. As part of its revisionist policy, it has been conducting "hybrid" campaigns in Ukraine and Eastern Europe, military drills around the borders of NATO nations, violating territorial waters and airspaces, actively engaging in Syria and thus sending a strong message that it will firmly pursue its interests with all instruments of its power.

Within the framework of the current strategic environment, Bulgaria is assured by its mighty allies and is much more secure than it was after the end of the Cold War. But balancing these challenges by simply relying on the membership in a politico-military alliance (NATO) and in a politico-economic union (EU) is not able to protect the whole spectrum of its national interests. Although Article 5 of the Washington Treaty guarantees the collective defense of all member nations, neither NATO nor EU, calculates all factors and political dynamics in formulating the common policy towards Russia. The balancing option does provide security - the first priority for each nation - against external threats and challenges, but also requires compliance with the NATO and EU policy towards Russia, which in the case of Bulgaria brings some negative economic implications. That explains to a certain extent the ambiguity of the Bulgarian Government's official stance on the Ukraine Crisis, which does not define Russia's behavior as a

direct threat, but rather as a challenge to nation's security, and follows the framework of balancing as it is explained in the realist theory:

“Bulgaria, unfortunately, is part of the line of contact between the opposing sides in this new environment. We are on the border line of the opposition between the West and Russia which began over a year ago and is threatening to continue for much longer. This opposition was not our choice. Our choice is, however, the political stance we adopt – will it be on the side of the free and democratic world... The Bulgarian people and institutions have long made their choice for Bulgaria's membership in the EU and NATO.”⁹

The Minister of Foreign Affairs referred to the sanctions imposed by the EU against Russia in the following way: “We enforce them not because we want to, but because we have to.” Consistent with most traditional realist literature on small state behavior, these statements are in line with the small states' inability to affect the external environment. Seeking to accommodate their policies to the interests of powerful states, it is crucial for states like Bulgaria, to pursue a survival since they cannot affect the balance of power by their own strength alone. Great powers, on the other hand often exert pressure and interfere in the domestic affairs of their small allies. An example of this realist attitude is the pressure exerted by the EU Commission on Bulgaria to withdraw from the South Stream natural gas pipeline project which could turn Bulgaria into a leading gas hub in the Balkans. Amid Ukrainian Crisis, the EU insisted that the bilateral agreements between Russia and Bulgaria violated EU regulations and halted the project in the summer of 2014. Therefore, while balancing, small states' contribution to the common effort may be small, but the sacrifice for the sake of the nation's security comes at a certain cost.

The question for the contribution of small states to their alliances is also examined by the collective goods theory. In contrast to the balance-of-power theory, this model, put forth by

Olson and Zeckhauser, has been used primarily to explain relative contributions of alliance members and hypothesized that there will be a significant positive correlation between the size of member's national income and the percentage of defense expenditure.¹⁰ This approach predicts the states that benefit the most from collective security through deterrence and have the greatest means to provide it, will bear a disproportionate share of the cost in doing so.

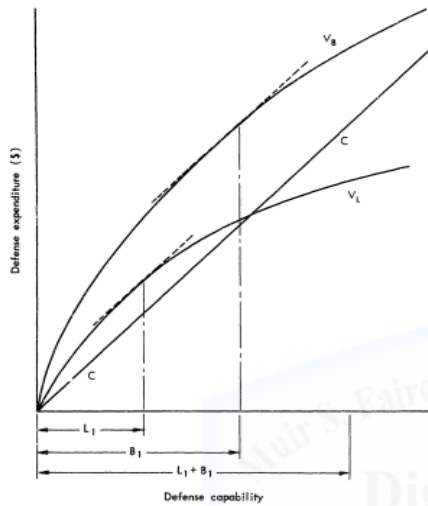


Fig.3—Evaluation curves for two countries

“The figure illustrates the evaluation curves that each of two nations has for alliance forces. The larger nation has the higher, steeper curve, V_B , because it places a higher absolute value on defense than the little nation, which evaluation curve V_L . The CC line shows the cost of providing defense capability to each nation. In isolation, nations would buy defense B_1 and L_1 , so their respective evaluation curves are parallel to their cost

