



Weekly Briefing

Bulgaria social briefing:
THE CORRUPTION IS ONE OF THE MOST SERIOUS ISSUES
FOR THE BULGARIAN SOCIETY
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THE CORRUPTION IS ONE OF THE MOST SERIOUS ISSUES FOR THE BULGARIAN SOCIETY

Corruption in all its forms and at all possible levels is one of the most serious social problems in Bulgaria. Corruption is a social phenomenon that has been known to mankind for millennia. In recent years, in Bulgaria, it has been a subject of intense debate in the public space and commented on numerous cases of corruption in various public spheres. By definition, corruption is seen as a complex and multifaceted social, economic and political phenomenon, since it is an abuse of economic, political, administrative and judicial power, which leads to personal or group benefits at the expense of the rights and legitimate interests of the individual, the particular community or the whole community. In the context of this definition, the realization of corruption implies the presence of an employee or a group of public sector employees (in the broad sense, including administrative officials, politicians, magistrates, employed in the budgetary sphere of services, etc.), abuse of public authority by an employee and reaping of personal or group benefits (financial, material, service).

Usually corruption is flourishing when institutions are weak and the functioning of market principles in the economy is limited. The corruption manifests itself where the self-interest finds favorable opportunities and preconditions for realization. Corruption can be found in virtually all spheres of public life. It is a complex phenomenon driven by its political and economic development, bureaucratic traditions and management practices.

But as already noted, in general, the motives for bribery are two basic types: to obtain certain benefits or to avoid certain losses (economic, political, status, moral, etc.).

Corruption in Bulgaria has been a central problem of the country since the late 1990s, and fighting it has been at the top of the government's agenda, at least on a declarative level. Despite that, Bulgaria has systematically demonstrated very high levels of perception of corruption. Government officials reportedly engage in embezzlement, influence trading, government procurement violations and bribery with impunity.

Reports by Transparency International under the Corruption Perceptions Index indicate that Bulgaria is considered the most corrupt member state of the European Union, to which Bulgaria acceded in 2007. In 2015, the European Commission found that Bulgaria had done almost nothing to stem the tide of corruption and organized crime. Other metrics such as the Global Corruption Barometer, the Freedom Barometer and the Rule of Law Index also show worrisome trends.

Unfortunately all the existing data as well as all the research work and surveys done recently, regarding this specific phenomena in Bulgaria shows that the levels, forms and scale of corruption in Bulgaria far exceed the average of such cases within Europe and at the same time represent one of the most serious social problems affecting all possible spheres of society (economy, politics, law enforcement, education, healthcare, services, etc.).

On 23 of January 2020 The Transparency International NGO has published its 2019 Corruption Perceptions Index in 180 countries. On a scale from 0 to 100 the highest perception of corruption is the index 0. Bulgaria has been included in the survey for the twenty-second time. The results show that for our country there is no particular movement in the ranking. Globally, Bulgaria steps up from 77th to 74th position which means that Bulgaria is the 74 least corrupt nations out of 180 countries. Again, on this indicator with an index of 43 Bulgaria comes last in the EU which means the most corrupt country in the European Union, which nevertheless shows some progress on 2018's score of 42. Hungary and Romania both score 44, the same as South Africa and Suriname. The ranking for 2019 reports an increase in the perception of corruption in a number of central and eastern European countries such as Romania, Hungary, the Czech Republic and Poland. Estonia remains with the lowest corruption among the former communist countries and is ranked 18th. They are followed by Armenia (77th; 42), Serbia (91st; 39), Bosnia and Herzegovina (101st; 36), Kosovo (101st; 36), Albania (106th; 35), North Macedonia (106th; 35) and Moldova (120th; 32).

This year's analysis shows corruption is more pervasive in countries where big money can flow freely into electoral campaigns and where governments listen only to the voices of wealthy or well-connected individuals which at some point is also the case of Bulgaria. The experts say that being below the average value of the index [of 50 points] means that there are systematic or deep problems with the corruption. In the past seven years Bulgaria sustainably remain on this level. There is no significant progress in the fight against corruption.

