

# THE BULGARIAN NAVY AFTER THE COLD WAR

## Challenges of Building and Modernizing an Effective Navy

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**T**his article examines the Bulgarian government's struggle to modernize its navy since the end of the Cold War. Although the Bulgarian navy is small, it is an important navy and an interesting case study, for two reasons: it plays an important role in protecting and advancing Bulgaria's interests in the maritime domain, and it operates in an increasingly challenging maritime environment.<sup>1</sup> Situated in the southeastern part of the Balkan Peninsula on the Black Sea, on which it has a long coastline, Bulgaria has important economic and security interests in the maritime domain, and its navy has a significant part to play in protecting these interests. Bulgaria's Black Sea ports of Varna and Bourgas are the gateways of 60 percent of the nation's foreign trade and are vital to its economy.<sup>2</sup> Bulgaria has also become one of the leading tourist destinations in Europe; tourism is one of the fastest-growing sectors of the economy.<sup>3</sup> Bulgaria's tourist industry is heavily concentrated in the Black Sea coastal resorts, and the government sees a threat to this industry from pollution at sea as a threat to national security.<sup>4</sup> The Black Sea—specifically, Bulgaria's ability to use it—also provides Sofia with

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the opportunity to diversify its energy resources, something that it recognizes as of vital security importance.<sup>5</sup> The Bulgarian navy also plays an important role in addressing the rise in the use of the Black Sea by organized crime groups.<sup>6</sup> Bulgaria, at the crossroads between the Balkans and Europe, lies on several maritime smuggling routes; according to Europol, the European Union (EU) law-enforcement agency, "Bulgaria now serves as a transit point for maritime shipment from Latin

America, trafficking from West Africa via Turkey and the Balkan routes, and cocaine destined for Italian criminal groups.<sup>7</sup>

The ability of the Bulgarian navy to protect its own security interests and NATO's southern flanks and borders in the Black Sea also matters, and increasingly so in light of recent events in the area. The Russian annexation of Crimea and the ongoing conflict in eastern Ukraine have created a more challenging maritime security environment than in recent years for Bulgaria and NATO members. Bulgaria's relations with the Russian Federation, a traditional ally, have become increasingly strained since the Bulgarian government criticized the Russian annexation and decided in June to suspend the construction of Bulgaria's section of South Stream, a new Russian gas pipeline that would bypass Ukraine.<sup>8</sup> In an additional clear sign of Bulgaria's concern about the security challenges in the Black Sea, the Bulgarian president has called for an increase in NATO's focus in the southeast, more joint exercises, and more active use of Bulgaria's military facilities by both NATO and the United States.<sup>9</sup>

In light of these concerns and the changed geostrategic environment, the United States and NATO allies have demonstrated commitments to Bulgaria and to the future development of the Bulgarian navy by engaging in a number of ship visits and naval exercises.<sup>10</sup> In June 2014 the American defense secretary, Chuck Hagel, visiting the Black Sea, made it clear that the United States would continue to sustain a strong naval presence in the region. He also outlined how the United States was stepping up cooperation with partners and allies surrounding the Black Sea, including Bulgaria.<sup>11</sup> In September, NATO, demonstrating its commitment to Bulgaria, opened a crisis-management center in Sofia to enhance capacity building, boost interoperability, and promote the training in local conditions for commanders and leaders from NATO member states.<sup>12</sup> But given Bulgaria's important security interests in the Black Sea and the growing concern among NATO allies about security there, it must be asked: Is the Bulgarian navy up to the task?

This article, in three sections, addresses this question and argues that although Bulgaria, a resource-constrained formerly communist state, has had some success in building a navy that can protect its interests in the Black Sea and work alongside its NATO allies, the results have been mixed. The Bulgarian government faces many difficulties in supporting and developing its navy over the long term. The first section examines the pernicious effect on the Bulgarian navy of the absence of defense reform in the decade after 1989, of political instability, and of declining defense budgets. The second section looks at how a decision by the Bulgarian government in 1997 to seek NATO membership created the impetus and political commitment necessary to implement a radical process of naval reform, a program that included the purchase of a number of secondhand naval platforms

and the introduction of a new personnel-management system that increasingly professionalized the navy. The last section, however, notes the failure of recent defense reforms, particularly in developing coherent and well-funded reform objectives. That failure, along with the continuing devastating effect of the global economic crisis on the Bulgarian economy, is seriously delaying and hampering the development of an effective and efficient Bulgarian navy.

