Maria Prohaska

The Bulgarian path to the euro and the expected effects of its introduction

Abstract

This article reviews Bulgaria's long and politically burdensome path towards the adoption of the euro, finally achieved on 1 January 2026 after almost twenty years of membership of the EU. It commences with a broad introduction to the key events in the chronology over those decades, and contrasts the significant consensus between the social partners, as expressed in statements from the Economic and Social Council, with the varying nature of public opinion as exploited by political parties given the divide in Bulgarian politics. It next turns to the degree of social and economic convergence on which the data on the effects of the introduction of the euro is mixed other than for member states joining the euro area after 2004, where the impact is largely positive. The article explores the public discourse in Bulgaria on adopting the euro and the impact on public opinion, concluding with some thoughts on the lessons which may be drawn from Croatia. The overall outcomes are expected to be positive, but it is clear that these will not materialise automatically and that further efforts, including via providing people with clear information, do need to be made.

***Keywords**: euro, euro area, Maastricht criteria, economic and social convergence, European integration, resilience*

Introduction

Bulgaria's long and difficult path to introducing the single European currency began back in 2005 with the signing of the Treaty of Accession of Bulgaria and Romania to the European Union, followed by the start of actual EU membership on 1 January 2007. Bulgaria's obligation in this direction stems from the Treaty on the Functioning of the EU (TFEU) and has no pre-set deadline other than the requirement, at some point, to meet the Maastricht criteria. Formally, this process was completed on 8 July 2025 when the European Parliament and the Council of the EU took the final necessary decisions for the introduction of the euro in Bulgaria on 1 January 2026. Thus, Bulgaria became the 21st EU member state to adopt the single European currency, and it is an exemplar of how long the process can take in terms of the period of preparation and in meeting the formal criteria for doing so: in November 2007, the country's formal goal was to meet the criteria by 2009 and to adopt the euro by 2012. By comparison, Croatia's candidacy (explored alongside that of Bulgaria in previous articles carried in the *SEER Journal* – see Darvas (2022) and Bobeva (2022)) lasted only 10 years – from 2013 to 2023.

This has indeed been a long period, during which a number of international and domestic events and processes have taken place that have had an impact on the adoption of the euro. In this sense, it is difficult to summarise this period with all its diversity and complexity. Nevertheless, this article starts by seeking to explain how the process unfolded in the case of Bulgaria. In presenting the chronology, an attempt has been made to highlight the main political and socioeconomic characteristics of the period leading up to the adoption of the euro.

The timeline

In 1997, Bulgaria introduced a currency board regime subsequent to a severe financial and hyperinflationary crisis. This established a fixed exchange rate for the Bulgarian lev, initially set against the German mark and later against the euro.[1] One of the distinctive features of the currency board arrangement is that the national bank lost the right to conduct an independent monetary policy so, when the country joined the EU, Bulgaria had a fixed exchange rate of its national currency against the euro. Under these conditions, the adoption of the euro was seen as a natural continuation of, as well as providing a smooth exit from, the currency board regime.

At the same time, Bulgarians have become accustomed to the pricing of many goods and services in euros. In this sense, 1 January 2026 will not drastically change the situation in Bulgaria. In practice, what has been happening in the euro area has had an indirect impact on the Bulgarian economy. What is new in this case is that Bulgaria will now participate fully in the decision-making process.

Despite relatively favourable domestic political and economic conditions, the global financial crisis of 2008–2009 and the ensuing crisis with Greece's external debt postponed indefinitely the issue of Bulgaria's adoption of the euro. The period between 2012 and 2018 was marked by strong political fluctuations on the issue, with some governments raising the issue of the euro from time to time. Overall, however, there was neither broad political consensus nor sufficient public support at this time.

Ultimately, in 2018, the GERB ('Citizens for the European Development of Bulgaria') government officially declared Bulgaria's desire to join ERM II (the exchange rate mechanism, known as the 'euro area waiting room'). In 2020, Bulgaria officially joined ERM II and the European Banking Union, a formal prerequisite for joining the euro area in the future.

The following two years – 2021 and 2022 – were years of political instability, accompanied by a series of regular and extraordinary parliamentary elections, during which time it proved extremely difficult to form governing coalitions, governments ruling for only a short time. Under these conditions, it was impossible to expect significant progress in preparing for membership of the euro area. Nevertheless, the euro then became one of the most important domestic political issues, actively used for electoral purposes and narrow party interests.