functions. In an alliance, the two nations provide outputs $B_1 + L_1$. But each nation values its marginal cost. The big nation will stop reducing its output when the sum supplied by the two nations is B_1 . Any amount greater than L_1 is not in the interest of the small nation to supply any defense. Therefore, the two nations are in equilibrium only when the big nation provides B_1 of defense and the little provides no defense whatever.”¹¹ The theory suggests that weak states contribute little to the public good, a phenomenon popularly known “free-riding”. According to the theory, smaller members benefit whether they exert themselves or not and find that they have little or no incentive to provide additional amounts of the collective good since the larger members have provided the amounts they wanted for themselves. It results in burden being shared in a disproportionate way. These states, like Bulgaria, know that their modest capabilities contribute little to the Alliance collective defense and adopt passive foreign policies to acquire

security on the cheap. The following paragraphs present a short analysis of the cost and benefits of the balancing option, in other words, i.e. the pros and cons of aligning with NATO and EU.

The fall of Eastern European regimes in 1989 brought the armed forces of the former communist countries into a new order. The new governments have consolidated their positions and initiated major changes ranging from the proclamation of civilian control over the military and reduction of military spending and force levels. The purpose of these measures was to provide a welcomed budgetary relief for the struggling economies. The East Europeans differed substantially in the proportion of military spending in Net Material Product (NMP), the socialist measure of output, devoted to military spending. Bulgarians have spent the largest percentage, upwards of 6% of NMP, when compared to Poland and Hungary which have spent about 3% of NMP.¹² (Table 1)

Table 1.
**East European Defense Expenditures
as a Percentage of NMP**

Year	Bulgaria	Czech.	Hungary	Poland	Romania
1980	NA	4.71	3.04	3.59	2.04
1981	NA	4.88	3.00	3.73	1.98
1982	NA	4.95	2.90	3.92	1.80
1983	NA	4.97	2.97	3.40	1.77
1984	NA	4.86	2.82	3.67	1.68
1985	NA	4.92	2.83	3.85	1.64
1986	6.38	4.96	3.92	3.56	1.58
1987	6.10	4.89	3.49	3.34	1.45
1988	5.95	4.82	3.33	3.07	NA

NOTE: NA = not available.

The actual size of the Bulgarian Armed Forces in 1987 included 117,500 active duty military personnel (24 months conscription service), 2550 tanks, 2365 army personnel vehicles and 255 aircraft.¹³ There were also 24 launch systems “Skud” and 8 launch systems “SS-23”. (Table 2 and Table 3)

Table 2.

East European Defense Expenditures

Year	Czech		Hungary		Poland		Romania (Million Lei)	Bulgaria (Million Leva)
	Million Korunas	CP	Billion Forints	CP	Trillion Zlotys	CP		
1980	22,900	100.0	17.7	100.0	71.6	100.0	10,394	NA
1981	23,099	96.2	19.1	102.9	80.6	94.7	10,503	NA
1982	24,560	95.1	20.2	102.1	186.2	104.4	11,339	NA
1983	25,261	98.1	21.9	103.1	201.4	98.9	11,662	NA
1984	26,276	94.3	22.7	98.7	263.4	113.7	11,888	NA
1985	27,393	96.6	23.8	96.7	333.4	122.7	12,278	NA
1986	28,300	99.8	34.5	133.2	381.2	118.9	12,208	1713
1987	28,496	100.4	34.9	123.9	467.6	114.8	11,597	1728
1988	29,236	103.0	38.6	118.5	767.5	113.8	11,552	1751
1989	35,062	NA	42.3	NA	1,982.0	NA	11,753	1605
1990	31,180	NA	40.4	NA	11,121.6	NA	NA	NA

Table 3.

