

European Program

I. Enhancing the Rule of Law in the Process of Euro-Atlantic Integration

The main focus areas of CSD's European Program in 2002 were the issues of justice and home affairs (JHA) agenda of Euro-Atlantic integration. This agenda increasingly incorporates the problems of corruption, organized crime, trafficking, security sector reform, etc.

CSD has cooperated for several years now with the George C. Marshall European Center for Security Studies in the field of the security aspects of European and Atlantic integration. The Center for the Study of Democracy and the Marshall Center jointly organized a regional conference **Institutionalizing the Prevention of Corruption in Security Forces: Enhancing Preventive Structures** (March 11-14th, 2002, Sofia). The conference aimed to examine and assess the threat posed by organized crime and corruption to the national security in the region by streamlining

the anticorruption strategies and future activities of cooperation in that area. The event brought together approximately 50 senior executives from governmental security organizations from 11 countries in Southeast Europe (Albania, Bosnia and Herzegovina, Croatia, Hungary, Macedonia, Moldova, Rumania, Slovakia, Slovenia and Bulgaria) as well as special observers from international organizations and local NGOs. Keynote speakers included Mr. Nickolay Svinarov, Minister of Defense of Bulgaria, Mr. Roderick Moore, US Charge d'Affairs and Ambassador Victor Jackovich, Associate Director of the Marshall Center.

In the past few years, the potential for cooperation with non-governmental organizations and think-tanks in the global war against terrorism has been receiving increasing acknowledgement. This is particularly relevant in Southeast Europe where the new security risks are linked to the stability of government institutions and the capacity of law enforcement. A sign of this acknowledgement was the visit of General Joseph W. Ralston, Supreme Allied Commander Europe (SACEUR) to the Center for the Study of Democracy in



Participants at the conference Institutionalizing the Prevention of Corruption in Security Forces: Enhancing Preventive Structures

March 2002. SACEUR encouraged the cooperation already developed in this area between CSD and the George C. Marshall European Center for Security Studies, and underlined the contribution which efforts in the field of the rule of law can make to the security objectives pursued by the US government and its allies in the region.



General Ralston (left) met with Ambassador Boyko Noev, Director of CSD's European Program and former Minister of Defense of Bulgaria, and Dr. Ognian Shentov, CSD Chairman (right).

One of CSD's key contributions in the field of fighting global terrorism was the organization of the **Regional Policy Forum International Cooperation in Countering Terrorism** held in June 2002 jointly with the Ministry of Foreign Affairs of Bulgaria. The main purpose of the forum was to provide an understanding of the best national practices in countering terrorism and to transfer relevant experience between Southeast European countries. Government representatives from the SEE countries discussed the national and international actions directed to countering terrorism. The meeting facilitated the dialogue toward preparing future strategies for regional cooperation in this field. Discussions in two parallel sessions - „Combating Terrorism and Transnational Organized Crime“ and „Measures against Financing of Terrorism“ took place during the forum.

Among the speakers at the forum were Mr. Georgi Parvanov, President of Bulgaria, Mr. Solomon Passy, Minister of Foreign Affairs, representatives of the UN Security Council Counter - Terrorism Committee, the Multidisciplinary Group on International Action against Terrorism at the Council of Europe, the Stability Pact for SEE as well



From left to right: Mr. Boyko Kotzev, Deputy Minister of Interior, Mr. Georgi Parvanov, President of Bulgaria and Mr. Solomon Passy, Minister of Foreign Affairs of Bulgaria

as members of the National Assembly of Bulgaria, diplomats and NGO community representatives.

The Scandinavian countries have been showing an increasing interest in the field of the soft security issues in Southeast Europe. In this context, cooperation was established with the Norwegian government. With its support, the Center is currently implementing a long term program aimed at providing the Bulgarian security forces with the capacity to develop their own anti-corruption training. The program is carried out under a Memorandum of Understanding with the Ministry of Interior and includes anti-corruption training for trainers component delivered at the Academy of the Ministry. The same training is also provided to the Military Academy which prepares future members of Bulgaria's General Staff. The

logic of the programs is to span the national agencies which are dealing with both the "traditional" and the new security challenges, including organized crime.

The occasion of the visit of the Deputy National Police Commissioner and the Director of the National Criminal Investigation Service of Norway in September 2002 was used to outline the framework of future joint efforts in this area. During the visit to CSD Mr. Odd Malme, Deputy National Police Commissioner and Mr. Arne Huuse, Director of the National Criminal Investigation Service of Norway discussed a possible future cooperation with experts from the Ministry of the Interior of Bulgaria, including the National Service for Combating the Organized Crime and the Border Police.

