



## **ASSISTED ASSERTIVENESS**

### CHANGES IN BULGARIA'S POLICY TOWARDS RUSSIA

**Mateusz Seroka**

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# **ASSISTED ASSERTIVENESS**

## CHANGES IN BULGARIA'S POLICY TOWARDS RUSSIA

Mateusz Seroka

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## MAIN POINTS

- The Bulgarian public and elite has a positive attitude towards Russians and Russia, in part due to the historical and cultural background. This positive perception was not weakened by the period of Soviet domination. The pro-Russian sentiment shared by the Bulgarian public facilitated the communist coup in 1944 and the ensuing Sovietisation of the state. Nor were the democratic changes initiated at the end of 1989 the result of the democratic opposition's successes, but were rather down to the actions taken by the reformist faction within the Bulgarian Communist Party (BCP), a consequence of the decline of the USSR and the centrally planned economy model.
- Although the transformation of the Bulgarian political system involved recognising integration with Western structures as a priority, it was not motivated by fears of Russia. Russia had lost the status of a strategic partner, but it nevertheless remained an important entity influencing Bulgaria's political, economic and social life.
- This favourable attitude towards Russia is cross-party in nature. There are relatively few circles with reservations about this and they have little political and social significance. Russia retains its influence on Bulgarian politics and the economy through connections with politicians and businessmen. They form a local oligarchy that has been shaped over the course of the country's political transformation. The oligarchs take care of their interests in symbiosis with political parties or through groups which they directly control. NATO and the EU integration (in 2004 and 2007 respectively) did not initially change the pro-Russian sentiments among Bulgarian politicians and the public. Until 2014, contacts even intensified. This was manifested, for example, in Russia's participation in the privatisation process, real estate investments and, above all, in energy infrastructure development projects, one of which being the South Stream gas pipeline.

- Bulgaria's accession to the Western structures triggered the emergence of groups inside the Bulgarian public and political elites that were more assertive on Russia. The changes were heralded by the voices of the protesters who were critical of Russia during the anti-government demonstrations in 2012–2014. Mass anti-corruption and anti-oligarchic demonstrations were accompanied by rhetoric pointing to Russia as an external factor contributing to the preservation of the pathologies inherent in the Bulgarian political transformation process. The Russian aggression against Ukraine and the resulting strong strain on relations between the West and Russia served as a catalyst for the change in sentiments. Bulgaria was put under pressure from the US, NATO and the EU, which forced it to begin reducing its dependence on Russia, especially in the areas of energy and security.
- Bulgaria is finding it increasingly difficult to pursue a policy of balancing between the West and Russia. Its political elites are still trying to look for areas of cooperation with Moscow, one example of which was the construction of the European branch of the TurkStream gas pipeline. Despite this, cases of diplomatic disputes over current affairs and also over identity and historical issues have multiplied in recent years. Since the Bulgarian elite has focused on integration with the West, the resulting continually growing political, economic and social transformations will lead to a further erosion of Russian influence. Assertiveness towards Russia has even started to be treated as an asset in internal political games. This was seen, for example, during the election campaigns in 2019 and 2021.

## INTRODUCTION

In March 2021, in the middle of the campaign ahead of the parliamentary elections, the Bulgarian counterintelligence cracked a Russian spy network that had engaged six Bulgarian citizens to gather information on Bulgaria's activity in NATO (amongst other topics). Five of them were either active or retired members of the Bulgarian military intelligence. A month later, on a wave of accusations that GRU agents had blown up ammunition depots in the Czech Republic, the prosecutor's office in Sofia linked a series of similar explosions in Bulgarian depots with Russians. This was not the first blow against Russian intelligence in recent years. Since relations became strained in 2019, nine Russian diplomats have been expelled from Bulgaria.

The intensity of the Bulgarian-Russian tension is providing an increasingly stark contrast with the traditionally good relations between these countries. Their first pillar is the memory of the key role played by Russia in Bulgaria regaining independence after nearly 500 years of Turkish rule. This was a consequence of the Ottoman Empire's defeat in the war with Russia in 1877–1878. The second pillar of the pro-Russian sentiment among Bulgarians are the cultural bonds based on Orthodox Christianity as the common religious background of the two nations and cultural contacts dating back to the Middle Ages, when relations were particularly intense. Russians also played an important role in forging the concept of the modern Bulgarian nation in the 19<sup>th</sup> century. The positive perception of Russia contributed significantly to the success of the communist coup in 1944 and to Russia maintaining part of its influence on the Bulgarian economy and politics after the fall of communism. The well-developed network of contacts with politicians and oligarchs has helped Russia to maintain important assets, for example by remaining the dominant supplier of energy resources. Russian companies also benefited from Bulgarian privatisation – the assets they acquired included the Burgas oil refinery, the telecommunications company Vivacom and the tobacco manufacturer Bulgartabac.

After 2014, however, the interests of Sofia and Moscow have clashed on several occasions. The disagreements intensified in 2019 and 2020, when the Bulgarian government twice entered into a dispute with Russia over interpretations of history. In one case, it concerned the seizure of power by Bulgarian communists, and in the other, an attempt by Russian cultural institutions to portray Bulgaria's national heroes, Saints Cyril and Methodius, as Russians. Some of these events were provoked by Russia, which was dissatisfied with the Bulgarian government pursuing a policy of diversifying the sources of raw materials supplies and enhancing cooperation with the US in the fields of security and energy.

## I. THE FOUNDATIONS OF FRIENDSHIP

It is a historical paradox that, more than a decade after suppressing the January Uprising in Poland, Russia supported Bulgarians in their efforts to regain independence and is therefore to this day viewed by them as a liberating state. Bulgaria was periodically a local empire (encompassing the Macedonian lands and northern Serbia among other territories) in the Middle Ages. At the end of the 14<sup>th</sup> century it was conquered by the Ottoman Empire and remained outside the mainstream of European culture and politics for almost 500 years. As the Ottoman order in the Balkans had been eroding and modern ideas from other parts of Europe had been infiltrating into the region, the Bulgarian elite launched the so-called national revival process and began to seek independence. Given its cultural proximity, as well as the conflict with Turkey lasting from the 18<sup>th</sup> century, 19<sup>th</sup> century Russia became one of the places of refuge and training centres for the Bulgarian national revival elite and a place of political activity aimed at driving Turkey out of the areas inhabited by ethnic Bulgarians. The Russian Empire's state ideology, using the slogans of pan-Slavism and presenting the empire of the tsars as a protector of the Slavs and Orthodox Christians in the areas controlled by Turkey, was therefore received exceptionally well by the then Bulgarian elite.<sup>1</sup>

The Russo-Turkish War of 1877–1878 has a special place in the memory of contemporary Bulgarians because their country regained its political agency as a result of it. When the anti-Turkish uprising broke out in Bulgaria in 1876, Russia used it to pursue its political ambitions in the Balkans and the Caucasus and declared war on Turkey. It was a turning point for the Bulgarians, whose volunteer units took part in the battles