East European Armed Force Levels

Country	Warsaw Pact Figures, Total (End 1988)	Before the Revolution				Official East European Figures After the Revolution			
		IISS Figures (1987)				Total	Army	Navy	Air Force
		Total	Army	Navy	Air Force				
Bulgaria	117,500	152,800	110,000	8,800	34,000	107,000	—	—	—
Czechoslovakia	119,700	201,000	145,000	—	56,000	140,000 ^a	—	—	—
Hungary	106,800	106,000	84,000	—	22,000	80,000	63,000	—	—
Poland	347,000	394,000	230,000	19,000	80,000	314,000	206,600	21,200	86,200
Romania	171,000	179,500	140,000	7,500	32,000	—	—	—	—

Today, the overall size of the armed forces is 37,100 people (29,000 active duty military personnel and 8,100 civilian employees), 160 tanks, 378 armored vehicles and 52 combat and transport fixed-wing and rotary-wing aircraft. The annual budget expenditure for the FY 2016 was 1.33% of the GDP, or 1,033 million leva (\$600 million). The cost for the NATO membership includes direct and indirect contributions to the costs of running NATO and implementing its policies and activities.¹⁴ Direct contributions are made to finance requirements that serve the interests of all member nations and are borne collectively, using the principle of

common funding which requires all 28 members to contribute according to an agreed cost-share formula, based on the Gross National Income. (Table 4)

Table 4.

