

Bulgaria's Advantages

An Interview with
The Honorable Nickolay Mladenov,
Minister of Foreign Affairs, Republic of Bulgaria

EDITORS' NOTE Nickolay Evtimov Mladenov was appointed Minister of Foreign Affairs of the Republic of Bulgaria by the 41st National Assembly in January 2010. Between July 2009 and January 2010, he was Minister of Defense of the Republic of Bulgaria. Between 2007 and 2009, he was a Member of the European Parliament. He served on the Foreign Affairs Committee – Security and Defense Subcommittee, and on the Internal Market and Consumer



The Hon. Nickolay Mladenov

Protection Committee. He was also Vice-Chairman of the Delegation for relations with Iraq and served on the delegations for Israel and Afghanistan. Since 2005, he has consulted the World Bank, NDI, IRI and other international organizations in Southeastern Europe, the Middle East, Iraq, Afghanistan, Yemen, and Morocco. Between 2001 and 2005, Mladenov was a member of the Bulgarian Parliament where he served as Vice-Chairman of the European Integration Committee and sat on the Foreign and Defense Policy Committee. During that period he was representative to the Convention on the Future of Europe. Previously, he worked for the World Bank and the Open Society Institute for Bulgaria and Southeast Europe. He was election observer in Albania, Bosnia and Herzegovina, Ukraine, and Pakistan. In 2008, he headed the EU election observation mission to Ghana. Mladenov has a M.A. degree in War Studies from King's College, London, and a B.A. and M.A. in International Relations from the University for National and World Economy, Sofia.

What are the competitive advantages of Bulgaria in the current global economic context?

Bulgaria's economic crisis came about in 1996 and 1997. After the collapse of the banking system at that time, certain reforms were put in place that are key to our economic and financial stability today. We have very stringent banking and financial regulations and political consensus on the need to preserve fiscal discipline and keep taxes low. Bulgaria boasts a flat 10 percent income and corporate tax, an extremely low debt-to-GDP ratio, and a budget deficit of less than 4 percent. This is different from our neighbors and so are our credit ratings, which have consistently risen over the past two years.

So financial discipline, low taxes, and stringent banking regulations are just some of our advantages today. We are also strategically placed in Southeast Europe and our foreign policy is creating opportunities for our businesses not only in Europe and the Balkans, but increasingly in the Middle East.

What are the main issues faced by Bulgaria having recently become a member of the European Union?

There is much criticism of how the crisis has been handled, but if it had not been for the European Union and its integrated economies, prosperity in Europe would not have been possible and those countries that face financial difficulties today would have been in dire straits. The problem with Europe today is a lack of discipline and with bending the rules. Rules, once written, have to be followed – no exceptions for big or small countries. Many countries are today discussing enshrining into their constitutional order the tough rules on financial discipline that have helped Bulgaria steer through the crisis. The Lisbon Treaty is being amended in the same direction as well.

The issues that Bulgaria faces in the EU today all stem from incomplete and halfhearted reforms over the past decade or so. This is the case with the belated judicial reform that the government is now pushing. If our judicial system had been modernized years ago, it would be much easier for us to deal with the problems of today. Financial prudence along with transparency and accountability are the keys for success for an open economy like that of Bulgaria.

As a member of NATO, which priorities are being promoted by Bulgaria?

In the recent debates on the new Strategic Concept of NATO, Bulgaria focused on three priorities: First, to keep the doors of the Alliance open, particularly for our neighbors in the Western Balkans. The region has spent too much time dealing with its own self-perpetuating instability; second is the need for us to focus on energy security as an issue that is part of the core security concerns both of NATO member states individually and collectively; third is the need to adapt NATO to respond to the new security challenges of today – developing a missile defense system for Europe and responding to the increased threat of cyber attacks.

How will Bulgaria's foreign affairs policies evolve in the near term, taking into account the reforms in the field of diplomacy?

Our foreign policy, as a matter of priority, should focus on three geographic areas where opportunity lies. First is the Western Balkans – it's in our national interest to see our neighbors in the Balkans move closer to Europe. Second is the Middle East and North Africa, where we have traditionally had good links and there are countless opportunities for our businesses to work together. Third is the Black Sea and the Caucasus, which could be key in providing energy to a country like Bulgaria; its security challenges can very quickly turn into security threats for us and we need to help build stability and cooperation.

Internally, I am pushing through a major reform package of the Diplomatic Service that will create the foundations for a modern cadre of diplomats and specialists who are not held back by the limitations of the past. We need a stronger focus on economic diplomacy.

Turkey has evolved in recent years as a regional player and an active candidate for EU membership. What role will Turkey play in the region?

Turkey is a good neighbor to Bulgaria and we have a good relationship. Its economy has grown over the past few years and this has given its leadership a new sense of pride. Turkey has been extremely helpful in building trust between Bosnia and Serbia, for example. They contribute to peace and stability from the Balkans to Afghanistan. I am excited about the potential of the foreign and security partnership between the EU and Turkey.

How can Bulgaria and the European Union support the recent revolutions and reforms in the Middle East and the Arab World?

What is happening in the Arab world is a great change that can be compared with what happened in Eastern Europe in the 1990s. Our countries went through a transitional process. Now we have our own experience on what transition is, where the problems are, and what the main challenges are. So we have a specific practical know-how.

Based on that, we organized a conference, Sofia Platform, where we invited the main figures from the Arab world to meet some of the main actors from the transition in CEE. In Sofia, they discussed the role of the round tables, the transitional justice, and the role of the media. ●