As part of this program, in November, 2002, the Center for the Study of Democracy hosted an international conference on the "Economy of Crime: Gray Sector, Trafficking, Corruption". The event brought together 120 participants from Bulgaria, EU member states and candidate countries, SEE

countries and the US to assess the risks posed by organized crime and corruption to the security and development of Bulgarian society.

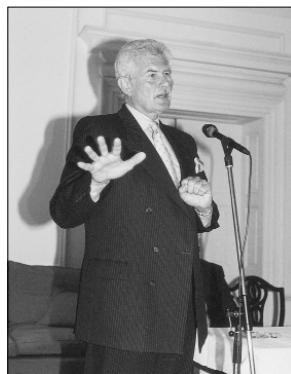
The flourishing of the economic crime in Bulgaria during the years of transition is a consequence of a number of national and international factors. Among the latter are international terrorism, the expansion of cross border organized crime, new dimensions of the international corruption in the context of the globalization of the economy, the destabilizing processes in the Western Balkans and the imposition of embargo regimes, the appearance of regional contraband channels and others. The national factors are the crisis of the reforming judicial system and the destabilization of the law enforcement agencies, which created an unfavorable legal and institutional environment for the developing business sector, and made the differentiation between the public and the private sphere problematic.



The MoU was signed at an official ceremony at the Military Academy in the presence of General Atanas Zapryanov, Rector of the Military Academy (right), Dr. Ognian Shentov, Chairman of CSD (second from right), Norwegian Ambassador Rolf Baltzersen, (second from left) and Ambassador Boyko Noev, former Minister of Defense and Director of the European Program at CSD (far left).

Conference Discussion Topics

Bulgarian politicians and experts, the US and UK Ambassadors, the Minister of Interior, the Deputy Minister of Finance, the Deputy Prosecutor General, the Mayor of Sofia and experts from the Customs Agency and the CSD Working Group on Contraband and Corruption presented and discussed the new developments in the institutional response to the gray economy and transnational crime.



*Mr. Keith Hellowell,
UK Anti-Drugs Coordinator*

One of the most serious issues related to organized crime and corruption for Bulgaria, which was among CSD's focus areas in 2002, was drug trafficking. The Center is working on establishing partnerships between NGOs and law-enforcement institutions from Bulgaria, and the EU countries and the US in this area. As part of this work, in April 2002 the British Embassy to Bulgaria and the Center for the Study of Democracy jointly organized a discussion with Mr. Keith Hellowell, the UK Anti-Drugs Coordinator, on the **New International Anti-Drugs Agenda**. Mr. Hellowell stressed that a number of countries in

Europe considered drugs as a strategic issue to be included in their agenda and further efforts had to be made by the EU member countries in this direction. According to Mr. Hellowell, governments could reach an easier solution to the drugs problem through better sharing of information and better intelligence. Mr. Hellowell pointed out that Bulgarian customs had made a considerable record of successful operations in drugs seizure in the last year and highlighted the importance of strengthening the control of drugs at sea ports.



From left to right: Minister of Interior Georgi Petkanov, UK Ambassador Ian Soutar, US Ambassador James Pardew, CSD Chairman Ognian Shentov at the opening of the conference Economy of Crime: Gray Sector, Trafficking, Corruption

CSD's European Program in the press

In 1998, in one of the first comprehensive policy studies on Bulgaria's EU accession, CSD suggested that Bulgaria should keep its currency board until its membership in EU's Economic and Monetary Union. At that time, the European Commission considered currency boards incompatible with the requirements of ERM II. As reminded recently by *Pari*, a Bulgarian economic daily, CSD's position was vindicated later by ECOFIN which admitted that such a transition was possible under some circumstances. "It is worth recalling that the possibility of the currency board staying in place until Bulgaria's full EU membership was first promoted in CSD's 1998 study "Bulgaria and the European Union: Towards an Institutional Infrastructure," said *Pari* in February 2002.

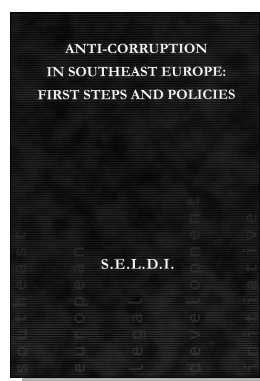
II. Regional and Policy Studies

CSD gives special attention to the cross-border aspects of Euro-Atlantic integration.

