

## **Bulgaria–Romania: A nexus between European Union and Black Sea Region**

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### **ABSTRACT**

*Bulgaria and Romania, which belong to the Black Sea Region, are considered as a communication bridge between EU and Black Sea countries. The accomplishment of regional policy of EU to the new member countries contributes not only in the improvement of competitiveness in these coastal countries but also in the prosperity, stability and safety of neighbor countries.*

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### **1. INTRODUCTION**

Situated at the crossroads between Europe and Asia as well as Russia and the Middle East, the Black Sea is more than a region of local strategic significance, representing an axis of increasing geo-political importance to the European Union. The last fifteen years was a period where the Balkan matters were at the forefront framed with serious conflicts, discussions and a large research activity in order to find ways for a smooth integration with the rest of Europe. Therefore, the wider Black Sea region is one of the most important challenges that the enlarged EU is invited to face.

The Black Sea region has in the past played a major role in shaping European history. The diversity of people living in the region side by side for centuries has been both a source of potential conflict and of cultural enrichment. Since the end of the Cold War two distinctive characteristics have moved to the forefront. First, located at the crossroads between Europe and Asia, the Black Sea had been a site of conflict and confrontation for centuries. Although conflicts finished since then, nothing solved the problem. Contested borders, mixed ethnic groups, enforced migration, economic deprivation, widespread unemployment, authoritarian regimes and bad governance still pose risks for regional security. Second, the geopolitical changes since the end of the Cold War, however, have led to an entirely new setting with a possibility of establishing a truly pluralist international existence in the region for the first time. Nowadays, prosperity, stability and security of the wider Black Sea Region are topics which EU is engaged.

On the 1<sup>st</sup> January 2007, Bulgaria and Romania became member – countries of the European Union. When Turkey will join EU, EU will immediately have a common border with Black Sea, gaining half of its coastline. The Black Sea region seems to be of strategic importance for EU as a trade link and area of transit, and because of its oil and fossil fuel deposits. Crises in the Balkans, Caucasus and Caspian have shown ethnic animosities, economic crises, environmental problems and disparities in military power making the area prone to instability (Ahmet 2006).

In the present paper we attempt to examine the role of the newly member countries of EU (Bulgaria and Romania) with their connection with Black Sea. The remainder of the paper is as follows: Second part deals with the need of EU that strives for a regional policy in issues of vital importance such as energy, transport and security. Section three presents entry negotiations for both countries and the attempts made until they managed their entry in the European family. The last section gives the concluding remarks emphasizing the importance of regional policy to Bulgaria and Romania.

## **2. THE NEED OF EU FOR A REGIONAL POLICY**

Black Sea is considered as a special geographical area, full of natural resources and a strategic situation in the junction of Europe, Central Asia and Middle East. Creating huge oil reserves and fossil fuels encourages the co-operation not only with multinational enterprises but also with many governments. Furthermore, is an area with a large population, where there are many opportunities and challenges for its citizens'. Therefore, the area is a widening market with a developing manpower and an important center of energy and transport flows.

The major actors in the area are Russia and the United States. For Russia, the region is a natural bulwark, a gateway to the oceans and an area in which it seeks to re-establish its influence. The United States has had three main goals in the region. First, to support newly independent states, second to support US commercial involvement in oil production and export and third to reduce its dependence on oil from the Persian Gulf. For main geostrategic and economic reasons, Turkey and Iran also play important role in the region. The importance of oil makes them both potential rivals and partners. (Valinakis 1999).

The relationship between EU and Black Sea countries, as they defined from Black Sea Economic Cooperation, has been developed asymmetrical and in bilateral basis. However, due to its recent enlargement, EU will need to develop a strategy as far as the BSEC members are concerned. Thus, there is a potential for developing a EU – BSEC framework of cooperation that establishes relations among independent states through agreements of stability and association in which BSEC, in conjunction to an enhanced regional cooperation role facilitates and monitors the development of relations between the EU and the non-potential EU candidate states (Gavras 2004).