#### THE EARLY YEARS OF INDEPENDENCE: FAILURE TO BUILD A PROFESSIONAL NAVY

Bulgaria's ability to build a navy after the fall of the Soviet Union (USSR) was adversely shaped by its Cold War legacy, the lack of defense reform for almost a decade after the communist leadership was replaced in 1989, and declining defense budgets. During the Cold War Bulgaria's defense posture was based on the assumption that the Warsaw Pact would provide unconditional assistance in the event of a military conflict. Bulgaria's role was to defend the alliance's southern flank; it had clearly defined enemies and tasks. The Cold War Bulgarian navy was to provide naval units to supplement those of the Soviet navy at Sevastopol to achieve maritime dominance in the Black Sea.<sup>13</sup> The Bulgarian navy was made up of four components: the Black Sea Fleet, the Danube Flotilla, a coastal-defense force, and a shore establishment. Its main force consisted of four *Pobeda*-class submarines, two *Drazki*-class frigates, five *Poti*-class corvettes, six *Osa*-class missile patrol boats, six *Shershen*-class torpedo boats, and ten patrol craft, with a total of ten thousand personnel.<sup>14</sup> In addition, the Bulgarian navy operated thirty mine-countermeasures ships, including four then-modern, Soviet-built, *Sonya*-class oceangoing minesweepers acquired in the early 1980s, two Polish-built medium landing ships, nineteen medium landing craft, and a squadron of three armed and nine unarmed search-and-rescue helicopters.<sup>15</sup>

As one of Moscow's most loyal allies, Bulgaria received not only military but economic assistance from the Soviet Union. Between 1946 and 1990 Bulgaria received almost U.S.\$16.7 billion worth of military and defense industrial assistance.<sup>16</sup> The loss of military assistance from the USSR and the lack of subsequent investment in naval assets and capabilities by successive Bulgarian governments impacted negatively on the nation's maritime power. The loss of access to Soviet spares and upgrades resulted in serious deterioration in maritime equipment and capabilities. The delivery in 1990 of three Soviet *Poti*-class corvettes was to be the last addition to Bulgaria's maritime assets for fifteen years.

In light of the collapse of the USSR and the dismantling of the Warsaw Pact, Bulgaria could no longer rely on either for security, defense, maritime assistance, equipment, or aid. In the early 1990s Bulgaria was faced with developing a new defense policy, setting new strategic goals and priorities, and restructuring its

military forces. The Bulgarian government moved quickly to assume democratic control over the military. Legislation in 1990 depoliticized the military, and a new constitution a year later established executive control and parliamentary oversight of the Bulgarian armed forces.<sup>17</sup> The government appointed a civilian defense minister and changed the organizational structure of the Ministry of Defense. Despite this early progress in assuming democratic control over the military, however, defense reform over the next decade would be little more than cosmetic.<sup>18</sup> Between 1989 and 1997 not only did successive Bulgarian governments fail to prioritize defense reform but political instability and the poor state of the economy led to a rapid decline in the navy and the professionalism of personnel.

In fact, after the adoption of the law depoliticizing the military, the political parties in Bulgaria paid little attention to the problems of modernizing the navy. The absence of a political consensus on how to reform the state itself hampered agreement on defense. In the first eight years of independence (that is, of the communist bloc, the sense in which the term is used hereafter) Bulgaria had four parliamentary elections and eight changes of government, in which the two main parties, the Bulgarian Socialist Party (BSP) and the Union of Democratic Forces (UDF), alternated in power.<sup>19</sup> Neither the BSP nor the UDF secured enough seats in the parliament to push through much-needed legislation, resulting in endless bickering and parliamentary deadlock.<sup>20</sup> Due to the adversarial nature of the political system, Bulgarian politics during this period was stagnant, dominated by destructive “zero-sum games” in which decisions were driven by ideology or private and partisan interests.<sup>21</sup> As a result of the polarization between the two main political parties, hard political decisions, in particular how to reform and restructure the navy, were delayed.