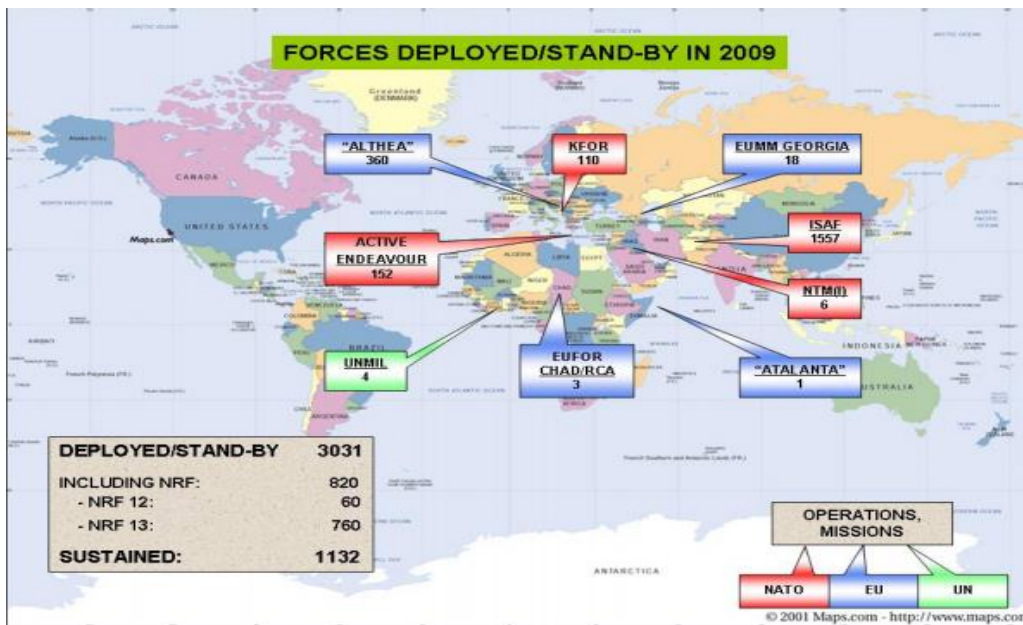
NATO COMMON-FUNDED BUDGETS & PROGRAMMES

COST SHARE ARRANGEMENTS VALID FROM 1/1/2014 to 31/12/2015

Nation	Civil Budget	Military Budget	NSIP
	at "28"	at "28"	at "28"
Albania	0.0870	0.0870	0.0870
Belgium	2.0137	2.0368	2.0368
Bulgaria	0.3247	0.3247	0.3247
Canada	6.0915	6.0915	6.0915
Croatia	0.3066	0.3066	0.3066
Czech Republic	0.9421	0.9421	0.9421
Denmark	1.2113	1.2663	1.2663
Estonia	0.1006	0.1006	0.1006
France	11.1421	10.9682	10.9682
Germany	14.5053	14.6439	14.6439
Greece	1.1029	1.1029	1.1029
Hungary	0.6985	0.6985	0.6985
Iceland	0.0430	0.0430	0.0430
Italy	8.7250	8.7250	8.7250
Latvia	0.1383	0.1383	0.1383
Lithuania	0.2132	0.2132	0.2132
Luxembourg	0.1525	0.1525	0.1525
Netherlands	3.2547	3.2696	3.2696
Norway	1.5486	1.5486	1.5486
Poland	2.6343	2.6343	2.6343
Portugal	0.9497	0.9497	0.9497
Romania	1.0553	1.0553	1.0553
Slovakia	0.4529	0.4529	0.4529
Slovenia	0.2200	0.2200	0.2200
Spain	5.2390	5.2190	5.2190
Turkey	4.1305	4.1305	4.1305
United Kingdom	10.9773	10.4790	10.4790
United States	21.7394	22.2000	22.2000
	100.0000	100.0000	100.0000

Indirect, or national contributions are the largest and come when a member volunteers equipment or troops to a military operation and bears the costs of the decision to do so.¹⁵ Table 5 below, shows the Bulgarian contribution to the NATO operations in 2009.

Table 5.



With the drawdown of the military involvement in Afghanistan, the current level of Bulgarian forces deployed in operations is much lower, which significantly reduces the finance expenditure for the indirect contribution. Although recent Russia challenges pushed NATO leaders to strike an agreement during the NATO Summit in Wales for a reaffirmed members' commitment to spend at least 2% of their GDP on defense, Bulgaria marked a new bottom level in its defense expenditure by reaching 1.16% for FY 2015 (\$565 million). This continued low profile was criticized by the NATO Defense Planning Committee which determined Bulgaria as a consumer of security from the Alliance. From a national perspective, however, the membership in the Northern Alliance is a cost-effective way of achieving a high level security guarantees for all regional challenges, to include Russia, as well as global threats to Bulgarian security. Moreover, it serves as a booster for modernizing the armed force, improving training practices and acquiring capabilities at a reasonable cost by taking advantage of the common policies for pooling and sharing of defense resources.

Similarly to the approach towards NATO, the Bulgarian share of total contribution to the European Union budget in 2015 is 0.33%, while the four leading nations, Germany, France, the United Kingdom and Italy, make up over 60% of all contributions.¹⁶ One of the most important benefits for Bulgaria from the pre-accession process till today was the Foreign Direct Investment (FDI). In the period 1992 – 1997, the FDI in Bulgaria amounted to \$1,089 million, while in the following three years exceeded \$2 billion.¹⁷ Of a total of \$2,7778 billion, by the end of 1999, \$1,506 billion was invested in industry, \$543 million in trade and \$324 million in technologies and finances.¹⁸ Another key benefit for Bulgaria as a member of the EU is financial assistance. Three financial projects were offered by the EU to Bulgaria: PHARE, SAPARD and IPA. This assistance consists of efforts to advance different economic and political reforms. Bulgarian pre-accession assistance for the period 1990 - 2006 under the PHARE program reached 2,3581 million euro, while the IPA amounted to around 1 billion euro.¹⁹ SAPARD program aimed to finance the development of the agriculture sector and supported more than 3509 projects with a grant of around 450 million euro.

Along with all these enormous benefits, the EU membership came at a cost for the weak Bulgarian economy. The EU has repeatedly emphasized the importance of high level nuclear safety and set out a pre-accession requirement for Bulgaria to decommission 4 out of the 6 nuclear reactors of the Nuclear Power Plant. Although the EU has provided finance assistance for decommissioning the old nuclear reactors in the amount of 800 million euro, Bulgaria lost its leading role as an energy producer and exporter in the Balkans.²⁰ Another disadvantage which comes along with the sound guarantees for the country's economic and political security and stability, are the restraints on the member nations' sovereignty. Both EU and NATO treaties are binding agreements between member countries which imply obligations and responsibilities. EU regulations, for example, are legal acts of the Treaty on the Functioning of the EU, which are