<sup>1</sup> М.Г. Смольянова, 'Восприятие болгар русской интеллигенцией в XIX в.' [in:] Р.П. Гришина, Е.Л. Валева, Т.В. Волокитина (eds.), *Россия-Болгария: векторы взаимопонимания. Российско-болгарские научные дискуссии*, Москва 2010, pp. 143–152; И.И. Стоянов, 'Российские проекты восстановления болгарской государственности накануне Константинопольской конференции великих держав 1876 г.' [in:] С.И. Данченко, Ю.А. Созина (eds.), *Русско-турецкая война 1877–1878 гг. Надежды – пережитки – уроки*, Москва 2020, pp. 11–22.

against the Turks. The battles of Shipka Pass or the siege of Plevna fortress became important elements of national memory. Turkey lost the war, so it agreed to the Peace Treaty of San Stefano, which was signed under Russian dictate in March 1878. Pursuant to its provisions, Bulgaria not only reappeared on the map of Europe, but was also to occupy large areas stretching between the Black Sea and Albania and from the Danube to the Aegean Sea. Although these arrangements were amended in the same year at the Congress of Berlin to the disadvantage of Bulgaria, the existence of the Principality of Bulgaria (which was formally dependent on Turkey until 1908) and the autonomous Turkish province of Eastern Rumelia ruled by Bulgarians (annexed to Bulgaria in 1885) were nevertheless sanctioned. In the first years of its operation, the Principality of Bulgaria was actually a Russian protectorate – Russians played a key role in the organisation of the local administration and served as senior officers in the Bulgarian armed forces. Due to their contribution to ousting the Turks, Tsar Alexander II ('Tsar-Liberator') and Generals Iosif Gurko, Mikhail Skobelev and Nikolai Stoletov gained an important place in Bulgarian national memory.

Although some conflicts of interest between Sofia and St. Petersburg did emerge, e.g. over the incorporation of Eastern Rumelia into the Principality of Bulgaria, this did not lead to a permanent reversal of the pro-Russian sentiment widely shared among Bulgarians. However, they led to dividing Bulgarian politicians into factions of 'Russophiles' and 'Russophobes', a political crisis and the Russia-inspired isolation of Bulgaria when the country was governed by the 'Russophobe' Prime Minister Stefan Stambolov. Nevertheless, good relations between the two countries were restored as soon as his successor took power in Bulgaria.<sup>2</sup>

Although Bulgaria sided with Germany in both world wars, this did not change its residents' positive attitude towards Russia. In World War I,

<sup>2</sup> D. Faszczka, *Wojna serbsko-bułgarska 1885 roku. Studium polityczno-wojskowe*, Oświęcim 2018, pp. 42–45; R. Daskalov, *Debating the Past. Modern Bulgarian History. From Stambolov to Zhivkov*, Budapest and New York 2011, pp. 8–10.

Bulgaria fought against Serbia, Romania and Greece which, as a result of the Second Balkan War (1913) seized the territories which Bulgaria had captured from Turkey in the First Balkan War (1912–1913), but it did not fight against Russia. After the communists took power in Moscow and as a consequence of the defeat in the Civil War of 1917–1921, around 20,000 Russians, including a large group of intellectuals, emigrated to Bulgaria, and Sofia became one of the centres of ‘white’ Russian emigration.<sup>3</sup> In turn, during World War II, Bulgarians refused to declare war on the USSR, despite pressure from Nazi Germany. As Soviet troops were approaching the country’s borders, Bulgaria first declared that it would cease hostilities and then declared war on Germany.

Pro-Russian sentiment, relatively high support for the Bulgarian Communist Party (BCP) among the country’s residents (predominantly among peasants) and the elite’s conformism contributed to the success of the communist coup of 9 September 1944. It was branded in propaganda as the “second liberation of Bulgaria” – this time by the Red Army. The repressions against the real and alleged enemies of the new system did not change the positive attitude towards the USSR and communism. The replacement of the ruling elite only cemented the asymmetrical alliance between Russia and Bulgaria, which became the eastern bloc country most closely tied to the USSR. Pro-Russian sentiment was still so strong that at the beginning of Todor Zhivkov’s rule, the BCP even considered the option of Bulgaria joining the USSR.<sup>4</sup>

The common religious background shared by the two countries and the resulting cultural ties were equally important for the positive perception of Russia among the Bulgarian public and elite. The history of these

<sup>3</sup> П. Пейковска, Н. Киселкова, ‘Руската имиграция в България според преброявания на населението през 1920 и 1926 г.’, *Статистика* 3–4/2013, p. 214.

<sup>4</sup> R. Daskalov, *Debating the Past...*, pp. 225–226, *op. cit.*; I. Baewa, ‘Modele kultury politycznej w powojennej Polsce i Bułgarii’ [in:] W. Balcerak (ed.), *Polska – Bułgaria w Europie Środkowej i Południowo-Wschodniej w wiekach XVIII–XX. Podobieństwa, różnice, uwarunkowania. Materiały sesji Polsko-Bułgarskiej i Bułgarsko-Polskiej Komisji Historycznych*, Warszawa–Łowicz 2003, pp. 291–296.

ties dates back to the Middle Ages, when the Cyrillic alphabet, developed in Bulgaria at the turn of the 9<sup>th</sup> and 10<sup>th</sup> centuries, was introduced in the territories now known as Russia as part of the Christianisation of Kievan Rus. In the following centuries, Bulgarian Orthodox literature, and with it the cults of Bulgarian saints, permeated there mainly through the lands of today's Ukraine. The cultural ties became stronger especially in the 14<sup>th</sup> and 15<sup>th</sup> centuries, thanks to Cyprian, the Metropolitan of Moscow and All Russia, and Gregory Tsamblak, the Metropolitan of Kiev (who came from Bulgaria). Cyprian carried through a spelling reform in the lands of Rus and led to literature written in Bulgaria being brought there. In turn, Tsamblak reformed the liturgical books and popularised Bulgarian church singing across lands of Rus. Another revival of contacts between the religious elites of the two countries took place in the 17<sup>th</sup> century, but this time new trends radiated out from Russia. The renewal of cultural ties resulted in Bulgaria accepting liturgical books from Russia and, between the 17<sup>th</sup> and 19<sup>th</sup> centuries, political and social ideas also came in. This was one of the triggers for the Bulgarian national revival.<sup>5</sup>

When Bulgaria regained its agency, it opened up to Western European (mainly French) culture. However, Russian influence among the domestic intellectual elite continued, partly thanks to Russian culture, which was often used by Bulgarians as a platform for learning about the achievements of Western civilisation. Russian émigrés living in Bulgaria played a similar role in the interwar period.<sup>6</sup>

<sup>5</sup> Р. Русев, 'Русская эмиграция в Болгарии 1918–1944 (в контексте русско-болгарского культурного диалога, межславянского культурного общения и славянской идеи)' [in:] Г.Д. Гачев, Р. Дамянова (eds.), *Болгария и Россия (XVIII–XX век). Взаимопознание*, Москва 2010, pp. 133–135.