The modernization of the Bulgarian navy was also hampered by the failure in the 1990s of the two main parties to agree on the direction of Bulgaria’s foreign and security policy. In 1995 the government, headed by Zhan Videnov of the Socialist Party, finally published Bulgaria’s first “National Security Concept.” This document reflected deep division between the two parties over how best to address Bulgaria’s security challenges. The Socialist Party viewed security in largely traditional ways, emphasizing accumulation of military power and the maintenance of ties with traditional allies; the UDF, for its part, sought integration with both NATO and the EU.<sup>22</sup> The failure of the two parties to agree meant that between 1989 and 1997 the navy was given no strategic guidance on how to redefine its roles, doctrine, and missions. As a result of this lack of strategic direction—in essence the failure of successive Bulgarian governments to engage in effective strategy and defense planning—the navy, like the remainder of the Bulgarian Armed Forces (BAF), was not reduced in size and retained its old, Cold War–era functions, tasks, and structures until the late 1990s.<sup>23</sup> One of the

pernicious effects of the lack of agreement on grand strategic goals and the failure to conduct a rational threat assessment was that the BAF remained at their 1991 level of 107,000 personnel almost eight years after independence.<sup>24</sup>

The poor state of the Bulgarian economy and the failure of successive Bulgarian governments to reform and restructure it systematically also had a negative effect on the post-Cold War navy. By 1990, the inefficient, centrally planned Bulgarian economy was close to collapse. The new government faced a decline in production, growing inflation and unemployment, a large budget deficit, a huge foreign debt, and the collapse of trade with traditional partners. In this economic crisis the defense budget was reduced by 38 percent, from \$550 million in 1990 to \$340 million in 1991.<sup>25</sup> A high rate of inflation in 1990 and through February 1991 further eroded the defense budget.<sup>26</sup> This decline continued, reaching an all-time low of \$230 million in 1994.<sup>27</sup> In 1995 the defense minister not only asked for a quadrupling of the budget but also expressed concern that military reform and attempts to improve the social conditions of service personnel were being jeopardized.<sup>28</sup>

In an attempt to address the growing economic crisis, in the early 1990s the UDF government introduced an ambitious program of shock therapy, under which the Bulgarian economy showed tentative signs of recovery. In 1994 it recorded its first positive growth in real gross domestic product (GDP); a year later, inflation dropped to 33 percent.<sup>29</sup> However, failure by the Socialist Party, in power again from 1994 to 1997, to implement consistent structural reform, combined with lax fiscal and monetary policy, erased almost all of these achievements, and the Bulgarian economy once again declined rapidly. By the end of 1996 Bulgaria had become the “worst managed country in Europe.”<sup>30</sup> Inflation was over 300 percent, GDP growth had fallen by more than 10 percent, and the currency had collapsed; the nation was plunged into deep recession.<sup>31</sup>

This economic crisis caused not only a significant decrease in defense expenditure but inflationary pressure that shrank the defense budget in real terms. Because of the failure of successive preceding governments to downsize the military, almost 90 percent of the declining defense budget was needed to cover personnel costs, leaving little scope for investment in new naval equipment, infrastructure, or support. After lengthy budgetary negotiations each year within the fractious Bulgarian parliament, the military received only a portion of what it requested—50 percent of it in 1995 and 46.4 percent in 1996.<sup>32</sup> The Bulgarian navy was forced to exist on a subsistence budget, with insufficient resources for training, spare parts, or procurement.<sup>33</sup>

