Populism over Principle

Bulgaria's Euro Referendum and the Limits of Populist Constitutionalism

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05.06.2025 doi: 10.59704/12b0b834da187d02

While EU officials are in Sofia to mark the positive assessment of Bulgaria's readiness for euro adoption, protests are unfolding in the streets – fueled by nationalist slogans and anti-euro disinformation. The controversy started with President Rumen Radev calling for a unexpected referendum on whether the country should proceed with euro adoption on 1 January 2026, despite Bulgaria having finally, through years of efforts, fulfilled all convergence criteria.

Rather than reflecting a genuine democratic aspiration, this call for referendum marks a populist intervention by the head of state – one aimed at gaining short-term political advantage at the cost of casting doubt on Bulgaria's credibility on the European stage by challenging binding legal commitments.

Foregone conclusions and political interventions

Indeed, Bulgaria's adoption of the euro has long been a foregone conclusion. Upon joining the European Union in 2007, the country undertook a binding commitment to introduce the single currency once it fulfilled the required convergence criteria. This obligation arises directly from its EU Accession Treaty and is grounded in the Maastricht framework governing Economic and Monetary Union.

Then, however, politics intervened. On May 9 – just eight months before the planned euro adoption date – Bulgarian President Rumen Radev formally requested parliamentary approval for a national referendum on euro adoption. The proposed question was this: "Do you agree that the Republic of Bulgaria should adopt the single European currency – the euro – from January 1, 2026?"

That same day, his Secretary for Legal Affairs, Krum Zarkov, publicly announced his resignation. In a social media post, Zarkov stated that he would step down because the president's proposal concerned "a constitutionally inadmissible matter" – and that he could not, in good conscience, continue advising Radev on an issue he deemed legally unsound.

Although ostensibly confined to the timing of accession, the referendum initiative touches on far more than mere scheduling. It represents a structural challenge to the constitutional logic of an Economic and Monetary Union. Under Article 140(2) TFEU, once a Member State with a derogation fulfils the convergence criteria, discretion shifts to the supranational level. As the Treaty provides: "The Council shall, on a proposal from the Commission, decide which Member States with a derogation fulfil the necessary conditions […] and abrogate the derogations of the Member States concerned." While the precise date of euro introduction is subsequently formalised through secondary legislation and national implementation measures, the legal effect of the Council's decision is to render adoption mandatory under Union law. This institutional framework reflects not mere procedural formality, but a constitutional principle: that euro area membership follows directly from objective treaty compliance, not from renewed national assent.

That assent, in Bulgaria's case, was sovereign and explicit: through the 2005 Act of Accession – ratified by the National Assembly and endorsed as a strategic national priority – Bulgaria voluntarily committed to adopting the euro as a condition of EU membership. A referendum at this stage inverts that legal and political logic: it re-politicises what Union law has already constitutionalised and what Bulgaria's own democratic processes have already legitimised. In doing so, it exposes a deeper structural tension between the EU's legal order – grounded in primacy, legal certainty, and mutual trust – and the instrumental use of constitu-

tional mechanisms in the service of domestic populist politics.

This legal structure is mirrored in Bulgaria's own constitutional order, where ratified international treaties take precedence and are explicitly shielded from direct democratic revision. A referendum on euro adoption, therefore, is not only incompatible with EU law – it is constitutionally inadmissible under Bulgarian law as well.

A referendum already ruled out

President Rumen Radev knows this referendum is unconstitutional – because he said so himself. Back in 2022, facing calls from the nationalist Revival party, he stated unequivocally that a referendum on euro adoption would violate the Constitution: "Issues governed by ratified international treaties cannot be subject to referendum." He was right.

That legal position was later affirmed at the highest level. The Constitutional Court had ruled in February 2024 that similar referendum proposals – such as freezing the lev until 2043 – were legally impermissible, as they breached Bulgaria's EU Accession Treaty and Article 140 of the Treaty on the Functioning of the European Union.

Fast forward to May 2025, and President Radev proposed exactly that – asking voters whether Bulgaria should adopt the euro in 2026. On May 13, the Chair of the National Assembly refused to table the proposal for debate, citing its incompatibility with the Constitution and Bulgaria's obligations under EU law. In response, Radev escalated the matter by petitioning the Constitutional Court, requesting both an interpretative ruling on the scope of parliamentary powers under Article 84(5) of the Constitution and the annulment of the Chair's refusal as ultra vires. He argued that the Chair's unilateral decision usurped the National Assembly's exclusive competence and disrupted the balance between direct and representative democratic mechanisms guaranteed by the Constitution.

Even prior to any ruling, the consequences were tangible. The controversy undermined legal clarity over institutional roles, politicised an otherwise procedural legal question, and cast doubt – both domestically and in Brussels – on Bulgaria's commitment to its treaty obligations. In doing so, it weakened public confidence in constitutional processes and introduced legal ambiguity into what had been a settled trajectory toward euro area membership.