<sup>6</sup> D. Faszczka, *Wojna serbsko-bułgarska 1885 roku...*, pp. 19–25, 80–83, *op. cit.*

## II. THE TRANSITIONAL PERIOD OF 1989–2004

The transformation of the Bulgarian political system was not revolutionary. It was initiated by the pro-reform circles inside the BCP. These circles decided to topple Todor Zhivkov, the longtime leader of the communist party, in autumn 1989 as the USSR was becoming weaker. At the beginning of 1990, the BCP transformed into the Bulgarian Socialist Party (BSP) and began negotiations with the newly established Union of Democratic Forces (SDS), the nucleus of the Bulgarian right, with the intention of convening a so-called ‘Grand National Assembly’ and working on a new constitution. Despite making a deal with its political opponents, the BSP took advantage of their weakness and remained in power until the autumn of 1991. Only when a minority SDS government was appointed, was the process of proper economic reforms launched and joining the EU and NATO was recognised as the most important goals of foreign policy.<sup>7</sup> Due to strong historical and cultural ties with Russia, anti-Russian sentiments were almost entirely absent in Bulgaria throughout the period of political transformation. Bulgarian politicians believed that it was possible to integrate with Western political, economic and military structures while maintaining contacts with Russia. Despite the collapse of the USSR, historical memory remained an element that brought the people and the elites of the two countries closer together. The years of conflict-free cooperation during the communist era meant that even pro-Western Bulgarian parties avoided anti-Russian statements or moves. The collapse of the USSR, as well as political changes in Central and Eastern Europe, led to a serious economic crisis in Bulgaria. Most of its exports were directed to the markets inside the communist camp (until 1990 they made up 75% of foreign trade, and between 46 and 55% went to the USSR). The ties with these markets had loosened, so the opportunities of exporting Bulgarian agricultural

<sup>7</sup> F.M. Rossi, ‘The Elite Coup: the Transition to Democracy in Bulgaria’, *Cosmos Working Paper* 2012/10, pp. 6–16, [cosmos.sns.it](http://cosmos.sns.it).

and industrial products were reduced.<sup>8</sup> However, the transformation in foreign trade did not affect the import of strategic raw materials, due to which Russia remained an important economic partner for Bulgaria. Moscow retained its position as the dominant supplier of oil and gas. Similarly, in the area of nuclear energy, a Rosatom subsidiary supplied fuel to the reactor of the Kozloduy Nuclear Power Plant. Russians also became involved in the process of privatisation of Bulgarian state-owned companies. In 1999, Lukoil purchased the largest of them, the Neftohim Burgas oil refinery, which further strengthened Russia's position in the energy sector.

The Kremlin managed to retain considerable influence in the Bulgarian economy mainly owing to its close ties with Bulgarian politicians and oligarchs after 1989. Russia could count on preferential treatment from numerous Bulgarian political circles due to a consensus regarding the need to maintain cooperation. The strategy of balancing between Russia and the West was consistently pursued by both post-communists from the BSP and the political right. For example, the Burgas refinery was privatised during the rule of Ivan Kostov representing SDS. Kostov in the early 1990s served as the minister of finance and was in charge of Bulgaria's transition from a planned economy to a free market economy. In turn, politicians from the BSP found it easier to maintain close ties with Russia because most of this party's activists shared a communist past. In some cases, biographical elements played an important role. The case of Prime Minister Sergey Stanishev is emblematic in this context. He was born, raised and educated in the USSR and was granted Bulgarian citizenship as late as 1996. Until 1999, the BSP was openly sceptical about integration with NATO. Some politicians, including President

<sup>8</sup> Е. Маринов, 'Етапи на развитие и договорноправна рамка на икономическите отношения между България и Русия' [in:] *Economic Relations between Bulgaria and Russia*, Faber PH, Sofia, p. 11; П. Ангелова, Л. Иванов, П. Петков, К. Славева, 'Външната търговия на България в контекста на европейската икономическа интеграция', *Електронно списание Диалог*, Извънреден тематичен, October 2011, pp. 59, 60–62.

Georgi Parvanov, even years later believed that Russia's opinion should be taken into account when deciding to join.

The oligarchs are another important section of the Bulgarian elite, which was formed during the period of political transformation and which was building its position based on cooperation with Russia. In the Bulgarian political and economic system, this group was shaped in a manner closest to the Ukrainian or Russian models and its functioning is based predominantly on close links with the main political parties.<sup>9</sup> For example, Krasimir Georgiev, who owes his fortune to public procurement in the nuclear energy sector and building energy infrastructure, is associated with the BSP. In turn, Bogomil Manchev and Valentin Zlatev are associated with the Bulgarian right-wing SDS and National Movement Simeon II (NDSV), which governed the country from 2001–2005. Manchev, benefiting from the indulgence of the NDSV government, was active in the nuclear energy sector,<sup>10</sup> and Zlatev was a long-term director (1999–2019) of the Burgas refinery purchased by Lukoil.

Some oligarchs also create groupings that are de facto used as tools for protecting their business interests. The most important figures among them who also support Russian interests in Bulgaria are associated with the Movement for Rights and Freedoms (DPS minority in the 1980s. The Turkish minority currently accounts for around 9% of the country's population. Although the party's official agenda is aimed at defending the interests of ethnic Turks living in Bulgaria, its activity is primarily interlinked with the individual benefits of its leaders who are often involved in Russian projects in Bulgaria). This party was founded in the early 1990s as a response to the Bulgarianisation of the Turkish minority. The founder of DPS, Ahmed Dogan, who is now the party's honorary chairman, used to secretly collaborate with the Committee for

<sup>9</sup> The interests of Bulgarian oligarchs are not limited to the energy sector. The areas of their activity include the retail trade, hospitality sector and the construction and armaments industries.

<sup>10</sup> Е. Сузареџ, 'Енергийните олигарси на българския преход', corruptionbg.com.

State Security, the political police in communist Bulgaria, which closely cooperated with the Soviet KGB. Dogan served as the chairman of DPS between 1990 and 2013. Despite his resignation from this position, he has retained his influence in the party. Dogan is also a businessman, operating mainly in the energy sector (e.g. he owns a heat and power plant in Varna) and in the hospitality industry. For years, DPS was a permanent element of the Bulgarian government camp. It has either supported the government (as in 1991) or joined government coalitions. Its politicians have held ministerial positions (e.g. in 2005).

### III. THE ILLUSORY EQUILIBRIUM – COOPERATION WITH THE WEST AND RUSSIA FROM 2004 TO 2014

Although Bulgaria joined NATO (2004) and the EU (2007),<sup>11</sup> there were no signs in 2004–2014 that the period of business prosperity linked with cooperation with Russia could end. Moscow relied on the well-developed and influential support groups operating in politics, business and the key sectors. Regardless of periodic tensions, its influence seemed unchallenged. At least until 2014, it seemed that Bulgaria's accession to the EU and NATO did not have a negative impact on its perception of Russia. Bulgarian political and economic elites continued to benefit significantly from doing business with Russian companies and saw no threat to the continuation of this model of cooperation as a result of integration with the West. Russia also remained an important trade partner for Bulgaria as a key supplier of energy resources. Moreover, both countries declared their wish to extend cooperation further still. The attitude of the leading EU countries, which themselves intensively developed economic cooperation with Russia, also contributed to this.