By 1997 the navy, like the other two services, had become little more than a hollow structure, with “a totally distorted officer pyramid, lack of competent NCO’s [noncommissioned officers], untrained conscripts [and] low readiness of

equipment.<sup>34</sup> The Bulgarian navy faced poor service conditions, a lack of clearly defined missions, and low morale. In 1995 the defense minister, Boyko Noev, had argued that the government's emphasis should shift from equipment to people.<sup>35</sup> In particular, he declared, defense reform needed to improve the living conditions of officers and stem corruption. This concern about service conditions was echoed by Noev's successor, Dimitur Pavlov, who stated that military pay scales remained low and housing was woefully inadequate, both owing to the lack of funds.<sup>36</sup>

As a result of such conditions the Bulgarian military struggled to retain and recruit officers. Many young officers cited poor service conditions as their main reason for leaving the military.<sup>37</sup> In mid-1998 new legislation cutting military severance pay from twenty months to six drove a high number of officers to apply for discharge.<sup>38</sup> Early attempts to move toward a semiprofessional—that is, only partly formed of conscripts—force were hampered by low pay. In 1997, the services failed to reach a target of recruiting up to 120 military professionals; interest in the new positions was extremely low.<sup>39</sup> At a monthly salary of between \$73 and \$110, only forty-eight military professionals joined.<sup>40</sup>

The Bulgarian military has also had problems with crime, corruption, alcohol, and drug abuse. In 1997 a dozen generals and other senior officers were punished for serious violations in misuse of state funds, theft from military stores, and other offenses.<sup>41</sup> In 1998 officials revealed that approximately U.S.\$456,334 worth of items were missing from the 1997 army inventory and that forty-three personnel were being investigated.<sup>42</sup> Social problems including bullying, alcoholism, and drug abuse were other reflections of low morale in the 1990s and failure to develop a professional ethos. A report published in 1998 revealed that while reported cases of bullying had decreased, the numbers of drug addicts, alcoholics, and suicides among military personnel had increased.<sup>43</sup> Professionalism in the Bulgarian navy was compromised also by the lack of training. By 1997 the failure to fund or prioritize defense reform had resulted in a dramatic decline in the level of training across all three services, land, sea, and air.<sup>44</sup>

## **BUILDING A BULGARIAN NAVY: ONE STEP FORWARD, TWO STEPS BACK**

In April 1997 a new majority government formed by the UDF and its allies was elected. It launched an ambitious economic reform package and provided clear foreign-policy direction that was to constitute the strategic guidance and political commitment that began the process of building a navy. To stabilize the economy the government established a currency board that pegged the Bulgarian unit of currency, the lev, to the German mark. The banking sector was reformed, and legislation was introduced to tackle crime. As a result of the new government's

policies, annual inflation, consumer prices, and unemployment fell.<sup>45</sup> The fixed exchange rate restored international confidence in the Bulgarian currency, and GDP increased by 4 percent in 1998.<sup>46</sup>

The UDF government also announced an intention to seek both NATO and EU membership. The decision to join NATO, in particular, created the impetus for and the framework of far-reaching defense reform. Over the next few years the government approved a series of documents that laid down the strategic guidance necessary to reform the military and build a navy. A National Security Concept was approved in April 1998, and a year later a new military doctrine and a defense-reform strategy, Plan 2001 (in October). Plan 2001 restructured, reduced, and, in its final phase, modernized the BAF. Under these proposals the BAF would become a smaller, more mobile, NATO-interoperable, and professional military with high operational effectiveness. The BAF would be reduced initially to seventy-five thousand and restructured into the Rapid Reaction Force and the First and Third Army Corps, the latter two at reduced manning levels.<sup>47</sup> The Rapid Reaction Force would consist of fully equipped and manned land, air, and naval components.<sup>48</sup> The final stage of defense reform involved reducing the BAF to sixty-five thousand personnel, later revised to forty-five thousand; the savings in personnel costs would be applied to modernization and NATO compatibility.<sup>49</sup> For the Bulgarian navy, rearmament and modernization would include the upgrading of command and control and of auxiliary ships and the introduction of mine-clearing capabilities.<sup>50</sup>

