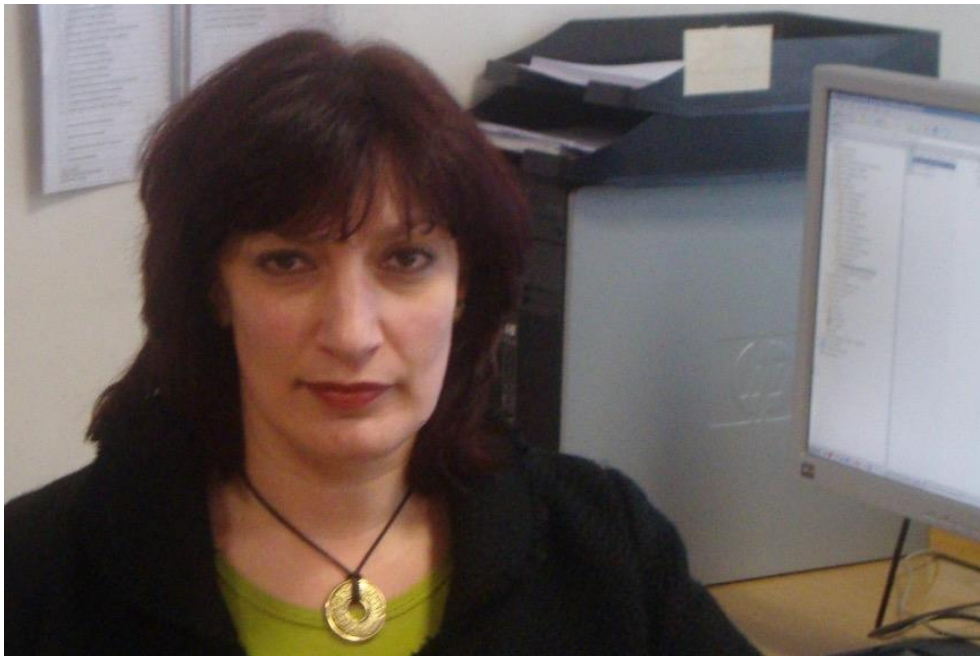


CAFÉ EUROPE

Negotiations as a schedule for reforms

Silvana Lyubanova and the free movement of goods

Kristof Bender 19 January 2010



Silvana Lyubanova Photo: Courtesy of Silvana Lyubanova

When, with a degree in computer science from Sofia University in her pocket, Silvana Lyubanova joined the Ministry of Industry in 1992, it was the only part of Bulgaria's administration to have a unit devoted to European integration. It was this unit, staffed by only a handful of people, that in 1993 completed negotiations for an association agreement with the EU (then called "Europe agreement"). It thereby became the pioneer in a transformation that affected the whole country.

In early 1996 Silvana Lyubanova left the ministry of industry and began working for an insurance company. Less than two years later, however, she was back. "I thought I needed a change," she

says, “but then I realised that I could not find the sort of challenge that work at the ministry entails anywhere else.”

If a new challenge was what Lyubenova wanted, it was exactly what she got. The European Commission had just, in July 1997, published its opinions on the EU membership applications of the 10 East European countries. With Bulgaria having suffered a disastrous economic and political collapse just a few months earlier, there was little ground for optimism.

“A lot of people didn’t believe we would ever join the Union. Even colleagues from the administration said, ‘Oh, okay, we’ll do this, but why? They will never take us into the club.’ It was very difficult to make people believe that this was possible.”

It certainly was, as far as Lyubenova was concerned. The first real sign of encouragement arrived in December 1997, when the European Council included Bulgaria – together with nine other East European states and Cyprus – in the EU accession process. While the Council only launched accession negotiations with the frontrunners (the Czech Republic, Hungary, Poland, Slovenia, Estonia and Cyprus), it decided to do everything possible to prevent the others from falling further behind. This included also preparations for negotiations.

“The so-called ‘analytical screening’ of legislation was the first preparatory phase for the negotiations. In 1998 we went through the ‘multilateral phase’ with the second group [of applicants], Bulgaria with Romania, Lithuania, Latvia and Slovakia. The European Commission explained to us the scope of all the legislation and its purpose. Then in 1999, in the second phase of this screening, we had to explain in detail our legislation: what was already similar to EU standards, what still needed to be changed, and how we planned to do it.”