For a fourth year now the CSD has been the Executive Secretariat of the Southeast European Legal Development Initiative (SELDI) (www.seldi.net). In this capacity in 2002 CSD was the main implementing agency for the anti-corruption efforts of SELDI. CSD's work contributed to the promotion of a region-wide institutional framework for public-private cooperation in countering corruption in the countries of Southeast Europe. Among the key results of SELDI in this area is the **regionalization of national best-practice models**.

The main output of SELDI's anti-corruption efforts in 2002 was the

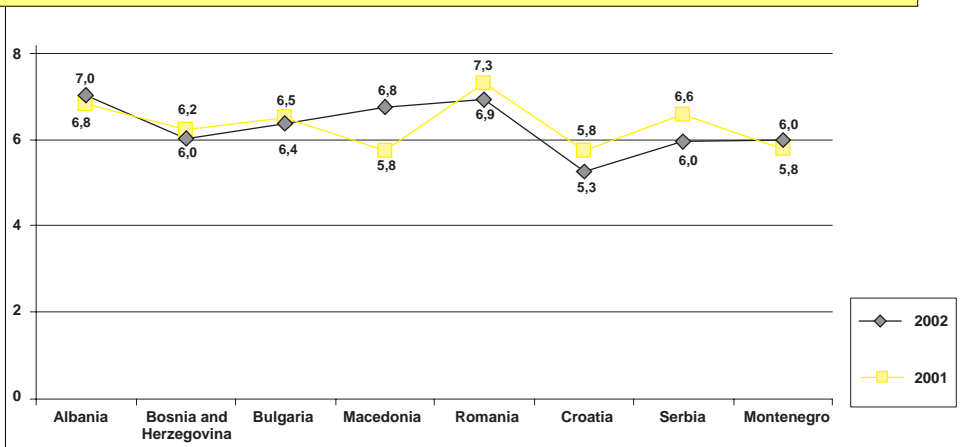
regional corruption assessment report *Anti-Corruption in Southeast Europe: First Steps and Policies*. The report aims to sensitize politicians and the civil society to the specific set of sources of corruption in the region. It analyzes the origins of cross-border corruption in Southeast Europe which is seen as a result of the rise of transnational crime caused by the violent break-up of former Yugoslavia. It demonstrates that regional factors significantly contribute to national-level corruption and could undermine national anti-corruption efforts. The report also evaluates the national circumstances in which the regional factors develop. It compares the national legislation and institutional practice in a number of areas critical to anti-corruption efforts: regulatory and legal framework, institutional prerequisites, corruption in the economy, the role of civil society and media, and international cooperation.



The implementation of the **Regional Corruption Monitoring System (RCMS) in Southeast Europe** in 2002 marked the third year of regional diagnostics of corruption in the region by SELDI. It is based on a uniform methodology that ensures comparability of results between countries and over time.

* * *

Spread of corruption in Southeast Europe (January 2001 - January 2002)



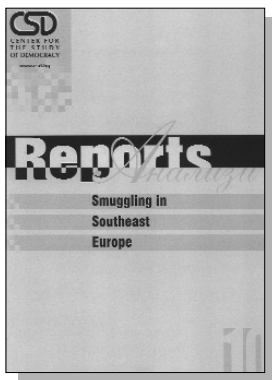
Source: SELDI Corruption Monitoring System

In 2002 CSD made a significant contribution to the understanding of the origins of soft security risks in Southeast Europe. Its study *Smuggling in Southeast Europe* analyzes and reviews the connection between the conflicts in former Yugoslavia and the growth of the trans-border crime in the region, and also looks at the related issue of corruption. The paper highlights the decisive impact of the Yugoslav wars on the development of the regional criminal networks, often set up and maintained not only with the knowledge, but even with the active participation of the highest state officials.

The research also makes a contribution to the study of conflicts in the Western Balkans. The majority of existing interpretations of causes, course and consequences of the Yugoslav wars try to provide the answers through ethnopolitical explanations. These unjustly ignore the importance of the interplay of the interests of political elites, organized crime groups, and the „mediating class“ of corrupt state officials.