However, in the five years before Bulgaria joined NATO in 2004, the government struggled to make any real progress. In 2004 the majority of Bulgaria's maritime assets were still outdated and not interoperable with NATO forces.<sup>51</sup> The navy, which took on new responsibilities with NATO membership, had not received any new platforms since independence and was forced to carry on with outdated and rapidly decaying Soviet-era ships and equipment. It was clear that while the government had finally provided the strategic guidance necessary to build a small, professional navy, translating these goals into a coherent and well-funded plan was more difficult. In 2004, after the decommissioning and sale of old platforms, the Bulgarian navy was made up of two submarines, one frigate, and a number of fast patrol craft, corvettes, and minesweepers; as a whole, the navy was barely operational.<sup>52</sup>

Writing in 2004, the Naval Chief of Staff, Rear Admiral Emil Lyutzkanov, acknowledged that the navy was in urgent need of modernization to meet the expanded demands of NATO membership.<sup>53</sup> In that year the Bulgarian navy had three clear missions: first, guaranteeing Bulgaria's national sovereignty, security, and independence and protecting its territorial integrity, as well as fulfilling its commitments under article 5 of the NATO treaty; second, supporting international

peace and security; and third, contributing to national security in peacetime. To fulfill these missions effectively, Admiral Lyutskanov recognized, the navy would need new ships and modernized coastal, sea, and airborne command-and-control, surveillance, and weapon systems that were fully interoperable with those of NATO allies.<sup>54</sup>

The new security and defense commitments led the Bulgarian government to conduct a Strategic Defense Review. This review led to the development of a long-term plan for transforming the BAF over the next decade. Under the Plan for Organizational Development and Modernization of the Structures of the Armed Forces, by 2015 the government would phase out conscription, making the BAF fully professional and thereby increasing its usability and effectiveness. To improve the operational capability of the BAF, in May 2004 the government approved eleven priority force-modernization projects including new equipment for the navy. The Bulgarian navy was substantially increased by the acquisition of three secondhand Belgian frigates and one minehunter. In October 2005 the navy took delivery of the first of its *Wielingen*-class frigates, *Drazki*; the second, *Gordi*, followed in August 2008. In 2009 the third frigate, *Verni*, and an ex-Belgian Flower-class minehunter, *Tsbar*, were also delivered.<sup>55</sup>

Bulgaria also has made significant progress in creating the conditions for the establishment of a professional naval force. It has created a new personnel management system, improved education and training, and has realized important benefits from active participation in regional and international military operations. The *White Paper on Defence*, published in 2011, outlined a policy and system for managing human resources so as to develop further the professionalism of the BAF.<sup>56</sup> The aim is to produce well-trained and highly motivated military service personnel at all ranks through effective and efficient personnel management. The new system eliminates irregularities in promotion and introduces a clear and strict procedure for appointments.<sup>57</sup> Relief and dismissal of all service personnel will be governed by strict rules, and rotation to new appointments will be designed to build an experienced, talented, and professional staff. The Bulgarian government has also recognized the importance of education. In 2012 it allowed officer candidates, noncommissioned officers, and privates to apply for and receive regular education at Bulgaria's military schools of higher education.<sup>58</sup> This will not only enhance the career development of service personnel but also help the navy recruit and retain professional-quality personnel.

Over the last few years successive Bulgarian governments have also acknowledged the importance of international cooperation and training. The 2011 white paper recognizes that the "experience gained by our forces and structures through participation in military operations has proven to be of exceptional importance."<sup>59</sup> In 2011, *Drazki* took part in the NATO operation that supported the arms

embargo against Libya, and the Bulgarian navy joined nine international and joint exercises.<sup>60</sup> During Exercise BREEZE/CERTEX 2011 the navy participated in crisis-response scenarios and developed its skills for addressing asymmetrical threats. The Bulgarian navy today regularly participates in the Turkish-led maritime-security operation BLACKSEAFOR; in August 2013 the minehunter *Priboy* conducted several exercises and visited Turkish and Russian ports.<sup>61</sup>