In the 1990s and in the first decade of the 21<sup>st</sup> century, Russia offered to cooperate with Bulgaria on three large infrastructure projects that could make the latter an important bridgehead for the Kremlin's energy expansion in the EU. The offer concerned the construction of the Burgas–Alexandroupoli pipeline, a new nuclear power plant in Belene (based on Russian technology) and the South Stream gas pipeline. There was also a visible revival in Russian direct investment; for example in 2008 they accounted for 5% of foreign direct investment in Bulgaria, and in 2012

<sup>11</sup> Bulgaria joined NATO when the centre-right parties and NDSV governed the country. In turn, its accession to the EU took place during the rule of the so-called tripartite coalition, where Sergey Stanishev's BSP played the main role. In 2006, Russia's Permanent Representative to the EU, Vladimir Chizhov, described Bulgaria's role as Russia saw it: "a sort of Trojan horse in the EU", see A. Grashkin, 'Russia's Political Influence in Bulgaria', Foreign Policy Research Institute, 31 January 2020, fpri.org.

for almost 12%.<sup>12</sup> Russians also still had the opportunity to participate in the privatisation process: in 2011, the Russian state-owned bank Vneshtorgbank acquired an 80% stake in the Bulgartabac tobacco company (for EUR 100 million). In 2012, the same bank acquired a 70% stake in the telecommunication company BTK, the owner of the Vivacom mobile telephone network.<sup>13</sup> The largest share of Russian investments, however, was focused on buying real estate, mainly on the Bulgarian Black Sea coast. According to some estimates, in 2013, as many as 320,000 Russians, including many representatives of the elite, owned real estate in Bulgaria.<sup>14</sup> The expansion of Russian capital in the real estate sector also fuelled the profits of the Bulgarian tourism industry, where Russians formed a significant group of those visiting (in 2013, almost 700,000 Russian tourists visited Bulgaria, which accounted for approximately 8% of all tourists).

The first serious strains in mutual relations were also seen during this period. They were linked to the gas crisis of January 2009 – Bulgaria had not received Russian gas for several days, while supplies from Russia accounted for over 90% of natural gas consumption at that time. As a consequence of these events, Bulgaria took measures to diversify the sources of gas supplies (e.g. building a new interconnector with Greece and prospecting for shale gas). However, neither the problems with gas supplies nor the aggression against Ukraine in 2014 have significantly changed the pro-Russian sentiment widespread among the

<sup>12</sup> *Balance of payments of Bulgaria (January–December 2008)*, Bulgarian National Bank, p. 7; *Direct investment (January–December 2012)*, Bulgarian National Bank, p. 2.

<sup>13</sup> In 2019, Vneshtorgbank sold its shares in Vivacom for around EUR 1.2 billion to United Group, a company partly controlled by the British investment fund BC Partners, see ‘Bulgarian Telco Officially with New Owners’, Novinite, 12 November 2012, novinite.com; ‘Как руското корпоративно контролно общество в България’, Биволъ, 31 May 2020, bivol.bg; M.A. Gubagaras, ‘VTB Capital selling Vivacom stake to BC Partners-owned United Group’, S&P Global Market Intelligence, 12 November 2019, spglobal.com.

<sup>14</sup> ‘Руски генеранти имат най-много недвижими имоти в България, Украйна и Испания’, HOMEKEY, 5 July 2013, homekey.bg; ‘Руснаци купиха 320 000 недвижими имоти край морето’, HOMEKEY, 8 July 2013, homekey.bg.

Bulgarian public. According to a Gallup International study conducted in 2019, 54% of Bulgarians believe that Moscow's policy contributes to stabilising the global situation, and 59% of respondents have a positive opinion about the president of the Russian Federation.<sup>15</sup>

The friendly attitude which the Bulgarian elite has towards the Kremlin was a factor that strongly contributed to Russian interests in the country. Both right- and left-wing politicians continued to perceive Moscow as a source of business projects that were beneficial to them and to those around them. The joint energy projects were promoted by activists of the left-wing BSP party, first as members of the government led by Sergey Stanishev (2005–2009) and then of Plamen Oresharski's cabinet (2013–2014). BSP politicians also played an important role in the protests that led to the ban on shale gas exploration in 2012, which was beneficial for Gazprom and the Russian government.<sup>16</sup> The Bulgarian political right, regardless of its pro-Western orientation, also continued cooperation with Russia. This approach is represented by the Citizens for European Development of Bulgaria party (GERB) led by Prime Minister Boyko Borisov, which has dominated the right side of the political scene since 2009. Borisov served as an officer of the communist Ministry of the Interior in his youth and later as a bodyguard for the former secretary of the BCP Todor Zhivkov (and other officials). In post-communist Bulgaria, he has led the government three times and made decisions that resulted in the abandonment of projects as part of which the Burgas–Alexandroupoli pipeline and the Belene Nuclear Power Plant were to be constructed. Furthermore, his party, GERB, supported concessions to Russians in the energy sector and tolerated opaque Russian businesses in Bulgaria.

<sup>15</sup> 'Според международното изследване „В края на годината“ на световната асоциация „Галъп интернешънъл“: По целия свят хората споделят обща надежда за по-активен Европейски съюз', Gallup International, 12 February 2020, [gallup-international.bg](http://gallup-international.bg).

<sup>16</sup> T. Dąbrowski, 'Bulgaria is no longer interested in shale gas', OSW, 25 January 2012, [osw.waw.pl](http://osw.waw.pl).

Apart from the main political parties that officially adopted the strategy of balancing between the West and Russia, openly pro-Russian parties began to play a certain role in Bulgarian politics after 2004. The best-known of them is Ataka, the party led by Volen Siderov founded in 2005. It has been regularly represented in parliament (garnering from 4 to 9% of support during elections). This party was also a member of the nationalist coalition of United Patriots (OP), formed by the Internal Macedonian Revolutionary Organisation – Bulgarian National Movement (IMRO-BNM) and the National Front for the Salvation of Bulgaria (NFSB), which governed the country between 2017 and 2019. However, Siderov's conflicts with Borisov and other leaders of OP led to the exclusion of Ataka from the coalition.<sup>17</sup> In turn, non-parliamentary groups and pro-Russian quasi-party organisations most often adopt a clientelistic approach, orbiting the main political parties and their power base.

The IMRO-BNM, which pursued a more balanced policy (not questioning EU and NATO membership), also made some pro-Russian gestures. Its leader, Deputy Prime Minister and Defence Minister Krasimir Karachanov, insisted on maintaining the post-Soviet MiG-29 fighter aircraft, which entailed the need to continue paying for their repairs (Bulgaria paid Russians US\$48 million for work on the engines). Another of his initiatives was to leave the Su-25 attack aircraft in use, and these were renovated for US\$85.5 million at the Belarusian plant in Baranavichy.<sup>18</sup>

Integration with Western structures did not have a significant impact on how Bulgarian oligarchs cooperated with Russian companies. When the NDSV and BSP governed Bulgaria, the old oligarchs such as Dogan, Manchev and Georgiev were involved with Russians in implementing such projects as the Belene Nuclear Power Plant, the Burgas-Alexandroupoli

<sup>17</sup> Н. Василева, 'Изключиха „Атака“ от коалиция „Обединени патриоти“', БНТ 1, 25 July 2019, bntnews.bg.

