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BULLETIN

Bulgaria Prepares for New Elections

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On 12 May, President Rumen Radev dissolved the National Assembly, elected a month earlier, and scheduled new elections for 11 July. Anti-establishment parties may do even better then the last elections in April when their success interrupted a decade of rule by the Citizens for European Development of Bulgaria (GERB) party of Prime Minister Boyko Borisov. GERB's credibility continues to decline as a result of disclosed abuses and U.S. sanctions on oligarchs associated with it. If the new parties form a stable coalition, they may undertake reforms to bring Bulgaria closer to membership in the Schengen area, which is supported by Poland.

New Elections. The 4 April elections sparked a political clinch. Borisov could not form a new cabinet under his leadership. However, in the 240-seat parliament, GERB remained the strongest with 75 mandates, but it could create a coalition only with the 30 deputies of the Movement for Rights and Freedoms (DPS) because the small nationalist parties with which it had ruled so far did not cross the electoral threshold. New parties—There Is Such a People (ITN), Democratic Bulgaria (DB) and Stand Up!Mafia Out!—having 98 seats in total, refused to cooperate, accusing GERB and DPS of creating an oligarchic, corrupt system. They also rejected the offer of the 43member Bulgarian Socialist Party (BSP), ruling before Borisov, as seeking to replace GERB in this system. Therefore, after three unsuccessful attempts to form a cabinet, in May Radev called a technical government of retired Gen. Stefan Yanev, previously a minister in the president's office.

The New Parties Deal the Cards. The new parties did not want to form a minority government and strove for new elections because in April they had gained more support than predicted and hoped to maintain this trend. May polls showed the accuracy of their calculations and a decreasing difference between the first-ranked GERB (which dropped from 26% in the April elections to 23-24% in the May polls) and the second-place ITN (increased from 17% to 20-23%). Among the new parties, DB would also gain more votes (11-13% instead of 9%), and Stand Up!Mafia Out! would again

slightly enough to cross the 4% threshold. BSP (16-19%, up from 15%) and Bulgarian Patriots, an alliance of three nationalist parties that previously did not reach the threshold, may also count on a better result. DPS, a party of Bulgarian Turks, is likely to maintain 10-11%.

Before the president dissolved parliament, the new parties together with BSP and DPS amended the electoral law, including adding a limit on voting stations in non-EU countries to 35, which will make it more difficult for voters abroad, especially among the Bulgarian diaspora in Great Britain that are unfavourable to GERB and the pro-DPS voters in Turkey. They also mandated voting machines in most stations to reduce fraud.

Weakening of Borisov. Borisov's credibility is declining, especially as a result of the actions of the new U.S. administration, to which he has so far presented himself as a trusted partner. In June, the U.S. Treasury Department used the Magnitsky Act to impose sanctions on key proponents of structural corruption in Bulgaria: Delyan Peevski, the strongest oligarch, who controls the DPS and has links with GERB, his intermediary, Ilko Zhelyazkov, and currently the deputy chairman of the committee for supervision of wiretaps, and Vasil Bozhkov, an oligarch who owns a gambling empire and is hostile to Borisov. The U.S. froze their assets and banned entities they own from even indirect cooperation with them. The European Parliament has announced that a monitoring mission will be sent to Bulgaria, and the European Commission (EC) stated it will

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not challenge these sanctions. Additionally, before the April elections, the U.S. State Department published a report critical of human rights protection in Bulgaria.

The image of Borisov as the personal guarantor of the country's development was undermined by the <u>antigovernment protests in 2020</u>. Additionally, it has been aggravated by abuses revealed in recent weeks. Stand UP!Mafia Out! prompted an investigative commission after it gathered evidence purporting that Borisov extorted bribes and allocated half of the funds of the state-owned Bulgarian Development Bank for opaque loans to Peevski's companies. In turn, DB revealed that, on orders of the prosecutor general associated with GERB and DPS, the opposition was illegally wiretapped.