European Union has also made efforts for the amplification of democratic and economic reforms, the promotion of stability and the support of development in the Black Sea area through cooperation and synergy programmes. An active European role in the area seems worth exploring. Compared with the United States and Russia, Europe has the advantage that the region feels it has a European vocation, and having no traditional superpower interests, EU could become actively involved without being perceived as seeking a zone of influence. In Black Sea area many opportunities and challenges are shown, requiring coordinated action in a regional level. Among them are sectors of vital importance such as energy, transport, environment, manpower mobility and security. European Union policy has been to support regional cooperative projects strongly, and in 1996 took specific policy initiatives towards the states that participate in the Black Sea Economic Cooperation Project (BSEC).

Of course, whatever the enlargement might be it will affect the internal structures of EU creating new borders that push EU to face new challenges and dynamics. The last round, which

completed in May 2004, is more sticky as soon as it converted EU to a totally new geographical area with new neighbours where until now it had little experience on such agreements. The expected enlargement of EU, including Bulgaria and Romania in 2007, and perhaps Turkey in 2010 or 2015, will reach the coastline of the Black Sea. This situation will make EU a player of the Black Sea. As EU approaches its final borders, not only member countries but also those states, that are left out of EU borders, are waiting for the consequences of the enlargement and how EU will continue with its foreign affairs. How EU will convert from a 'Western European Establishment' to a widespread European entity where it will determine the future development in all Europe. (Aydin 2005).

Regional cooperation is not going to employ with long- run conflicts that this area is facing, but its main goal is to amplify mutual trust and could contribute to the elimination of certain obstacles. Due to cultural convergence in the area, regional cooperation can have positive results not only for this particular area. So the time has come where EU can participate in a dynamic way towards the clarification of priorities and mechanisms in the cooperation sector in a regional level.

### **3. ENTRY NEGOTIATIONS**

The starting point for the transition process into free economy for Bulgaria and Romania was quite difficult in comparison to other Central Eastern European countries. Pre- transition policies emphasized self-dependence, putting excessive focus on heavy industry and large infrastructure projects. This strategy led to a loss of domestic energy sources and induced costly dependence on imports of energy and raw materials. During 1980s, there was no growth in exports for both countries in order to repay the debt of imports from the West. Technological lag increased substantially and at the end of the decade the Romanian and the Bulgarian economy was on the verge of collapse. Contrary to other transition economies, no attempt for transformation was made.

In the beginning of '90s, the major political forces advocated in a procedure, trying to minimize the social costs related to market transformation. The 1993 OECD Assessment of the Romanian and Bulgarian economy pointed out the risks associated with the delaying structural reforms. A key point of the Assessment was that, without deep restructuring of the economy, macroeconomic stabilization could not be sustained. Therefore, since 1993, there was an increase of exports and a fall of inflation for both countries under the stabilization policy.

The Seville European Council (1996) encouraged Romania and Bulgaria to intensify its attempts for accession in European Union and also reiterated its commitment to provide full support to this candidate country. In 1997, Commission concluded that Romania fulfilled the political criteria. From then on, both countries made progress for the unification and deepening of the stability of its establishments, guaranteeing for democracy, justice, human rights and respect and protection of minorities.

The role that two countries can play in the future is defined by the specific perception of the geopolitical, geo-economic and geo-strategic environment and the capacity that each country has to implement eventual tasks.

The first major role is that both countries considered as agents of carrying out tasks of stabilizing South East Europe. The need of conflict prevention and reform assistance in the

Western Balkans would revive Bulgaria's and Romania's engagement with regional cooperation aiming at preparing the Balkans for EU membership.

The second major role is to exert effort of mobilizing the Balkan region for the task of embarking on supporting the further expansion of a security space eastwards. As Karl Kiser wrote recently "the Balkans can serve as a model to other areas for coping with conflicts and difficult issues as well as for regional progress".