<sup>18</sup> 'България трябва от России выплатить неустойку за истребители МиГ-29', Piter.TV, 26 September 2020, piter.tv; 'First four upgraded Bulgarian Su-25s re-delivered', Pan.bg, 28 October 2020, pan.bg.

pipeline, and finally the South Stream gas pipeline.<sup>19</sup> Dogan also benefited from politicians from his party being members of the cabinets led by Simeon Saxe-Coburg-Ghota (Simeon II), Stanishev and Oresharski. Some of them served as environment ministers, which enabled them to issue decisions that favoured Russian investments in the energy sector. In 2014, the Bulgarian branch of Lukoil sold part of the land it owned next to the Rosenets oil terminal to a company linked to Dogan. This enabled him to build a large recreational villa. In turn, in 2016, Russians awarded him with an award for the “spiritual rapprochement of the two nations”.<sup>20</sup>

Contacts with Russians were not only developed by the oligarchs of the older generation, who had emerged during the communist era, but also by representatives of the younger generation elites. One of these is Delyan Peevski, a DPS deputy, head of counterintelligence in 2013 and an *éminence grise* of the Dogan group. Peevski is known primarily as a media magnate (who also has ambitions to operate in the defence industry sector). Until 2020, he managed a few entities in the media sector with major nationwide coverage. He also owns the Bulgartabac tobacco company through a network of companies registered in tax havens. He purchased the shares in 2014 from Russians. Peevski’s companies were also involved in the plans to build the South Stream gas pipeline. For example, entities owned by Peevski were among the members of the Gazproekt Yug consortium.<sup>21</sup>

Borisov’s cabinets which governed Bulgaria in 2009–2013, 2014–2017 and 2017–2021 also collaborated with oligarchs linked to the Russians. Among these businessmen, Valentin Zlatev, the aforementioned long-time CEO of Lukoil in Bulgaria, and Georgi Vasilev, deserve special

<sup>19</sup> Е. Сузареv, ‘Енергийните олигарси...’, *op. cit.*

<sup>20</sup> ‘Догансарай или оста Борисов – Пеевски – Доган’, Биволъ, 14 April 2016, bivol.bg; В. Йорданова, ‘Широка руска душа на Доган: Русия винаги е била в друго измерение!’, Dnes.bg, 8 December 2016, dnes.bg.

<sup>21</sup> И. Станев, ‘Компании със силни политически връзки ще строят „Южен поток“ в България’, Капитал, 27 May 2014, capital.bg.

attention. According to the findings of some media outlets, Zlatev and Borisov have been in contact for over 20 years. Vasilev, in turn, is the owner of GP Group, Bulgaria's largest construction company which has worked for Lukoil (and other customers).

Tsvetan Vasilev and Sasho Donchev also built their fortunes on contacts with Russians. Vasilev owned the Corporate Commercial Bank, the fourth largest in Bulgaria, which went bankrupt in 2014 as a consequence of Vasilev's conflict with Peevski. In business and politics, Vasilev collaborated with people within the inner circle of the Russian oligarch Konstantin Malofeev (for example, in an attempt to acquire shares in the Vivacom mobile network operator). However, his political ambitions and attempts to vie for influence with Peevski cost him a large part of his fortune and led to him fleeing first to Austria and then to Serbia.<sup>22</sup> In turn, Donchev, the owner of the daily *Sega* and co-owner of the natural gas distributor Overgas (Gazprom owned half of the shares in the company), closely cooperated with Gazprom until 2016. Gazprom's decision that the state-owned corporation Bulgargaz would be the main distributor of Russian gas led to Donchev coming into conflict with Gazprom and Boyko Borisov's cabinet. As a consequence, Donchev fought Gazprom for several years at the court of arbitration in Zurich.<sup>23</sup>

<sup>22</sup> Vasilev backed (among others) the Eurosceptic and nationalist coalition 'Bulgaria Uncensored' which won two seats in the election to the European Parliament in 2014. See T. Баксберг, 'Бареков и милионите: пет важни въпроса', Deutsche Welle, 25 July 2017, [dw.com/bg](https://www.dw.com/bg).

<sup>23</sup> In the end, after around four years of court disputes, in 2020 Gazprom decided to sell its stake in the company to Donchev. The American corporation Linden Energy became the company's new co-owner in July 2021. В. Пеева, 'Иск на „Овергаз“ срещу „Газпром“ е отхвърлен от съд в Цюрих', Mediapool.bg, 14 February 2019, [mediapool.bg](https://mediapool.bg); 'Gazprom pulls out of Bulgarian JV Overgas Inc', Interfax, 29 January 2021, [interfax.com](https://interfax.com); В. Пеева, 'С американски съакционер „Овергаз“ се прицели в съседните газови пазари', Mediapool.bg, 8 July 2021, [mediapool.bg](https://mediapool.bg).

## IV. GOING WEST – THE SYMPTOMS OF ERODING RUSSIAN INFLUENCE

Regardless of the good relations between the Russian and Bulgarian elites, the economic foundations of bilateral cooperation with Russia began to crumble as Bulgaria tightened economic ties with the West. Already in the first years of EU membership (2008), 60% of Bulgarian exports went to the markets of EU countries, and in 2019 this figure was over 66%. The ranking of Bulgaria's main trade partners is dominated by EU countries such as Germany, Italy, Greece and Austria. EU countries also make up the largest share of foreign investments in Bulgaria. In 2008, the largest investors were Austria (17%), the Netherlands (16%) and Germany (11%). In 2012 these were the Netherlands (34%) and Luxembourg (28%).<sup>24</sup> The first three places in 2014–2019 were taken by the Netherlands (over EUR 8.6 billion), Austria (EUR 4.2 billion) and Germany (EUR 3.1 billion), while Russia invested approximately EUR 2.3 billion.<sup>25</sup> Successive governments in Sofia have declared they are willing to further develop European integration (joining the euro and Schengen zones). Expansion of cooperation with the West has also been visible in the area of security. In 2006, the Bulgarian government signed an agreement with the United States, allowing US troops to be temporarily stationed in Bulgaria and to use local military infrastructure.<sup>26</sup>

Cooperation with the West has been associated with the erosion of economic (including energy) ties with Russia and the weakening of political contacts with it; this has drawn a reaction from Russia. Even before the conflict in Ukraine, Russia tried to counteract the trends in Bulgarian policy that were unfavourable to them. The means they used included attempts to blackmail the Bulgarian government by changing the route

<sup>24</sup> *Balance of payments of Bulgaria (January–December 2008)*, p. 7, *op. cit.*; *Direct investment (January–December 2012)*, p. 2, *op. cit.*

<sup>25</sup> Statistical data from the Bulgarian National Bank's website, bnb.bg.