* * *

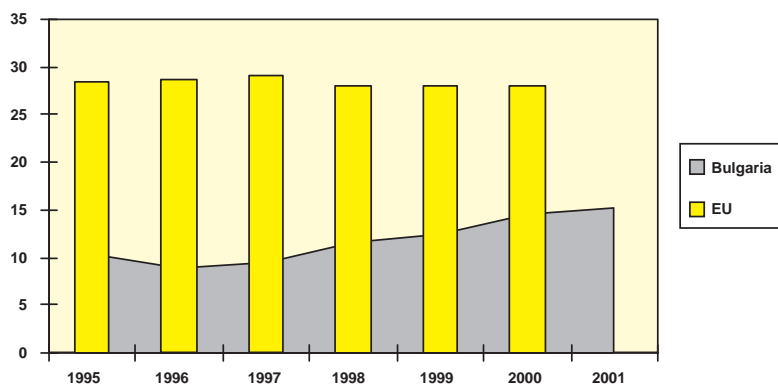
Continuing to provide policy analysis and recommendations on key aspects of Bulgaria's EU accession in 2002 the CSD was part of a study of the **social protection systems in the 13 EU applicant countries**. The study investigated and described the social protection systems in the candidate countries on the basis of a common methodology, identifying the major challenges in the current social, economic and demographic contexts, assessing recent reform efforts and highlighting major issues for further reform. The study analyzed the main features of the social protection system taking into account the economic, financial, social and demographic



Main findings for Bulgaria

Pension Insurance, Health Insurance, Poverty and Social Exclusion measures in Bulgaria are in conformity with European standards. At the same time the study confirms that additional efforts are needed in building institutional capacity in the sector. Significant work is necessary in the field of obtaining public support and the inclusion of non-governmental organizations in developing and implementing more efficient and effective instruments for social inclusion.

Social Expenses as % of GDP



Source: *Study of the Social Protection Systems in the 13 EU Applicant Countries, Report on Bulgaria*, Center for the Study of Democracy

contexts, including the financing of social protection, problems of poverty and social exclusion, characteristics and problems of the health care system, and other issues. The focus was on economic aspects paying specific attention to issues of efficiency, effectiveness, sustainability, adequacy of coverage and the economic incentives resulting from the system.

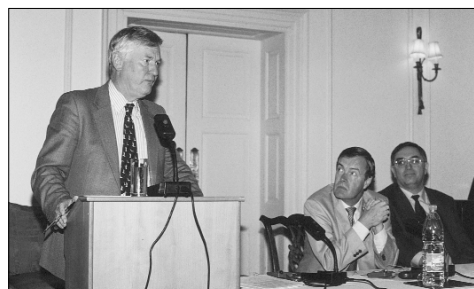
The study was carried out in cooperation with the Gesellschaft für Versicherungswissenschaft und Gestaltung E.V., a German association of institutions and individuals.

III. Facilitating Dialogue on EU and NATO Enlargement

Among CSD's main inputs in the efforts of Bulgaria to become a member of the

Euro-Atlantic structures has been the facilitation of an exchange of views and ideas between policy makers in the EU and NATO members, and the Bulgarian public.

In June, CSD hosted a visit to Bulgaria of one of the leading opinion makers in Europe on the **Structure of Europe after EU and NATO Enlargement**, Prof. William Wallace (Lord Wallace of Saltaire), Professor of International



Relations at the London School of Economics and member of the International Steering Board of SELDI. Meeting Bulgarian policy makers and experts, Lord Wallace pointed out that there was a shortage of strategic leadership in the EU at present with all member states being engaged mostly with domestic policy. A broad debate on the future of the EU and NATO needs to be conducted in all European countries and the initiative has to be taken by the EU institutions as regards to the further development of the European Security and Defense Policy with view to the new priorities in the US foreign and defense policy.

The **constitutional future of the European Union** was also an issue of interest to CSD in 2002. In November 2002 by invitation of CSD and the British Embassy to Bulgaria, Ms. Gisela Stuart, British MP and Member of the Presidium of the Convention on the future of the EU, met with represen-



tatives of the Ministry of Foreign Affairs, Ministry of Finance, Academy of the Ministry of Interior, MPs, diplomats and students. In her speech Ms. Stuart emphasized the importance of the Convention for the Future of Europe as a unique forum dealing for the first time with the issue of simplifying the EU institutional structure and decision-making process.

Among the most hotly debated topics as regards EU and NATO enlargement are the differences in crucial policy issues between Europe and the US. In his lecture on **European Anti-Americanism and American Anti-Europeanism** in October 2002 Dr. Joshua Muravchik, expert in U.S. foreign policy and international relations and resident scholar at the American Enterprise Institute, focused on the tensions between the USA and the EU member-states caused by their different views on their role in international affairs. In his opinion the European Defense and Security Policy is driven by the main objective of the EU - to be equal to the USA, the only superpower in the world after the end of the Cold War. The war in former Yugoslavia was the first test for the international community following the collapse of the communist regime. The EU member-states, however, did not manage to solve the conflict in its beginning and this had terrible consequences for the Western Balkans.



*Dr. Joshua Muravchik and CSD Program Director Boyko Todorov at the discussion **European Anti-Americanism and American Anti-Europeanism***