Strengthening of Radev. The accusations against Borisov strengthen his main opponent, President Radev. Despite the office's relative low power, as a critic of GERB, he gained a leading political position. The settlement of conflicts over GERB rules by Yanev, associated with the president, including personnel changes in the secret services and Ministry of Internal Affairs, drew the attention of the public more than the parliamentary campaign. It also supports the president in his re-election in the autumn elections—he announced he would run again in February. He is the favourite so far, especially since GERB has delayed its announcement of a candidate, wanting to postpone its embarrassment at the polls.

Radev has become the U.S. main partner in Bulgaria. Although GERB accuses him of being pro-Russia and even of having ties to a Russian espionage network, broken up by the Bulgarian secret services just before the April elections, the U.S. ambassador avoids contact with Borisov, praising instead the actions of Radev and Yanev. Although the former prime minister's rhetoric was more determined than the president's towards Russia's aggressive policy, he declined to assess blame for the attacks on Sergei Skripal and his daughter or on the Bulgarian arms dealer Emilian Gebrev, nor for the explosion of Bulgarian ammunition depots. The Bulgarian services were forced to act only when it was revealed in April 2021 that ammunition depots destroyed by Russian intelligence agents in Czechia also belonged to Gebrev.

With the end of Borisov's government, the president also took the initiative in talks with North Macedonia on the veto of its accession negotiations with the EU. He uses the nationwide consensus rejecting concessions on this issue, presenting himself as a principled leader, but also one looking for solutions. This is evidenced by the invitation in May 2021 to Macedonian President Stevo Pendarovski for a joint flight to Rome to celebrate St. Cyril and Methodius Day, and at the same time the rejection of a proposal by the Portuguese presidency of the EU Council to settle the dispute through the EU stabilisation and association process, under which Bulgaria would have no veto on North Macedonia's accession talks.

Conclusions and Perspectives. If only a slight decline in support for GERB and small increase for new parties persist, the elections in July will not bring new opportunities to establish a cabinet. The anti-establishment parties are likely again not to have enough MPs to form a government alone. Therefore, if they want to build a cabinet, they will have to form a coalition with the BPS, hostile to Borisov, but which they are rejecting for now, or appoint a minority government with support in parliament. In both cases, the main challenge to the stability of a government of the new parties—united by the will to eliminate the corruption and oligarchic system of GERB and DPS—will be significant programmatic differences, including introducing singlemember constituencies or reducing party subsidies. However, if these parties again do not agree on such proposals, and the July elections do not bring other solutions, this may lead to another clinch and the subsequent dissolution of parliament.

The increase in the American's favouring of Radev and the undermining of Borisov's credibility do not result from these leaders' attitude towards Russia, rather from policy adopted by the Biden administration. The sanctions against the oligarchs are to motivate the government and a signal that the U.S. is ready to help strengthen democratic standards—Bulgaria ranks worst in the EU in terms of freedom of the press and the fight against corruption. This action also signals that the new U.S. administration treats problems maintaining democracy and the rule of law with great attention. It may also persuade European People's Party partners to take a more categorical stance, as so far they have ignored Borisov's abuses over his loyalty. Personnel changes in the technical government weaken the oligarch-business arrangement of GERB-DPS; however, only permanent systemic changes may induce Austria and the Netherlands to withdraw their veto on Bulgaria's accession to the Schengen area and other resistance in the EU. The opportunity would come from the formation of a coalition government without parties that support the oligarchs. For Poland, expansion of the Schengen area is beneficial in part because of the countries' involvement in regional cooperation projects.

A possible change in the ruling coalition will not cause a fundamental change in Bulgarian foreign policy, as the new parties support the country's Euro-Atlantic orientation. At the same time, the tightening of contacts between the U.S. and President Radev may contribute to his involvement as part of the Bucharest Nine and the strengthening of the southern section of NATO's Eastern Flank or greater Bulgarian activity in the Three Seas Initiative. However, Radev's use of the Bulgarian-Macedonian dispute to maintain nationalist sentiment means that the chances of an agreement before the autumn presidential elections are slim. Meanwhile, the block on the Macedonian accession talks with the EU undermines the efforts of Poland and other Member States to stabilise and democratise the Balkans.