binding in their entirety and directly applicable in all countries.²¹ Although permanent presence of countless national representatives/members of parliament in all EU governing bodies show that states are there to negotiate the best terms for themselves, the EU addresses more and more bastions of national sovereignty, from core legislation all the way to the much-discussed foreign and security policy. As it was mentioned above, the regulatory environment imposed the suspension of South Stream project. The EU energy regulations in the so called Third Energy Package (TEP) implied the EU's "unbundling rule", which stipulates that the owners of generation and sale operations should be different from the owners of the transmission networks.²² Russia, however, has long desired to control aspects of the gas market and thus did not comply with the EU requirements. Despite discontent of several EU members (Austria, Bulgaria, Greece, Hungary, Italy, Slovenia), the Commission remained firm on his position and banned the project. The EU diplomatic victory in forcing Moscow to cancel its South Stream pipeline gave Bulgaria a headache: how to come up with an alternative source of secure gas supply in a way to ensure the country against a repeat of the situation when in January 2009 Russia halted gas transiting via Ukraine.

The European recession, as part of the Great Recession which began in the US in 2008, severely affected the EU economy. In response to the world economic downturn, the EU Commission imposed strict fiscal discipline measures. According to the EU Maastricht criteria, EU member states may not have a budget deficit that exceeds 3% of their GDP or a national debt that exceeds 60% of GDP.²³ The austerity measures for Bulgaria aimed at lowering the budget deficit from 4.7% in 2009 to 2.7% in 2011, which included reduction in spending by \$584 million in 2011 by cutting funds to all government agencies, reducing public sector jobs by 10% and freezing of wages for up to three years.²⁴ In early 2016, eight years after the outbreak of the financial crisis, the Eurozone overall GDP was still below the pre-crisis level, the unemployment

rate stood at 10.5% with poverty and risk-of-poverty rates increased significantly.²⁵ Europe post-crisis response, including austerity measures, structural reforms and monetary policies seemed to have unambiguously failed.²⁶ Despite high hopes, the integration into the Euro-Atlantic family didn't happen to be as perfect as it looked like.

Nevertheless, the policy choice to join the coalition of Western nations in those two formats of alliances provoked disappointment among Russian partners. When the end of the Warsaw Pact became inevitable, Bulgaria was at a loss to produce an alternative security policy. In an attempt to overcome the loss of security guarantees, the first post-totalitarian leaders hastily made decisions on crucial foreign policy issues by ignoring the fact that 45-year dependence on Russia would not end with the fall of communism. The governments ceased all active political and economic contacts and agreements with the Russian Federation. Thus, the new political formula brought the bilateral relations to an impasse. The new westward direction, materialized by solid investments and financial aid, completely ignored weak Russia and its inability to control over the Balkan sphere of influence. But even this deterioration of bilateral relations was not able to cut entirely the economic and military ties, and reduce the energy dependency. Similarly to the Western EU powers, which also keep their economic relations with Russia, Moscow is not the key market for Bulgarian companies, but still holds an investment level of 173 million euro in 2014, and import trade level of \$5334,2 million.²⁷ These numbers keep Russia well behind major trade partners of Bulgaria, but still constitute significant contribution to the economy. Europe is facing today an emerging and aggressive Russian policy and is involved in a new dangerous and unpredictable confrontation. Although maintaining a high dependence on Russia's economy and energy supply, the official Bulgarian position concerning EU sanctions and NATO measures is full support of its western allies. The Bulgarian Prime Minister, who resigned in late January, underlined that the sanctions against Russia are harming the economy and businesses, but there

is no justification for the bombing of hospitals, schools and residential buildings in Syria.²⁸ The former President, who also stepped down in January, was even more firm against EU and NATO policy towards Russia, demonstrating loyalty to the allies and insisting strict sanctions against Putin's policy in Ukraine and Eastern Europe.