<sup>26</sup> *Agreement between the Government of the United States of America and the Government of the Republic of Bulgaria on Defense Cooperation*, U.S. Department of State, 28 April 2006, state.gov.

of the South Stream gas pipeline and the arbitration won by the Russian company Atomstroyexport over the failure to pay for work on the Belene power plant (Bulgaria had to pay a fine of EUR 620 million).<sup>27</sup> The mobilisation of pro-Russian circles in the fight for a ban on shale gas exploration can also be viewed as one of these moves. Russia also made unsuccessful attempts to create media outposts in Bulgaria, for example by taking over the TV7 station belonging to Tsvetan Vasilev.<sup>28</sup>

## 1. The Bulgarian-Russian historical disputes

As the perception of Russia changed, historical disputes between the two nations came to light. Signs of a weakening consensus on the need to maintain friendly relations with Russia became visible among the Bulgarian elite. This was evident in Bulgaria's disputes with Russia over identity issues, which had previously seemed the strongest foundation of mutual relations.

The social transformations related to Bulgaria's membership in Euro-Atlantic structures dredged up Bulgarian-Russian historical disputes. The country's residents are gradually becoming more assertive towards the government, as evidenced by the massive anti-government and anti-oligarchic protests in the last decade. People have protested against the rule of the mainstream political parties representing both the right (2012, 2020) and the left (2013–2014) wings of the Bulgarian political scene and the opaque links between politics and business, where deals with Russia played an important role. Russian ventures thus also became a target of the public protests against corruption and for transparency in public life.

<sup>27</sup> T. Dąborowski, 'Bułgaria: powrót projektu elektrowni jądrowej Belene', OSW, 13 June 2018, [osw.waw.pl](http://osw.waw.pl).

<sup>28</sup> In the end, the station did not find a new owner and ceased broadcasting in 2016. B. Антонова, 'Какво се случва с новия собственик на TV7', *Капитал*, 22 May 2015, [capital.bg](http://capital.bg); D. Bechev, *Russia's Influence in Bulgaria. Defence, Foreign Policy and Security*, New Direction. The Foundation for European Reform, p. 23, [newdirection.org](http://newdirection.org).

Two governments resigned under pressure from the protesters: the first cabinet of Boyko Borisov (2012) and the government led by Plamen Oresharski from the BSP (2013). Nationalist and populist parties such as IMRO-BNM and Volya Movement, which avoided criticising Russia, initially capitalised on the wave of public discontent. The rebellion of the young generation against the political and economic elites, however, also turned against pro-Russian traditions. This was seen, for example, in the repainting of objects commemorating the entry of Soviet troops to Bulgaria. The most widely publicised incidents took place in 2011, 2013 and 2014 and concerned the Red Army Monument in Sofia. Each time this was associated with public unrest, and in 2013 and 2014, a clear anti-Russian overtone was demonstrated. The monument which commemorates the 'liberation of Bulgaria' and is a symbol of the alliance with the USSR has, in the eyes of the younger generation, become a symbol of subjugation and aggression against other countries. In 2013, it was repainted on the anniversary of the Warsaw Pact invasion of Czechoslovakia in 1968. In 2014, it was a response to the war in Ukraine, and this also met with a reaction from the Russian Ministry of Foreign Affairs.<sup>29</sup> The protests initiated in July 2020 were again directed against the Borisov government and oligarchs from DPS (as well as other politicians). This time, the main beneficiaries of these protests were not the nationalists who co-ruled the country with Borisov's party, but groups focused on combating corruption and the oligarchs. This was best demonstrated by the results of the parliamentary elections of 4 April 2021. The party led by the singer and celebrity Slavi Trifonov named There Are Such People came second, while IMRO-BNM, which had collaborated with Borisov, found themselves outside parliament. In turn, the pro-European and pro-Atlantic Democratic Bulgaria party (DB) and the Stand up! Mafia, Get Out! party made it into parliament. The politicians and activists from these two camps, while attacking the Borisov government and the oligarchic systems in particular, often emphasise the murky ties between the

<sup>29</sup> 'Russian FM condemns desecration of monument to Soviet soldiers in Bulgaria', TASS, 20 August 2014, [tass.com](https://tass.com).

Bulgarian elite and Russians.<sup>30</sup> The shake-up of the political scene was so thorough that none of the parties were able to or wished to form a new government, so a snap parliamentary election was held.<sup>31</sup>

The differences in the attitude towards Russia within the Bulgarian elite were particularly apparent in 2019 when Russia began to push for a post-Soviet vision of history, which was treated as an attempt to interfere in domestic politics. In 2019, the two countries differed in their interpretations of the events of September 1944, when the Bulgarian communists seized power as a result of a coup supported by Moscow. The entry of Soviet troops to Bulgaria and the accompanying coup were interpreted as the country's liberation at the exhibition held by the Russian Cultural and Information Centre in Sofia commemorating the 65<sup>th</sup> anniversary of Soviet victories in Central and Eastern Europe. This provoked the Bulgarian Ministry of Foreign Affairs to issue a statement in which it emphasised that the coup in 1944 led the legal government being overthrown which by that time was no longer an ally of the Axis states. Furthermore, Russia was accused of imposing on Bulgaria and other countries in the region a totalitarian regime where political terror was widely used and which led to the ruin of the economies of the Eastern bloc countries. Bulgaria also accused Moscow of favouring the BSP, the heir to the tradition of the communist party, by pushing through this interpretation of the events of 1944.<sup>32</sup>

In May 2020, Russia once again caused strain in bilateral relations over historical issues, and the Russian Cultural and Information Centre in Sofia again played the leading role. This time the outrage was caused by an exhibition dedicated to Saints Cyril and Methodius. They were

<sup>30</sup> M. Seroka, 'Wybory parlamentarne w Bułgarii – zachwiana pozycja premiera Bori-sowa', OSW, 6 April 2021, [osw.waw.pl](https://osw.waw.pl).

<sup>31</sup> 'Румен Радев: Очертава се изборите да са на 11 юли', Deutsche Welle, 5 May 2021, [dw.com/bg](https://www.dw.com/bg).

<sup>32</sup> 'Съобщение на МВНР относно събитие, организирано от Посолството на Руската федерация', Министерството на външните работи на Република България, 3 September 2019, [mfa.bg](https://mfa.bg).

presented as ‘Russian teachers’. Bulgarian political and intellectual circles (it had provoked a reaction from the Bulgarian Academy of Sciences and the Ministry of Foreign Affairs) and pro-Western media viewed the exhibition as an example of Russian appropriation of the Bulgarian national tradition.<sup>33</sup> In their country, Saints Cyril and Methodius have an undisputed position as national heroes as the creators of not only literature but also the first educational institutions for local Slavic elites. Bulgarians also emphasise that it was in their country that the students of the Slavic apostles developed the Cyrillic alphabet which is also used by Russians.