In 1999 Lyubenova was promoted to head of department. She was placed in charge of the working group on the “free movement of goods”, a huge and demanding negotiation chapter laden with regulations concerning products circulated on the EU market – from industrial machines and office equipment to toys and food.

A second turning point came with the start of membership negotiations in February 2000.

“Starting the negotiations was a key turning point, because when you start something there is also an end. Then it becomes a process where you fulfil the requirements, step by step. It is not that you negotiate in a way that you can change the Union – no, you must change yourself. You negotiate the timing of such changes. Accession negotiations means making a time schedule for your reforms.”

In 1999 Lyubenova started with a team of 10 people; at any given time a maximum of 20 ministry staff worked with her on the “free movement of goods” chapter. Like for every negotiation chapter, a special working group was set up, including many people from other ministries and various other bodies. Lyubenova’s working group was one of the biggest, eventually growing to 209 people, divided into sub-groups for different issues.

“Free movement of goods” touches upon the activities of various ministries, including transport, health, agriculture, environment, even interior. Coordinating all the institutions involved proved to be a big challenge.

“My minister could not sign regulations that were under the responsibility of another minister. So if we could not manage to agree at the expert level, we went to the deputy minister level; and if the deputy ministers could not agree, then the ministers would need to talk, sometimes involving also the minister for European affairs or the chief negotiator ... and then the job is finally done. Sometimes it was very difficult. There was, for example, a ten year war between the ministry of health and the ministry of agriculture about who would have the leading role on food safety.”

At the end of 2006, on the eve of Bulgaria’s EU accession (on 1 January 2007), Lyubenova counted all the directives and amending directives that needed to be implemented for the “free movement of goods” chapter. They amounted to 680. This meant a dramatic change in how Bulgaria’s institutions had to operate. “Only the agency for metrology and technical surveillance employs about 2,000 people. They all had to change the way they worked.” The agency had previously been responsible for checking products and product specifications. This had little in common with EU-style market surveillance, Lyubenova explains:

“Changing the way of work is very difficult because you have to change all the procedures, the practices – even new expertise is needed. It was easy to sit and wait for somebody to come and show a paper and then

look at it, at the stamp and the specifications. Now you must go and see the product and assess whether it fulfils the requirements and, if you have doubts, to check the documents.

At the ministry of health they used to approve documents pertaining to the production of certain foodstuffs. If they approved the document, the producer was free to produce – but nobody controlled whether what was on paper matched what was being produced.

It was difficult to convince them that they didn't need to check the documents, that they didn't need to approve the technical specifications of a product. They had to control the market and make sure that the products which reached the consumer were safe, which had nothing to do with what was on paper."

These changes also strongly affected Bulgaria's industrial producers. Like the administration, they had to change their ways of doing business, "because most of the regulations we have now we didn't have before. More or less everybody was affected by these changes."

In some sectors, particularly dairy and meat, several companies had to close down because they did not meet the new requirements. Others simply could not compete in the new environment. Bulgarian businesses needed time to get used to the new rules of the game:

"It was difficult to make people working in this field understand that, for example, standards needed to become voluntary. We in Bulgaria used to have obligatory standards, so this was a kind of revolution. Nobody imagined that industry could work with voluntary standards. Everyone thought there had to be rules that they had to follow.

But then companies understood that they had a strong incentive to produce according to such standards: you could sell your product [more] easily if you followed a standard. If you produced according to a standard, everyone understood what your product was like. This is the main role of standards – to help the industry exchange products that are comparable."

Silvana Lyubenova is still head of the European Integration Department at the ministry of economy and energy (as the ministry is now called). She continues to chair the working group on the free movement of goods, which now endeavours to facilitate changes in EU legislation. With all her experience, Lyubenova could easily thrive in the private sector and earn a considerably higher salary. What keeps people like her on the job?

“For me, it is personal. You must personally believe that this is worth it, otherwise it is impossible. It takes a lot of effort to work twelve hours a day. It’s not because someone told us that this is important; you must feel it.

I personally think that if we hadn’t made all these efforts Bulgaria wouldn’t be the place that it is now. We needed strong guidance on how to do things, how to change. And I think the rules of the European Union gave us a chance to find the way much faster. Maybe we could have eventually ended up with the same principles without the accession process – but much later.” ■