

# **An Assisted EU Council presidency**

**It's not just Greece which has suffered thanks to its membership of the EU. Without even having joined the single currency, Bulgaria already is experiencing considerable hardship as this piece by Horst Teubert shows. (The original first appeared on the German Foreign Policy website and is reused with permission)**

SOFIA/BRUSSELS/BERLIN – Bulgaria exercises its EU Council presidency – which began January 1 – with Berlin's direct "counseling" and "assistance," according to reports of the CDU-affiliated Konrad Adenauer Foundation. The foundation has been engaged in activities in Sofia along these lines, and has delegated its former Chairman and ex-European Parliament President Hans-Gert Pöttering to serve as consultant in the Bulgarian capital. Since Bulgaria joined the EU on January 1, 2007, oligarchs have become the country's crucial power factor, controlling its fate, according to observers. Berlin easily tolerates this, because Prime Minister Boyko Borissov readily yields to German leadership, a former Bulgarian justice minister explained. The country, with its unrivalled starvation wages, serves as a production site for German businesses and as a reservoir to recruit skilled workers for Germany.

## **No Heating, Malnourished**

Eleven years after joining the EU on January 1, 2007, Bulgaria's political and social conditions remain desolate. According to the statistical office of the European Union Eurostat, in 2016, 40.4% of the 7.1 million inhabitants – almost three million people – were at risk of poverty or social exclusion. Nearly one third of the population – 31.9% – was severely materially deprived. They can barely cover basic

needs such as affording adequate heating for their homes, everyday items, such as a telephone or a washing machine or meals with sufficient protein.[1] Even though the Bulgarian minimum wage has been raised to around 235 euros, it is not enough for decent living. Child poverty is particularly shocking: 45.6% of all Bulgarian children are on the verge of poverty or social exclusion. According to Eurostat, the situation is particularly catastrophic for children under the age of 16. 36.2% do not have any new clothes, 48.6% have at most one pair of shoes that properly fit, 40% cannot afford to eat fresh fruit or vegetables once a day and 42.4% do not eat enough proteins, because meat and fish are too expensive.

### **Toiling for Germany**

To counteract the impression of hopelessness, spreading throughout the country, Bulgarian politicians like to point to the relatively low unemployment. The unemployment rate is currently 6.1% – significantly lower than the EU's average of 7.4%. This, however, is due to the fact that large segments of the Bulgarian workforce have emigrated since 1990. The country's population shrank from 8.9 million in 1990 to 7.1 million in 2017. Particularly the younger, well educated have left the country – in many cases to Germany. At the end of 2016, over 260,000 Bulgarians lived in Germany. More than 1,600 Bulgarian doctors are helping to alleviate Germany's shortage of doctors.[2] From a German perspective, this is particularly profitable because Berlin did not have to pay a cent for their education. Sofia had paid for their expensive medical training. The same holds true for the training of numerous other Bulgarian specialists now working in Germany. Numerous other Bulgarians are being exploited as unskilled laborers, often under miserable working conditions, and at times, as illegal workers at the lowest wages.[3] Last year, the German government tried to prevent return flows to Bulgaria by massively cutting child benefits for EU foreigners, including more than 5,500 Bulgarians. The attempt

failed, at least for now.

## **Unrivalled Starvation Wages**

For the German economy, Bulgaria serves not only as the country of origin for cheap “human capital,” but also to a certain extent, as a sales market and as a low-wage production site. German companies sold nearly €3.5 billion worth of goods in that country in 2016. Although this placed Bulgaria 45th on Germany’s export list – behind Thailand, Israel and Ukraine – it, nevertheless, contributed to the stabilization of Germany’s Southeast European trade. Germany is Bulgaria’s largest trading partner and probably one of its most important foreign investors, when considering its indirect investments made through the Netherlands or Austria. In Bulgaria, labor costs are “the lowest in the EU,” noted the state-owned Germany Trade & Invest (GTAI). Wages and the non-wage labor costs are unrivaled at €4.4 per hour. This is another reason why this country remains “an interesting production site.”[4] The German clothing manufacturer, Hugo Boss, benefits from Bulgaria’s starvation salaries. Around 16 percent of Germany’s imports from Bulgaria are textiles. GTAI has, however, begun to complain of a noticeable “shortage of skilled workers” in Bulgaria – due to the emigration of well-trained personnel – also to Germany.[5]