2. Bandwagoning with Russia

While this presentation of the cost and benefits might serve as an evidence in favor of the NATO and EU membership, hence the feasibility of the balancing option and necessity to stay committed to alliance obligations and policies, it highlighted some shortfalls which may bring long-term negative consequences and could be mitigated with the formulation of a second strategic vector in the Bulgarian foreign policy approach towards Russia. The strategic developments over the past few years do not promise a benign security environment. The re-emergence of Russia as ambitious predatory actor, the EU struggles to get back on track as a first-tier geopolitical player with facing a threat of BREXIT, and the abatement of US interest in Europe will require additional steps to address the changes in the transformed security environment.

Randall Schweller, another representative of the realist school of study, challenges Walt's theory by pointing out some misleading claims of the balancing-bandwagoning perception, as they are discussed by Walt. Schweller argues, that balancing and bandwagoning are mistakenly assumed as opposite behaviors pursuing the goal of achieving greater security.²⁹ He finds, that the concept of bandwagoning has been defined very narrowly and that states have very different reasons to choose balancing or bandwagoning.³⁰ While the balance-of-threat theory is designed to consider only cases in which the goal of alignment is security, it excludes alliance choices which are often motivated by opportunities for gain.³¹ When profit rather than security drives alliance choices, there is no reason to expect that states will be threatened or cajoled to "climb

aboard the bandwagon.”³² Following Schweller’s lines of thought, a possible new strategic vector in Bulgarian foreign policy has to focus on opportunities for profits. In other words, it should be a choice of alliance which complements the cons of the other vector and serves vital national interests. If the balancing vector provides security, by aligning with the US-led NATO and being part of the EU, the bandwagoning with Russia will seek survival in the energy domain and some other communist-legacy economic benefits which cannot be obtained from the West.

The current strained relations between the West and Russia will be a big hurdle on the way to looking for Russia’s economic help. Bulgaria has long been considered an anomaly in Europe, a country inside the EU and NATO, yet feeling close to Russia. That tension has been thrown into even sharper relief by the stand-off over Ukraine. Being the most pliable ally in Soviet time, Bulgaria had to fend off accusations that the country is a “Trojan Horse” inside EU, secretly working in the interests of Kremlin. A new direction towards warming economic ties with Russia would make the country face a new sternest test of loyalty to the EU. But in times when US involvement in Europe fades and EU struggles to recover from long-lasting economic decline, the strategic awakening of the members on its eastern fringe and their fight for finding solutions to vital economic issues must be accepted as a relief for the common EU policy. Otherwise, Bulgaria will not be able to sustain the policy of confrontation and sanctions against Russia.

Although Bulgaria’s biggest trading partner is the EU, it depends hugely on Russia regarding its oil and gas supplies. Bulgaria obtains about 90% of its energy resources from Russian state-owned companies Lukoil (the owner of the only oil refinery in Bulgaria) and Gazprom. It would be catastrophic if Russia decided to stop its deliveries as a reaction to European sanctions, which annual trade turnover amounted to \$6.3 billion in 2013 and \$5.3 billion in 2014.³³ A country with such a strong dependence on Russian oil and gas must be deeply concerned to sanction its most important energy provider. Although the outburst of rivalry in the last two years reopened so

many old wounds, Bulgaria should proactively insist reopening the dialogue between EU and Russia as a step to respect EU laws while resuming economic ties with Moscow. There should be very few sceptics in the West who believe that Russia will ever step down on Crimea and agree to turn it back to Ukraine. Having in mind its historical and economic value for Russia, the West should swallow the bitter pill and focus more on its economic revival which will not be achieved as long as the sanctions against Russia badly hurt the EU countries.

Given the current circumstances of the strategic environment, the multi-vector policy approach is indispensable for Bulgaria. In terms of protecting its national interests, the country's membership in NATO and EU is essential in pursuing security and fiscal stability amidst a myriad of regional and geopolitical challenges. With the current economic dependence on Russia, Bulgaria is highly susceptible to the effects of shocks from Kremlin and should undertake steps for mediating a warming up in the relations between the West and Russia. Furthermore, the small country should focus on a policy of mutual economic benefits with Moscow, which would reduce the levels of tensions and energy uncertainty. Such an approach, however, should exclude any intended use of the 'energy weapon' as a political tool to increase the dependence of Bulgaria on Russia as a single supplier for another generation. Rather, it should be promoting a functioning market that operates in compliance with international norms and allows the competition. In other words, the role of multi-vector policy is to identify and fill the gap between the public good, the national security imperative, and the market conditions in the energy domain.