Another survey shows that 85% of businesses in Bulgaria polled by Eurobarometer saw corruption as widespread in the country, the European Commission said at the end of the previous year. This result, in the 2019 poll, was four percentage points lower than in a similar poll by Eurobarometer done in 2017. The poll found that 51 % of businesses in Bulgaria saw corruption as a problem, compared with an average in the European Union of 37 %. Given a range of options regarding which form of corruption was most widespread in Bulgaria and able to choose up to three answers, 46 % named funding of political parties in exchange for public contracts or influence over public policy, 39 % said kickbacks and 27 % said bribes. Asked if anyone in Bulgaria had asked or expected from the company to give a gift, favour or extra money in exchange for permits – such as building, land use or environmental permits, among

others – or services, 12 % of those polled said yes, a drop of four percentage points compared with the 2017 poll. Asked if, in the past three years, they believed that corruption had prevented their company from getting a public tender or procurement contract, 30 % of the businesses polled in Bulgaria said yes and 63 % said no. In the case of “yes”, this was a drop of one percentage point, and in the case of “no”, a gain of three percentage points compared with 2017. Forty-eight per cent did not agree that people and businesses in Bulgaria caught for petty corruption were appropriately punished, while 75 % rejected the statement that people and businesses caught bribing a senior official were appropriately punished. Seventy per cent did not believe that people or businesses engaged in corruption in Bulgaria would face charges and go to court, the Eurobarometer poll found.

Bulgaria has seen the eruption of numerous corruption scandals during the last year, culminating in recent weeks with the arrest of the environment minister, Neno Dimov, who became the first sitting minister ever to be arrested in the country. He has been charged over suspicions that he enabled the illegal siphoning of water from the Studena reservoir, which cut off supplies to the industrial town of Pernik, affecting over 100,000 people. The opposition also claim illegal waste imports were sent to Bulgaria by the Italian mafia to be burnt in local power plants. The environment scandal came on top of several other scandals embroiling members of Prime Minister Boyko Borissov’s government, as well as a public outcry over the appointment of the much-criticized Ivan Geshev as chief prosecutor, one of the most powerful positions in Bulgaria.

Another great scandal related also with corruption allegations is the one with the Bulgarian gambling mogul known as “The Skull” who has been charged in absentia with organizing a crime group, extortion, and attempted bribery by authorities in Bulgaria. Vasil Bozhkov is one of Bulgaria’s richest men, with a fortune estimated at \$1.5 billion. He has interests in casinos, hotels, lotteries, and media outlets, and owns over 30 companies. These include Levski Sofia, the country’s most successful soccer team. He is also reportedly an avid collector of rare Thracian artifacts. But he was referred to in a 2009 US diplomatic report leaked by the Wikileaks website as “Bulgaria’s most infamous gangster.” The report, authored by then-US ambassador to Bulgaria at that time, John Ordway, suggested that Bozhkov was slowly moving out of organized crime to concentrate on his legitimate business endeavors. But it alleged he still had a hand in “money laundering, privatization fraud, intimidation, extortion, racketeering, and illegal antique dealing.” Now, according to Bulgaria’s chief prosecutor, Ivan Geshev, the charges against Bozhkov relate to financial improprieties surrounding the country’s largest private lottery, “the National Lottery,” which is owned by the billionaire. Authorities are trying to trace \$118 million in missing lottery taxes and fees. Around 16 officials, among

them the head of the state's gambling commission, were arrested last weeks when prosecutors raided the National Lottery's headquarters and those of other companies owned by Bozhkov who himself appears to have fled Bulgaria. As a consequence, Bulgarian parliament voted to ban private lotteries and revoke the National Lottery's license immediately.

Soon after that two more charges have been pressed against the embattled gambling mogul Vasil Bozhkov. The spokesperson of the Prosecutor General, Siika Mileva, told a news briefing that he has also been charged with trading in influence and unlawful possession of cultural valuables. Several days later the law-enforcers said they are also probing Bozhkov for murder and rapes. They, however, don't have him as he fled the country days before the first charges were brought against him. He is currently in the United Arab Emirates. He was remanded in custody there and Bulgaria will try to bring him back.

In conclusion we may say that Bulgaria is not only the poorest state in the European Union but also the most corrupt one, according to the cited surveys. In fact, these two characteristics are closely interconnected, since a society in which much of the population lives on the brink of poverty and highly specialized jobs are grossly under-resourced, and in some cases even humbly underpaid, that kind of society is precisely the one that is conducive to the development and prosperity of many and different social evils, one of which is corruption. In such an environment, corruption has its ethical, social, political dimensions. Along with this, corruption creates significantly more insecurity and unpredictability of the social environment which also affects back the politics and economy of the country.

Yet, speaking of corruption and the close and connectedness with the general criminal environment in the country, we have to note the curious fact that there's a common saying: "Every country has the Mafia. But in Bulgaria, the Mafia has the country."

The EU has long pressured the country to eliminate malfeasance and Mafia influence among its governing officials and to reform its judiciary. Although the charges against Bozhkov — once considered untouchable — suggest that many lawmakers are ready to dismantle the so-called "Mafia state", Bulgaria's first place in the EU corruption ranking suggests that the problem is much deeper and that it requires much more serious and massive effort than a specific case.