## **The Age of the Oligarchs**

Whereas the social situation in Bulgaria – caught in the economic hammerlock imposed by Berlin and the EU – remains desolate, the Bulgarian oligarchs’ political control over the country has considerably grown since it joined the EU. Experts are beginning to refer to an “age of oligarchs.”[6] One of the most powerful Bulgarian oligarchs is the businessman Delyan Peevski, who also controls about 80 percent of Bulgaria’s print media market. The fact that Bulgaria plunged from 51st place (in 2007) to 109th (2017) on the “Reporters Without Borders” World Press Freedom Index has been attributed to the

predominating influence of the oligarchs.[7] The journalist Assen Jordanov, a specialist in white-collar crime, even accuses Bulgaria's Prime Minister Boyko Borissov of being deeply involved in illegal transactions. "In fact, a neo-feudal, oligarchic, Mafia-clan is operating a shadow economy in Bulgaria." [8] Unlike the leaders of Hungary and Poland, Borissov – whose party members sit alongside those of the CDU and CSU as members of the European People's Party (EPP) – is easily tolerated by Berlin and Brussels, because of his political subservience. Hristo Ivanov, Bulgaria's former Minister of Justice, (2014 – 2016), notes, "If there is a dossier in Brussels, and the Germans have a clear position on it, we agree with the Germans. ... Otherwise, do as the Commission does, there is no independent Bulgarian position." [9]

### **"Unity Brings Strength"**

This principle obviously applies also to Bulgaria's EU Council Presidency. Back in early October, the FDP-affiliated Friedrich Naumann Foundation's project manager for Southeast Europe noted that, Sofia remained very "vague" in the preparations; "various priorities without a clear thread" are mentioned. They cannot even formulate their "own ... projects." [10] Meanwhile the CDU-affiliated Konrad Adenauer Foundation has sought to plan the Bulgarian council presidency, and has begun "advising" Prime Minister Borissov's government accordingly. They will be "advising the council presidency" also "in the same way," it has been officially announced. "An important role will be played by the foundation's president [whose term of office ended December 31, 2017, editors note] and former President of the European Parliament, Dr. Hans Gert Pöttering, who the Bulgarian government had appointed to join its supreme political advisory council." [11] The issues Sofia is now presenting correspond to Berlin's objectives for the EU. On the one hand, ways must be found to hold the union together, despite the

centrifugal forces growing stronger, which is why Bulgaria has placed its presidency under the “Unity Brings Strength” motto. On the other, stronger ties should be established to non-EU member western Balkan countries, to counter China’s rapidly growing influence in the region. (([german-foreign-policy.com](http://german-foreign-policy.com) reported.[12]))

## **Moving Toward the Right**

At the same time, a government is assuming the presidency of the EU Council, in cooperation with the Konrad Adenauer Foundation that is in a government coalition which includes an extreme rightwing party. An extreme rightwing party is also a coalition partner of the Austrian government, which will assume the presidency of the EU Council during the second half of 2018. [German-foreign-policy.com](http://German-foreign-policy.com) will soon report.

[1] Eurostat press release 155/2017 16 October 2017. According to Eurostat, “severely materially deprived persons have living conditions constrained by a lack of resources and experience at least 4 out of the 9 following deprivation items: cannot afford 1) to pay rent/mortgage or utility bills on time, 2) to keep home adequately warm, 3) to face unexpected expenses, 4) to eat meat, fish or a protein equivalent every second day, 5) a one week holiday away from home, 6) a car, 7) a washing machine, 8) a colour TV, or 9) a telephone (including mobile phone).”

[2] Rainer Woratschka: *Durch Zuwanderung deutlich mehr Ärzte in Deutschland*. [tagesspiegel.de](http://tagesspiegel.de) 26.05.2017.

[3] Deutsche Arbeitgeber beuten EU-Ausländer aus. [mdr.de](http://mdr.de) 11.10.2017.

[4], [5] Michael Marks: Lohn- und Lohnnebenkosten – Bulgarien. [gtai.de](http://gtai.de) 22.05.2017.

[6] Stefan Antonov: *The Age of the Oligarchs*: How a group of political and economic magnates have taken control of Bulgaria. University of Oxford: Reuters Institute for the

**Study of Journalism. Oxford 2013.**

**[7] Barbara Oertel: *"Ich würde Sie feuern"*. taz.de 21.11.2017.**

**[8] Nina Flori: *Ein Land in Oligarchen-Hand*. wienerzeitung.at 22.03.2017.**

**[9] Markus Bernath: Bulgarien vor Beginn der EU-Ratspräsidentschaft im Zwielficht. derstandard.de 27.12.2017.**

**[10] Daniel Kaddik: Mangelnde Vorbereitung, fehlende Visionen. www.freiheit.org 02.10.2017. See also Bulgaria's European Course.**

**[11] Thorsten Geißler: *"Einigkeit macht stark"*. Bulgarien übernimmt am 1. Januar 2018 die Ratspräsidentschaft der Europäischen Union. Konrad-Adenauer-Stiftung, Länderbericht Bulgarien. Dezember 2017.**

**[12] See also Berlin Calls for a "One-Europe Policy".**

Photo by Swedish National Heritage Board