## **2. The increasing political costs of Bulgaria’s energy cooperation with Russia**

After the Russian aggression against Ukraine, Bulgarian politicians initially underestimated the scale of the change in relations between Russia and the West. It seemed to them that, as an expression of loyalty to the West, it was enough for them to join the EU sanctions against Russia in 2014. Although the prime minister and the president repeatedly questioned their purposefulness in the following years, Bulgaria did not once block the extension of the restrictions. It soon turned out that after 2014, doing lucrative businesses in cooperation with Russia in the traditional formula now entailed growing political costs. An example of this was the construction of the TurkStream gas pipeline, the de facto reactivation of the earlier Russian South Stream project.<sup>34</sup> The project, from which Russia had withdrawn in 2014, was resumed under a new name during the third Borisov government in an atmosphere of political consensus (President Rumen Radev, supported by the BSP, also joined in the lobbying process). In March 2018, Sofia even openly manifested political courtesy towards Moscow when it decided not to join the action of

<sup>33</sup> ‘И Външно се възмущи от руската изложба’, Mediapool.bg, 27 May 2020, media-pool.bg.

<sup>34</sup> Bulgaria joined the South Stream gas pipeline project in 2008, when the BSP was in power.

expelling Russian diplomats as a gesture of solidarity with the UK after the former Russian secret services officer Sergei Skripal and his daughter were poisoned there. Bulgaria gained the TurkStream project, but at a price. The price included major economic concessions to the Russian Federation and taking measures under pressure from the United States that would make it independent of energy supplies from Russia. For example, Bulgaria agreed to finance more than half of the construction costs, to use Russian materials and to the participation of Russian companies in the construction. Another concession was the unfreezing of the construction of the Belene Nuclear Power Plant, for which Rosatom stood the greatest chance of becoming the strategic investor. Despite high hopes for TurkStream, its completion did not strengthen Bulgaria as a country involved in Russian gas transit.

To Bulgaria's surprise, this time further initiatives to strengthen Bulgarian-Russian cooperation provoked distrust from the EU and the US.<sup>35</sup> Although the West did not manage to cause TurkStream to fail, the US diplomacy forced the Bulgarian government to start a genuine diversification of gas supply sources. US diplomats promoted, for example, ad hoc purchases of American LNG delivered to the Greek Revithoussa terminal and further to Bulgaria through already existing infrastructure. The reduction of dependence on Russian gas supplies has been a measurable consequence of Bulgaria's decision to diversify its gas supply sources. As a result, Russian gas in 2020 accounted for 76% of gas consumption, while two years earlier its share had been 100%.<sup>36</sup> In turn, first supplies of Azerbaijani gas, contracted back in 2013, were received in 2021.<sup>37</sup> The American attempts to oust Russia from the energy sector

<sup>35</sup> Proof of this may be found in the strategic dialogue with Bulgaria initiated by the USA in January 2020, where energy issues and defence cooperation are the most important topics. 'U.S. Delegation at High-Level U.S.-Bulgaria Strategic Dialogue in Sofia', U.S. Embassy in Bulgaria, 8 January 2020, [bg.usembassy.gov](https://bg.usembassy.gov).

<sup>36</sup> *Десетгодишен план за развитие на мрежите на „Булгартрансгаз“ ЕАД за периода 2021–2030 г.*, Булгартрансгаз, March 2021, p. 12, [bulgartransgaz.bg](https://bulgartransgaz.bg).

<sup>37</sup> For more information on this issue cf. A. Łoskot-Strachota, M. Seroka, M. Szpala, 'TurkStream on the diversifying south-eastern European gas market', *OSW Commentary*, no. 388, 8 April 2021, [osw.waw.pl](https://osw.waw.pl).

also affected nuclear energy. In October 2020, after several months of efforts, the Bulgarian government signed a memorandum of cooperation in the field of nuclear energy with the US government. Its most important point is on cooperation concerning the supply of fuel to the reactors of the Kozloduy Nuclear Power Plant. The US also offered to help in the construction of a new block of this plant. If Bulgaria accepts this offer, this will equate to the abandonment of the Belene Nuclear Power Plant project. However, the success of this part of the plan will depend on the EU certification of the small modular reactor technology being offered by the Americans.<sup>38</sup>

### **3. Security issues – from cooperation to spy scandals**

Even though Bulgaria had joined NATO, it did not view Russia as a threat and continued military-technical cooperation with it, e.g. covering the maintenance of military aviation weapons. In 2015, the Bulgarian government withdrew from the contract for the repair of the engines for MiG-29 fighter aircraft signed with the Polish WZL 2 plant, and instead signed a contract with Russia's RSK MiG.<sup>39</sup> However, as a consequence of the protracted repairs at the Russian plant, Bulgaria was unable to patrol its own airspace and had to use NATO's Air Policing program (in 2016 and 2017, air policing missions in this area were carried out by Italian Air Force planes).

The US did not intend to tolerate the Bulgarian elite underestimating the threat posed by Russia not only in the energy sector but also in the area of security. Nor did it want the country to continue cooperation with Russia concerning arms maintenance. The US – by applying regular pressure on Bulgaria – began to gradually push Russians out of the

<sup>38</sup> 'U.S.-Bulgaria Sign Nuclear Cooperation Memorandum of Understanding', U.S. Department of State, 23 October 2020, [state.gov](https://state.gov); 'U.S., Bulgaria ink civil nuclear MOU', Nuclear Newswire, American Nuclear Society, 27 October 2020, [ans.org/news](https://ans.org/news).

<sup>39</sup> 'Rosjanie naprawią bułgarskie MiG-29?', Agencja Lotnicza Altair, 5 May 2015, [altair.com.pl](https://altair.com.pl).

security area. Bulgaria was included in NATO's European Deterrence Initiative programme, and exercises started on its territory as part of the American Atlantic Resolve operation. In 2017, manoeuvres of NATO's "spearhead force" (VJTF), the largest it had organised in South-Eastern Europe, also took place there. In 2020, considering repeated provocations by the Air Force of the Russian Federation, the US undertook missions to support the Bulgarian military aviation.<sup>40</sup>

In the area of bilateral relations, the United States joined the process of modernising the Bulgarian armed forces. This assumes increasing independence from Russian suppliers, e.g. by replacing post-Soviet weapons with Western ones. Examples include the effective lobbying for the selection of the F-16 Block 70/72 multi-role combat aircraft as successors to the MiG-29s, and the announcement of the acquisition of American airspace control radars.<sup>41</sup> In 2020, the US formalised the expansion of security co-operation, which was considered part of the so-called strategic dialogue. This cooperation took on more real shape when the ten-year 'roadmap' for joint security and defence activities was signed in autumn 2020. Its arrangements include US assistance in areas such as the modernisation of the Bulgarian armed forces, preventing violations of its airspace and Black Sea border, and protection from cyber attacks. In turn, as part of the Foreign Military Sales (FMS) programme, funds were allocated to create a cybersecurity centre in Bulgaria and to delegate a special advisor there.<sup>42</sup>

Sofia's enhanced cooperation with Washington in the field of security had an impact on relations with Russia. Due to this, diplomatic crises began to recur on a regular basis in these relations. Between October 2019 and April 2021, nine Russian diplomats, including the military attaché, were

<sup>40</sup> Н. Лалов, 'Кой, как и откъде ще пази небето на България', Mediapool.bg, 8 September 2020, [mediapool.bg](https://mediapool.bg).