III. Historical Background, domestic political and public considerations

The explanation of this multi-vector approach as an option of small state foreign policy behavior, could also find sources outside the systemic level of analyses. The small state foreign policy theory had found a parsimonious paradigm that has eluded most other areas of

international relations research.³⁴ In contrast to realist concepts, Miriam Elman argues, that domestic institutional choices rather than international determinants explain the small state foreign policy.³⁵ Even though she provides no reason as to why it would be particularly true for small states as opposed to any other, for the case of Bulgaria, the formulation of policy towards Russia can find an explanation at the state level of analysis, and predominantly in the historical background of bilateral relations.

Bulgaria and Russia share long-standing historical links, starting with the common Slavic origin, adoption of Orthodox Christianity and the use of the Cyrillic alphabet which was scripted in Bulgaria. In the late 19th century, the rapidly expanding Russian Empire has been viewed by all Orthodox Christians in the Balkans as the only beam of hope for liberation from the five-century violent Ottoman rule. Bulgarians still hold Russians in great appreciation for the Russian-Turkish War of liberation in 1877 - 1878. Russian administrators planted the seeds of state institutions after the war, including armed forces, courts and all other aspects of civil service. In the first half of the 20th century bilateral relations suffered periods of strong tensions. As a result, Bulgaria joined on the side of Germany in the two world wars. During the course of the Cold War, however, Bulgaria was a staunch supporter of the communist regime in Moscow and perhaps the most loyal Soviet satellite in Europe.

Today, Russia's historical stamp on Bulgaria can be seen in many places, streets, squares and churches as they are named after Russian generals, diplomats and cultural heroes. An equestrian statue of Emperor Alexander II, called "The Monument of the Liberator," one of the two remaining in the world, has been proudly standing in front of the Parliament Building. But contemporary Bulgarians can only go through the course of events in their history and make inferences on whether those ties have been driven by sympathy and pan-Slavic ideology, or simply a product of Russian imperial interests in the Balkans or Bulgarian strive for survival and

economic gains. Strong pro-Russian sentiments nurtured throughout history do not necessarily translate into overwhelming public support for pro-Russian policy. Bulgarians remain very positive toward the EU, with 63% saying they would vote for EU membership again if the issue were put in a referendum. At the same time, only 39% supported tougher sanctions on Russia.³⁶ Recent data extracted from a national research study show that Bulgarians continue to like Russia and don't consider the Ukrainian conflict as a threat, but do not believe that Russia can be a model for development and credible guarantees for prosperity and security.³⁷ Rather, they express their predilections for the membership in EU and NATO with 63% voting "yes" for the westward orientation of the country.³⁸ An important inference from this study is that the main social groups among which Russia becomes unpopular are people between 18 and 30 years old, while the population over 60 remains the nucleus of the support for the Russian policy.³⁹

With the older generation remaining the only part of society nostalgic to the old Soviet time, the popularity of Russia is gradually diminishing in Bulgaria. Thus the influence of domestic factor - mainly presented by the left parties' position and public opinion - in the formulation of foreign policy approach will be having a downward trend in the years to come. In the last parliamentary elections, held in October 2014, the Bulgarian Socialist Party's votes shrank to a record low of 15.4%, while the other Russia-supportive party, a low-popular nationalist movement hardly jumped over the required 4% barrier to enter the Parliament with taking only 4.52% of the votes.⁴⁰ Although left parties express their support for Russia and were firmly against the sanctions imposed by the EU, their main motto is "Always with Europe, never against Russia" and their foreign policy approach is framed by the obligations ensuing from the EU and NATO membership. The left-right divide does not automatically translate into strictly pro- and anti- Russian positions. The current center-right prime minister has also been careful not to antagonize Russia and has often spoken in conciliatory terms about the Ukrainian Crisis.

