Bulgaria: « The tragedy of this country? The elite driven by their own private interests »

Description

Bulgaria literally went up in flames at the end of January 2013, with demonstrations and self-immolations that led to the resignation of the government. How does the economic crisis affect this country, referred to as « the poorest in the European Union »? Interview with Tchavdar Yanev.

Tchavdar Yanev lives near Sofia. Now retired from the State Security Services, he is currently a private detective and has enough to live on. Witnessing the changes in the system, the crisis caused by the transition, reinforced by the global crisis in 2008, he has observed the evolution of his country with a mixture of realism, anger and disillusionment.

Interview on March 10, 2013. Translated from the Bulgarian by Assen Slim.

Assen Slim: How do you explain the unprecedented protests that have taken place in the country over the last two months? Are they due only to the increase in electricity prices?
Tchavdar Yanev: Without a doubt, the rising cost of electricity bills (+20% on average) in December 2012 and January 2013 is one of the sparks that caused the conflagration of a country already under pressure. Remember that the global economic crisis of 2008-2009 had a profound impact on the Bulgarian economy: stagnation of GDP (0.5% in 2012), a significant increase in the unemployment rate recalling the worst years of the 1990s (12.4% of the labour force in January 2013), household incomes and pensions frozen since 2010 in an effort to stabilize the economy (the average income amounting to 812 leva or 415 euros in December 2012). Meanwhile, inflation has remained one of the highest among the EU countries (4.4% in February 2013, affecting utilities – gas, water or heating (+10% annual increase since 2010).

Today, in absolute terms, the price levels in Bulgaria can be seen as the lowest in Europe. It is quite different when we compare these prices directly with household incomes. It appears then that they are among the highest in Europe. Many families cannot manage to make ends meet.

What is the responsibility of regional monopolies that manage the electricity sector in Bulgaria?
For three years now, the production and distribution of electricity in Bulgaria have been organized in an odd way: a national electricity company (NEK) buys electricity from different suppliers (the Kozlodouy nuclear power plant, thermal plants, hydro-electric plants) and then puts big regional monopolies in charge of distribution (Czech CEZ for the west, the Czech Energo-Pro for the northeast, and Austria’s EVN for the southeast). In exchange for this monopolistic position and a margin of 10 to 15% on paid invoices, electricity distributors are committed to maintaining the installations and reinvesting in the country.

Monopolies quickly aroused the distrust of the people. Three years ago, despite the old electricity meters working perfectly, they decided to change them for new ones. Then, a month ago, at the height of the protests, they again began to change the electricity meters, fuelling suspicions and rumours (rigged or remotely manipulated meters). Another measure taken by the monopolies is not likely to reassure: as part of their infrastructure renewal mission, they replaced copper cables with aluminium cables which are cheaper and less resistant, giving the monopolies the opportunity to sell the copper on world markets and pocket a nice gain.

To top it all, monopolies sent higher electricity bills in January 2013 than in January 2012, even though this year, Bulgaria has experienced a milder winter, contrasting with the record cold registered last winter. In my case, the electricity bill in

January 2013 was increased by one third of its value compared to January 2012.

How can we explain that there has been so much violence during the protests? Remember the young man who died in Varna after self-immolating. Is there a generational break in Bulgaria?
This human torch (Plamen Goranov), who died of his burns, is not the face of Bulgaria. His act does not necessarily have a direct link with the protests against the rise in electricity prices. The media reported that the man was suffering from psychological problems and had a disagreement with the mayor of Varna whom he had asked to resign. He threatened to immolate himself if his ultimatum was not followed by action. Finally, the mayor suspected of ties with the Mafia, resigned after the death of Plamen Goranov.

Clearly, too, there is no generational problem in Bulgaria. All ages were represented in the spontaneous protest against the rise in electricity prices. Social networks may have played a major role in the mobilization.

During the demonstrations, what were the watchwords and slogans?
In the early days, the protest was clearly directed against electricity monopolies with fairly aggressive slogans, such as: “Out of Bulgaria”, “Nationalize monopolies”, “Lower the price of electricity”. Gradually, new slogans appeared, this time directed against the government, with calls to resign targeting the Minister of Finance who embodied austerity, the Minister of Energy, the deputies and finally (late January 2013) the Prime Minister himself. He was seen by protesters as unable to impose his authority on monopolies and stop their policy of raising electricity prices.

Today, people demand the creation of a transparent regulator, autonomous and independent from the government, which would be in charge of defining a limit to the rise in electricity prices. The protesters also want a citizen Council to carry out checks.

Is the resignation of Prime Minister Boyko Borissov a strategic move for the elections of 12 May 2013? Is there an alternative to B. Borissov and his GERB party (Citizens for European Development of Bulgaria) on the Bulgarian political scene?
Among the demonstrators there were some troublemakers who were responsible for clashes with the police. One of them, shot in the head on the Orlov Bridge (a symbolic crossroads in Sofia), made a deep impression on the public. So, protesters spontaneously converged on this bridge, thereby increasing tension with the police. B. Borissov felt he was losing control of the situation. He then used these clashes to announce that he would not “shed the blood” of the Bulgarian people and to submit his resignation, on February 20, 2013.

Had he not resigned, with the worsening situation on the streets, B. Borissov would have risked losing the confidence of his traditional electorate. Upon leaving office, he managed two things: to avoid direct confrontation with monopolies and to escape inextricable problems for him and his team. In addition, the chances of GERB in the parliamentary elections of May 2013 are even greater because there is no real political alternative, except the BSP (Bulgarian Socialist Party).

In your opinion, why is Bulgaria currently the poorest country in the EU? What is produced by Bulgaria?
The end of socialism and the transition to capitalism that followed during the 1990s and 2000s did not benefit the people, far from it. Only a handful of players have done well out of the game. Mass privatizations (distribution of vouchers to people to theoretically enable them to purchase firms), for instance, have benefited only a few people close to the government. We have another example with the most profitable assets which have almost all been sold to foreign investors. They went ahead with mass redundancies and then did not choose to reinvest profits in Bulgaria. Finally, following the recommendations of the IMF, the World Bank and the EU, public services were progressively privatized, which went hand in hand with the increase in their prices.

Bulgarian production began to decline in the early 1990s. Initially a member of the CMEA (Council for Mutual Economic Assistance, the market that linked the economies of socialist countries together), Bulgaria was specialized in multiple products such as chemicals, steel, electronics, etc. With the disintegration of the CMEA (June 1991), Bulgaria started its deindustrialization without being able to resume production for new markets; to such an extent that the country has become a desolate industrial wasteland.

From 1990 to 2013 without exception, no government or political party has been able to develop a coherent strategy. Each new government, consistently considering that the Bulgarian nation began with them, has undertaken reforms from scratch, disregarding the work done by previous governments. Public orders and purchases have always been used by all governments to create strong links with the business community. The companies that had the chance to be “elected” for public orders were regularly invited to provide services in return for people close to those in power.

During 20 years of transition, raising the standard of living of the people has never been a priority, much less job creation or building a future for Bulgaria. The tragedy of this country lies in the fact that its elite, in their overwhelming majority, are driven by their own private interests without any consideration for the common good. Two significant examples are those of Tsar Simeon (Simeon II, the last king of the Bulgarians from 1943 to 1946, was Prime Minister from July 2001 to August 2005) who came back only to recover his lands and those of... B. Borissov!

This desperate irresponsibility has now resulted in a disintegration of the Bulgarian society, disillusionment of the population, and young people fleeing abroad, where they seek what they no longer find in their own country: a future.

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