<sup>41</sup> *Ibid*, 'Правителството обмисля да купи от САЩ още 8 F-16 и 3D рагари', Mediapool.bg, 29 September 2020, [mediapool.bg](https://mediapool.bg).

<sup>42</sup> *Ibid*, 'САЩ ще подпомагат България в отбраната: модернизация, Черно море и киберсигурност', Mediapool.bg, 7 October 2020, [mediapool.bg](https://mediapool.bg).

expelled from Bulgaria. The charges included espionage and inspiring to disinformation activities in connection with the purchase of F-16 aircraft by Bulgaria and collecting secret information on military exercises conducted there. Back in 2019, Bulgarian counterintelligence imposed a ten-year entry ban on the Russian oligarch Konstantin Malofeev and former intelligence general Leonid Reshetnikov, both of whom had been engaged in neo-imperial projects.

In turn, in March 2021, a Russian espionage network, in which six Bulgarians participated, was dismantled. Its boss was a long-time employee of the Bulgarian military intelligence, who had been trained by the Russian GRU during the communist period. After the fall of communism, he served as a high-ranking officer in military intelligence and, after retirement, he taught courses for military intelligence officers. His wife, who had dual citizenship (Bulgarian and Russian), and four former and current military intelligence employees were also involved in the dismantled network. One of them was the deputy director for budgeting in the Bulgarian Ministry of Defence, and the other officer had participated in foreign missions and served several times as a Bulgarian military attaché. This action was also accompanied by the expulsion of two more Russian diplomats.<sup>43</sup> The liquidation of the espionage network, however, was just another stage of the dispute, as in April the Bulgarian prosecution authorities accused Russia of blowing up several Bulgarian ammunition depots intended for export to Georgia and Ukraine between 2011 and 2020 (the prosecution authorities' move was based on the case in which GRU agents were accused of committing the same act in the Czech town of Vrbětice in 2014). Also at this time a further Russian diplomat was expelled from Bulgaria, which also met with retaliation from Moscow.<sup>44</sup>

<sup>43</sup> 'Тешев спина руски шпиони от военното министерство, ръководени от „Резидента“', Mediapool.bg, 19 March 2021, [mediapool.bg](https://mediapool.bg); 'Шпионската афера се разрасна с изгонване на още двама руски дипломати', Mediapool.bg, 22 March 2021, [mediapool.bg](https://mediapool.bg).

<sup>44</sup> 'България гони 1 руски дипломат заради 4 взрива, пожар и опит за убийство', Mediapool.bg, 29 April 2021, [mediapool.bg](https://mediapool.bg); M. Gniazdowski, M. Wasiuta, 'Russian

Two years on from 2019 the Bulgarian government again used the current disputes with Russia to win votes. The cases of Reshetnikov and Malofeev were used to attack the Russophiles National Movement (associated with the BSP) ahead of local elections in 2019. The movement's leader was accused of cooperating with the Russians banned from entry.<sup>45</sup> In 2021, the espionage network was broken in the middle of the campaign for the parliamentary elections that resulted in GERB remaining in power. The measures taken by the counterintelligence helped Prime Minister Borisov to present himself as a politician who cared about the country's strategic interests and was assertive towards Moscow. Borisov did not hesitate to attack President Radev, who was favouring the opposition, accusing him of remaining silent on successive spy scandals; this was related to the presidential elections in the same year.<sup>46</sup>

Russia's conflict with the EU and NATO also affected other areas of Bulgarian-Russian cooperation, including tourism, which is important for Bulgaria. Although Russians are still a significant group of visitors, a downward trend has been observed since 2014. For example, around 461,000 Russians (approximately 4% of all tourists) visited Bulgaria in 2019, which means a decrease of approximately 240,000 compared to 2013.

attacks in the Czech Republic: domestic context, implications, perspectives', OSW, 20 April 2021, [osw.waw.pl](https://osw.waw.pl).

<sup>45</sup> *Годишен доклад за дейността на Държавна агенция „Национална сигурност“ през 2019 г.* [Annual report on the operation of the State Agency for National Security in 2019], София 2020, pp. 6–7, [gov.bg](https://gov.bg); *Съобщение на МВнР* [Statement from the Ministry of Foreign Affairs], Министерство на външните работи на Република България, 24 January 2020, [mfa.bg](https://mfa.bg); M. Seroka, 'Tension in Bulgarian-Russian relations', OSW, 18 September 2019, [osw.waw.pl](https://osw.waw.pl).

<sup>46</sup> '„Спрете да шпионствате в България“, каза Борисов на Русия и порица „радиомълчанието“ на президента', *Mediapool.bg*, 20 March 2021, [mediapool.bg](https://mediapool.bg).

## OUTLOOK

The fact that disputes appeared in relations between Bulgaria and Russia does not mean there has been a sudden breakdown of cooperation; it rather heralds a gradual change in the perception of Russia, which is being catalysed by pressure from the West. Given the problems with the loyalty of a section of the Bulgarian elite towards Brussels or Washington, the pressure on them will continue to make them prove their trustworthiness to their allies (e.g. by further exposing Russian secret agents).

The generational change taking place among the Bulgarian public is equally important. Bulgarians, regardless of historical sentiments, see the Western countries as a model for the operation of their state. The resulting increase in support for groups engaging in the fight against corruption or the oligarchs indicates that future Bulgarian governments will have to take into account these sentiments to an increasing extent. Moreover, the attitude towards Russia is also becoming an issue in election campaigns.

In turn, Bulgaria's increasing economic integration with the EU means that the Bulgarian government will also be under internal pressure, including from a section of local oligarchs who, despite their business ties with Russia, may also act against Russia's interests.<sup>47</sup> The Russian offer focusing on the supply of energy resources or the real estate sector is becoming decreasingly attractive, especially for representatives of the younger generation of oligarchs. In their non-transparent business activities, they increasingly use EU funds and enter into transactions with companies from Western countries. An example is the sale of the newspapers owned by Delyan Peevski to United Group, a company with links to American capital.

<sup>47</sup> The scandal related to the bankruptcy of the KTB bank owned by Tsvetan Vasilev, who has links with Russia, is one example. This was a consequence of the owner's political ambitions and his conflict with Delyan Peevski, an oligarch and a deputy representing DPS, and who is also engaged in doing business with Russians.

Bulgaria's assertiveness, assisted by Western pressure, is detrimental to Russia, as it weakens its position not only in the energy sector, but also in the area of defence, from which it is being gradually pushed out by the US. Furthermore, Bulgaria's pursuit of membership in the eurozone leads to increased supervision of the domestic banking sector. As the perception of Russia as an important partner changes among the Bulgarian elite, the Kremlin is resorting to information warfare tactics previously used against other Central and Eastern European countries. However, the effectiveness of these methods is marginal. Despite provocation, Bulgaria's policy has not changed in key areas. For example, they have not stopped diversification projects or the expulsion of diplomats from Bulgaria. Rather, these provocations are aimed at the audience inside Russia – they are intended to highlight Bulgarians' ingratitude towards Moscow and their servility to Washington.

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