The Bulgarian navy has also introduced extensive simulation-based training and set up a NATO-dedicated Regional Centre for Training Ships' Crews. A center for training sailors and soldiers and a facility for preparing ships' crews for joint operations was successfully set up at the Naval Academy in Varna. In 2001 this facility also received navigational, engine-room, and Global Maritime Distress and Safety System simulators; these were upgraded in 2012.<sup>62</sup> The crew of the frigate *Smely* underwent the first course at this newly designated NATO-dedicated Regional Centre for Training Ships' Crews. Rear Admiral Lyutzkanov believes that such training has allowed the Bulgarian navy to become an important contributor to national security and to the collective security of NATO.<sup>63</sup>

#### ONGOING CHALLENGES OF BUILDING A BULGARIAN NAVY

Despite such progress, especially an increasingly professional cadre and new platforms that go some way toward allowing the service to perform its new roles, the Bulgarian navy continues to suffer from decline in its budget. As a reflection of the European economic crisis, Bulgaria's defense budget was reduced by 28 percent in 2010 and fell below 1.5 percent of GDP.<sup>64</sup> That is especially significant because the defense white paper states that the optimal balance between the capabilities of the BAF and resources available requires a defense budget no less than 1.5 percent of GDP.<sup>65</sup> The importance of the 1.5 percent threshold was reiterated by Defense Minister Anyu Angelov, saying it was the minimum needed to modernize the BAF.<sup>66</sup> In 2010 the Ministry of Defense budget was 1.42 percent, in 2012 it dropped to 1.24 percent, and a year later it was a mere 1.38 percent.<sup>67</sup> The Ministry of Defense formally conceded in September 2014 that owing to the financial austerity the defense budgets of 2010–14 had fallen to a dangerously low level.<sup>68</sup>

The inability to fund defense at 1.5 percent of GDP has delayed further refurbishment and modernization of maritime platforms, including plans to upgrade the frigates.<sup>69</sup> It has also left insufficient resources for maritime services, repairs, and spare parts, hampering maintenance and the normal functioning of the navy.<sup>70</sup> The last of Bulgaria's operational submarines, *Slava*, has been retired and will almost certainly not be replaced. In 1954 the Soviet Union had given Bulgaria three submarines and in 1958 two more, one of them *Slava*. Claims by the general staff of the Bulgarian navy in 2007 that two submarines would be purchased by

2012 failed to be borne out. Several Soviet-era missile boats and minesweepers have been decommissioned as well.<sup>71</sup>

Future naval modernization and upgrades have also been hampered by the requirement to prioritize future procurement in light of the shrinking budget. Anyu Angelov's top three investment priorities for the next decade are new multirole fighter aircraft, infantry fighting vehicles, and the modernization and upgrading of the frigates, including a capability to operate helicopters.<sup>72</sup> These objectives are, however, conditional on an average annual defense budget of 1.5 percent of GDP and a substantial reduction in personnel costs. At this writing the government planned to reduce personnel costs from 75 percent of the defense budget to 60 percent by 2014; that would increase capital expenditure from 1 percent of the budget in 2010 to 15 percent by 2014 and free as much as \$1.5 billion by 2020 to acquire and upgrade military equipment.<sup>73</sup>

Meanwhile, budgetary constraints have forced the government to prioritize force modernization even more narrowly, and this will impact on Bulgaria's navy in the medium term. The top priority is now the purchase of new multirole fighter aircraft to replace the aging and outdated Soviet platforms.<sup>74</sup> Although this accession will augment Bulgaria's ability to protect its interests in the maritime domain, its cost will delay other maritime modernization (weapons and navigation systems for the navy, for instance) and future improvements until at least 2016.<sup>75</sup>

The Bulgarian government has allocated almost half its current \$1.5 billion procurement budget to the purchase of eight or nine new or, more likely, used multirole fighter jets. Tenders were delayed, however, by the decline of the defense budget in 2012 and politicization of the issue. The delay is likely to delay in turn naval modernization.