Raising the awareness of the other Balkan nations for the new need and tasks, requiring a new level of responsibility in domestic and foreign political behavior is a role that Bulgaria and Romania would play due to its geographic position and experience. In practical terms, certain South East European formats of cooperation should be provided to countries such as Moldova, Ukraine and Southern Caucasian states.

Thirdly, the two countries will certainly provide one of the needed safety belts when EU is trying to meet the challenge of integrating the Islamic world. The advantage that Bulgaria mainly has in that respect is the exemplary bilateral relations of Bulgaria and Turkey as well as the participation of Bulgarian government in the Movement for Rights and Freedoms (MRF) (Plamen, 2003).

Romania continues to make progress towards the operation of economic market for which the prospects have been improved. A dimensional application of planned measures with the completion of reforming "agendas" will allow Romania to face the competitive pressure and market forces in the medium – term. Certain important benefits in the macro-economic stability have been achieved during the last years. A suitable policy is the reduction of inflation while at the same time growth continues. Remarkable progress was marked in the creation of essential money markets. The continuing general inspection of banking sector, the successful improvements in the supervisory and legislative framework for the financial markets and the progress in privatization have tightened the financial discipline of enterprises progressively (European Commission, 2002).

The release of trade prices, in the last years, was connected with an important adaptation of energy tariff and important reforms in the tax system set the basis for a more effective distribution of sources. The recent development of money supply requires careful supervision and readiness for direct activities, improved tax administration, a reliable and transparent use of recent approved legal provisions for the acceleration of privatizations and readiness in order to fluidize the loss-making enterprises.

In the social policy and employment, some progress was made but more work is needed in sectors like working legislation, equal opportunities and hygiene and safety at work. The progress in the regional policy has been slowed down and Romania still does not have a clear fixed policy of cohesion. Work has begun in the growth of administration but more attempts are needed in order to draw management systems and implementation (European Commission, 2002).

## **5. CONCLUSIONS**

Despite a number of EU-sponsored projects European involvement in the Black Sea Region has been largely limited to the energy sphere, lacking a political and strategic dimension. As Black Sea comprises three large players (Russia, Ukraine, Turkey) as well as smaller ones, the

arrival of EU via Romania and Bulgaria as a non-belligerent fourth player will create a 'quite balanced and non-hegemonic' setting. While EU starts to digest the sixth round of enlargement, it will force to develop properly structured regional policies and the necessity to be present on the shores of all its seas. Furthermore, as EU get closer to the seventh round of enlargement, Black Sea issues will force themselves onto the EU agenda. Thus, it would be a logical next step to start thinking now about the Black Sea as region.

Even if Romania's and Bulgaria's macro-economic policy has improved quite a lot during the past years and inflation starts falling abruptly, it is necessary to continue the attempts for rapid progress in all sectors. That can be achieved with political interdependence where governments should take into consideration, mainly for planning and implementation of new legislation. A bet that EU should win, through the two accession countries of Black Sea, and later on though Turkey, is the creation of a stable and safe region without disturbance and confrontation. In short, Black Sea Region with its multidimensional existence could become an important pillar of overall European architecture in a wider Eurasian space.

Bulgaria and Romania, which belong to Black Sea area, are considered a communication bridge between EU and BSEC countries. The Black Sea region is one of the most conflictful and strategic important areas worldwide. It is also an enormous economic region and crossroad of trade where its total importance will increase dramatically since fuel reserves of Caspian Sea found the way to the West and other energy markets. For Europe, the dependence to the Persian Gulf for oil will diminish, as the Caspian basin, through the new accession countries Bulgaria and Romania, will be of vital importance.

The presence for both countries of EU in the Black Sea region seeks to develop a policy of good neighborliness and cooperation with non-members such as Ukraine, Moldova, Turkey, Georgia and Russia. Stability and active cooperation in the region of the Black Sea will guarantee easier mobility of people, goods and capitals while the advancement of civil society will boost the reform process in countries that are not EU members. The commitment of EU in the regional cooperation with Black Sea will promote in a large extent the achievement of this goal.

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