Seen in its full context, the legal manoeuvring surrounding the referendum cannot be separated from its underlying political calculus.

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Politically, the move looks calculated. Radev's influence has declined since the formation of a grand coalition government in early 2025, led by the center-right GERB party under Prime Minister Rosen Zhelyazkov, and supported by the Bulgarian Socialist Party (BSP), and There Is Such a People (ITN), with external backing from the Movement for Rights and Freedoms (DPS). While this coalition restored formal governance after years of political gridlock, it remains deeply mistrusted by the public, given the parties' long associations with state capture, corruption, and institutional decay.

Against this backdrop, the referendum initiative offers Radev a platform to reassert political relevance – not by fostering consensus, but by mobilising anti-elite sentiment and reframing euro adoption as a confrontation between "the people" and "the system." It is a textbook populist manoeuvre, yet the consequences extend far beyond domestic politics. In an EU already grappling with enlargement fatigue and geopolitical uncertainty, Bulgaria's internal gamesmanship risks eroding confidence in the credibility of the eurozone accession process and, more broadly, in the Union's capacity to integrate. What may read as political posturing in Sofia registers as strategic ambiguity in Brussels – and does not go unnoticed in Moscow.

Beyond its immediate political function, however, the referendum initiative carries longer-term institutional costs. Far from offering democratic clarity, it risks prolonging Bulgaria's exclusion from eurozone decision-making while reinforcing a narrative of self-marginalisation – one that undermines both economic

efficiency and legal credibility within the Union. In a moment that calls for strategic coherence and institutional maturity, Bulgaria must decide whether to complete its European integration – or politicise it into paralysis.

All the burdens, none of the benefits

Beneath the political theatrics lies a deeper economic irony: Bulgaria is already subject to the euro's constraints – just without enjoying its benefits. These include representation and voting rights in the ECB Governing Council, access to the European Stability Mechanism (ESM), participation in joint monetary and banking policy decisions, full integration into the euro payment infrastructure, and the elimination of exchange rate and transaction costs for households and businesses. Remaining in a currency board without full eurozone membership is not a cautious compromise; it is an inefficient halfway house that leaves Bulgaria exposed, constrained, and voiceless.

Two myths dominate the current debate: that Bulgaria is being "pushed" into the eurozone too quickly, and that it is manipulating its statistics – like Greece once did. Both claims collapse under scrutiny. Bulgaria joined the EU with a legal obligation to adopt the euro, and it entered the Exchange Rate Mechanism II (ERM II) in July 2020 – the required waiting room before full adoption. More importantly, it has operated under a currency board since 1997, pegging the lev to the euro at a fixed rate. That means Bulgaria already lives under eurozone constraints: it cannot set its own interest rates, conduct independent monetary policy, or issue currency.

And yet, the country receives none of the benefits. Bulgarians pay fees for euro transactions, businesses hedge against a currency whose exchange rate is already locked, and Bulgaria has no seat or vote at the European Central Bank – despite being bound by its policies. Countries like Sweden or Poland can delay euro adoption because they retain monetary sovereignty. Bulgaria does not. It is in the system – but locked outside the decision-making room.

Fears that euro adoption would lead to sharp price increases are also largely unfounded. In countries that joined the euro more recently – such as Estonia, Latvia, and Croatia – inflation linked to the changeover was modest, temporary, and sector-specific, typically affecting services and rounding practices rather than structural price levels. In Bulgaria's case, where the lev is already pegged to the euro and pricing is effectively euro-denominated, the scope for significant price shifts is minimal. With adequate price monitoring, dual-display requirements, and regulatory oversight, the risk of unjustified inflation can be effectively mitigated.

A referendum will not reverse any of these structural realities. What it will do is cast doubt on Bulgaria's credibility – both at home and in Brussels.

Beyond Readiness

What is at stake in Bulgaria's euro accession is no longer a matter of economic preparedness or legal eligibility– both have been satisfied. Nor is it a genuine dispute over constitutional interpretation: the relevant law is clear, the obligations are binding, and the institutions have spoken. The referendum initiative, and the political calculus behind it, represent something else entirely: a test of constitutional seriousness in the face of populist expediency.

The real question, then, is not whether Bulgaria is technically prepared for euro adoption, but whether it possesses the political and institutional maturity to internalise its legal obligations and to uphold the transformative nature of EU integration – not as an abstract ideal, but as a binding expression of constitutional responsibility and adherence to the rule of law. This is a moment that demands a deeper understanding of what it means to belong to a Union founded on the principles of legal certainty, mutual trust, and the primacy of shared commitments.

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SUGGESTED CITATION

Thavard, Blaga: Populism over Principle: Bulgaria's Euro Referendum and the Limits of Populist Constitutionalism, Verfassungsblog, 05.06.2025, doi: 10.59704/12b0b834da187d02.

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Langzeitarchiviert bei IntRechtDok unter: doi.org/10.17176/20250627-143308-0.