Hence, the role of the domestic determinants in explaining the Bulgarian foreign policy approach towards Russia will gradually diminish as the distance from the communist past is getting bigger. It is not the historic and cultural ties that will keep Bulgaria and Russia close. Bulgaria has a vested economic interest in having friendly relations with Moscow since the country will remain heavily dependent on oil and gas coming from Russia in a foreseeable future. On the other hand, Bulgaria will count on its Western allies to provide a low cost security cover against future threats and guarantee its fiscal and economic stability. Therefore, the realist paradigm will keep its dominance in the study of international relations, since the “big players” will continue to strengthen their position and shape the international system as a level of influencing the small states’ behavior.

IV. Conclusion

This paper presented some past and the most recent developments in the strategic environment in Eastern Europe and examined possible foreign policy options for the Republic of Bulgaria. It argued, that Bulgaria should implement a multi-vector policy approach to meet the challenges of the current security dynamics and protect its national interests. The two strategic vectors should be directed on remaining a loyal and trustful EU and NATO member state with firm commitments to allied obligations and responsibilities, while avoiding alienation with Russia and exploiting all prudent opportunities for mitigating the risk of energy catastrophe. In support of this argument, it applied the theoretical framework of the realist concepts to explain the small states behavior and particularly, the balancing and bandwagoning paradigm. It presented the reasons why Bulgaria made a policy choice to join NATO and EU after the end of the Cold War and why it should keep “balancing” against external threats by staying aligned with the Western nations. At the same time, this paper proposed Schweller’s perspective on bandwagoning as an option to gain profits by reducing the level of confrontation with Russia and

complement some disadvantages of the balancing vector, e.a. energy policy of the EU. In support of the main argument, the study presented a short analysis of the costs and benefits for each one of the two policy options which highlighted the feasibility of the multi-vector policy as the option towards best serving the national interests. It also discussed the influence of the domestic agenda in the formulation of the country's strategic policy, mainly the historical background of the bilateral Bulgarian-Russian relations, as well as some contemporary political and public considerations. It concluded, that the further Bulgaria is distancing itself from its past, the less impactful domestic politics and public opinion will become on foreign policy. Thus, the systemic rather than states level of analysis better explains the Bulgarian strategic approach towards meeting the challenges of the current security environment.



Notes

(All notes appear in shortened form. For full details, see appropriate entry in full bibliography)

¹ (Thucydides 431 BC), Ch. XVII.

² (Elman April, 1995), p. 175.

³ (Walt 1987), p. 110.

⁴ Ibid, p.110.

⁵ Ibid, p. 113.

⁶ Ibid, p. 110.

⁷ Ibid, p. 113.

⁸ (Shashko 2006), p. 208

⁹ (Daniel Mitov 23 July 2015), p. 1.

¹⁰ (Mancur Olson October, 1966), p. v.

¹¹ Ibid, p. 11.

¹² (Crane 1991), p. v.

¹³ Ibid, pp. 7-24.

¹⁴ (NATO 2017)

¹⁵ Ibid.

¹⁶ (Statista 2015)

¹⁷ (Yordanova 1999), pp. 57-62.

¹⁸ Ibid.

¹⁹ (Europe 19 January 2015)

²⁰ (Auditors 2011)

²¹ (Union 2017)

²² (Micco July 2015), p. 8.

²³ (Pietras 2009)

²⁴ Ibid.

²⁵ (Fazi 2016)

²⁶ Ibid.

²⁷ (Dimitar Bechev 2015), p. 5.

²⁸ (Agency 2016)

²⁹ (Schweller 1994), p. 74.

³⁰ Ibid.

³¹ Ibid, p. 79.

³² Ibid.

³³ (Dimitar Bechev 2015), p. 5.

³⁴ (Hey 2003), p. 7.

³⁵ Ibid.

³⁶ (ecfr.eu 2015)

³⁷ Ibid.

³⁸ Ibid.

³⁹ Ibid.

⁴⁰ (Committee 2014)



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