Attempts by both the United States (directly) and the EU (indirectly) to shape Bulgaria's air procurement have further confused and impeded this pressing decision. As a result of the general economic downturn there has been fierce competition among European and American firms for the provision of Bulgaria's new multirole aircraft. A leaked American diplomatic cable suggests that the United States actively encouraged the Bulgarian government to purchase secondhand F-16s rather than the more expensive Eurofighters, Swedish Gripens, or Joint Strike Fighters. From the U.S. viewpoint, purchase of F-16s or F/A-18s would not only catalyze Bulgarian operational and tactical transformation but minimize pressure on a squeezed defense budget.<sup>76</sup> However, the EU has raised concerns about the Bulgarian government's decision to procure jets without holding an open tender.<sup>77</sup> In response to EU pressure, in late 2012 the Bulgarian government announced that it had held preliminary talks on the possibility of acquiring secondhand fighters from a number of European states as well as the United States.

The Bulgarian defense minister ruled out purchase from the European defense giant EADS or the U.S. firm Lockheed Martin, but there was still a possibility of buying Gripen fighters from Sweden.<sup>78</sup>

The Bulgarian government has therefore been forced to make a difficult choice between the favored alternative of deferring to its key ally the United States and abiding by the legal requirement imposed by EU membership for a transparent and open tendering process (risking further delay). In light of these political pressures on the aircraft decision, the Bulgarian navy is unlikely to be upgraded or modernized before the end of this decade.

Despite the significant improvements in training, education, and social conditions outlined above, problems remain that could hamper the growth of professionalization within the Bulgarian navy. As the defense white paper acknowledges, much of the military housing stock is in need of major repairs; as a result of the lack of funding, there has been a decline in its standard and quantity. Estimates suggest that needed improvements could cost up to \$300 million.<sup>79</sup> In addition, morale is likely to be affected in the short term by downsizing of personnel and “transformation fatigue.” Under plans announced in 2011 the Bulgarian military would be reduced from just over forty-four thousand to thirty-seven thousand by 2014, with the navy making up only 13 percent.<sup>80</sup> Recent estimates suggest, however, that the Bulgarian military has been even further downsized, to just below thirty thousand.<sup>81</sup> The problem of maintaining military morale in light of the ongoing failure of military reform and brutal downsizing by the government in light of the economic austerity is explicitly recognized in the white paper.<sup>82</sup> It is clear that the government is keenly aware of the challenge of motivating service personnel for what will be an extremely difficult next round of military transformation.

Further improvements in the navy are also likely to be adversely affected by the scale of the task of transforming the military generally. The Plan for Organizational Development and Modernization of the Structures of the Armed Forces has been heavily criticized for failing to deliver a modern, interoperable, and well-equipped Bulgarian military. During the initial stages of implementation the Ministry of Defense conceded that its ambitious objectives could not be met by 2015. Four key reasons were identified. First, budgetary constraints made it impossible.<sup>83</sup> Given the bloc obsolescence of BAF equipment the ministry had to prioritize key areas. Second, inability to reduce quickly the size of the defense sector restricted ability to invest in combat training or new equipment. Third, defense reform was hampered by lack of coordination among and integration of the Ministry of Defense, the General Staff, and the operating forces. Last, the Defense Ministry cannot assure financing for long-term projects.

In general, the Bulgarian Ministry of Defense was not institutionally ready to manage the reform process, and it lacked necessary financial and political support to make difficult decisions.<sup>84</sup> In 2009 the minister of defense, then Nikolay Mladenov, declared the current stage of defense reform had failed; a lack of clear prioritization and guaranteed funding for ambitious projects had led to many costly and not very wise decisions.<sup>85</sup> To that point more than three billion Bulgarian leva had been spent on modernizing the BAF but had produced little real increase in combat capabilities.<sup>86</sup>

The Bulgarian government responded in 2009 to the failure of reform with a “force structure review” that resulted in the new *White Paper on Defence*.<sup>87</sup> The white paper was an attempt to address directly what defense Bulgaria needs and, more importantly, what it can actually afford. It begins by recognizing that the principal objectives of the previous white paper had not been achieved; because of “arbitrary self-interested decisions for purchasing new equipment,” the gradual process of building up the BAF’s capabilities had to a large extent not taken place.<sup>88</sup> The white paper also explicitly recognizes the costly obligations made by previous governments to foreign and Bulgarian companies for armaments, technology, and services. In 2010 the government had to use state reserves to pay for several military contracts—involving transport helicopters, fixed-wing aircraft, armored utility vehicles, frigates, and minehunters—that had run into financial difficulties. The Bulgarian government has also been forced to renegotiate, cancel, or delay a number of major projects, with considerable effect on the navy. For instance, in 2009 the government canceled an agreement made four years earlier to buy four French Gowind corvettes, a deal estimated to cost up to U.S.\$900 million.<sup>89</sup> In 2011 it renegotiated a contract signed in 2005 for navy helicopters.<sup>90</sup> The Bulgarian navy will now receive three rather than six Panther helicopters.

The bleak prospects for the Bulgarian navy are unlikely to improve until at least 2020. That calls into question the extent to which the navy can advance Bulgaria’s interests or those of NATO allies in the Black Sea. At the recent NATO summit in August 2014 the Bulgarian government pledged to increase military spending gradually, from 1.33 percent of GDP to 1.5 percent by 2015 and subsequently by 0.1 percent of GDP each year, reaching 2 percent by 2020.<sup>91</sup> The Bulgarian president, Rosen Plevneliev, acknowledged his nation’s low level of investment in military equipment and declared, perhaps optimistically, that by 2020 Bulgaria would set aside 15 percent of its defense budget for capital spending and new high-tech capabilities.<sup>92</sup>

In September 2014 the Bulgarian Ministry of Defense published “Bulgaria in NATO and in European Defence 2020,” which stated that “given the rapidly evolving challenges of [the] modern strategic environment, without NATO Bulgaria does not have the necessary military resources to effectively guarantee its

security.”<sup>93</sup> This document also spelled out its future priorities for the navy but not firm timelines for this very modest force modernization. Future plans include the modernization of its frigates to enable the Bulgarian navy to participate in sea traffic surveillance and control operations, detection of weapons of mass effect, and interchange of information in real time.<sup>94</sup>

Bulgaria has made some progress in building a navy able to advance its interests in the Black Sea and work alongside NATO allies. Modernizing the Bulgarian navy has, however, been a slow and difficult process, and future maritime upgrading and modernization, as well as the recruitment of a sufficient number of professional sailors, are likely to be undermined by the scale of the task and by the high cost of completing Bulgaria’s broader military transformation. Initial delays in defense reform during the 1990s followed by, a decade later, poorly conceived, insufficiently funded, and overly ambitious attempts to create rapidly a modern NATO-interoperable navy have left a burdensome legacy. Aside from a core force of secondhand warships, the navy’s platforms are “old, inadequate and mostly non-operational leaving the Bulgarian navy struggling to establish viable operational capability with sufficient numbers of properly trained personnel.”<sup>95</sup> This situation is unlikely to improve in the medium term. The requirement to prioritize defense spending, insufficient military funding year on year, and high personnel costs will delay the planned upgrade of Bulgaria’s frigates and the modernization of its auxiliary platforms until at least 2020.

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## NOTES

- The author would like to thank anonymous referees for their helpful comments, in particular a suggestion for the title.
1. For a discussion of small navies see Michael Mulqueen, Deborah Sanders, and Ian Speller, eds., *Small Navies: Strategy and Policy for Small Navies in Peace and War* (Farnham, U.K.: Ashgate, 2014).
  2. This point was made by Rear Adm. Minko Kavaldjiev, former Chief of the Navy, Republic of Bulgaria, at an international conference, “Strengthening Black Sea Maritime Security,” Sofia, 1–3 November 2005; proceedings available at [eaei.files.wordpress.com/2008/01/black-sea.pdf](http://eaei.files.wordpress.com/2008/01/black-sea.pdf).
  3. “Bulgaria Tourism Statistics for First 6 Months of 2012,” *FTN.news*, 29 July 2012, [ftnnews.com/](http://ftnnews.com/); Ministry of Foreign Affairs of Denmark: The Trade Council, “Tourism Sector Bulgaria,” *Denmark in Bulgaria*, May 2012, [bulgarien.um.dk/](http://bulgarien.um.dk/).
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