1 The peg was set at 1 euro = 1.95583 BGN (the accepted currency symbol for the lev).

The traditionally pro-European parties ('We Continue the Change', GERB and Democratic Bulgaria) have consistently advocated the adoption of the euro in the near future as a strategic commitment to the EU and an instrument for financial and macroeconomic stability. In contrast, Eurosceptic parties formed around nationalist and populist ideas, represented by 'There is Such a People', Vazrazhdane ('Revival') and parts of the Bulgarian Socialist Party (BSP), have openly opposed it, deliberately sowing fears among the population about the severe economic and social consequences of doing so and exploiting Bulgarians' fears of inevitable price increases and loss of national sovereignty.

As far as public opinion is concerned, support for the adoption of the euro has prevailed for most of the preparation period, although it has at times given way to the opposite opinion, depending on the influence of certain short-term factors and considerations.

Against this backdrop, unsuccessful attempts were made to hold a referendum on the adoption of the euro, attempts which were, once again, were made entirely subordinate to party interests and intentions. In this regard, the issue was referred to the Constitutional Court which rejected such a possibility, citing the EU Accession Treaty.[2]

All this hindered the smooth progress of the preparation process, delaying it and diverting public attention from the achievement of an important national goal. The topic of the euro has thus largely become a dividing line in Bulgarian politics and an element of geopolitical polarisation along pro-European versus pro-nationalist (and frequently, in this era, characterised as pro-Russian) orientation and sentiments.

Over the next two years – 2023 and 2024 – the political disputes continued in parliament and society amidst clear signs of public support remaining insufficient. The initial target date for the introduction of the euro – 1 January 2024 – had to be postponed. Despite the progress made by Bulgaria in meeting the criteria for membership of the euro area, as noted by the European institutions (the European Commission and the ECB) in their regular convergence reports, it became clear that efforts needed to be continued to achieve the inflation target, adopt the planned legislative changes and achieve a higher degree of public consensus on the euro. In this regard, it is worth noting the good cooperation between GERB and the 'We Continue the Change'-Democratic Bulgaria coalition in uniting around this strategically important goal.

Against this general backdrop, it is worth highlighting the consistent position of the employer organizations, trade unions and organised civil society in Bulgaria in favour of adopting the euro. This position is expressed in a series of documents issued by the Economic and Social Council (ISS, in the Bulgarian acronym) after 2022, when the Council of Ministers adopted the National Plan for the Introduction of the Euro. Central among these is a resolution on accelerated accession, adopted in February 2025 (ISS 2025), which provides a detailed analysis of the expected economic and social benefits of adopting the euro. It also provides a number of

2 The Accession Treaty mandates states joining the EU to adopt the euro (and, in addition, the Schengen free movement area).

examples and evidence from the experience of other countries that have already done so (the Baltic states, Croatia and Slovenia) in support of the thesis that any increase in the price of goods and services will be insignificant, especially in the initial months after the change. The 2025 Resolution came on the back of another adopted previously in 2023, on Bulgaria's membership of the eurozone (ISS 2023). This Resolution called for the rapid introduction of the euro, describing the currency board as a temporary measure implemented under pressure, and was accompanied by several analyses and opinions including on the impact on economic development, inflation and incomes (ISS 2022b). ISS has also provided analysis and commentary on the National Plan for the Introduction of the Euro, including an own-initiative Opinion drawn up prior to the 2022 Resolution (ISS 2022a).

Bulgaria's path to the euro has thus been a long and politically burdensome one. The main obstacles to achieving this important strategic goal have not so much been economic as political and social including, among others, unsatisfactory progress on reforms in a number of important areas, frequent political changes and instability, a lack of public confidence, and artificially instilled fears of price increases and loss of national identity.

Economic and social convergence

One of the most important issues related to the accession of new EU member states to the euro area is their degree of economic and social convergence with the other countries of the Union.

The question of convergence has existed since the very beginning the EU as an economic community. In theory, the more the integration process develops and deepens, the more the participants in it should converge in terms of their socioeconomic development. Moreover, this issue has not only theoretical and academic dimensions, but also very practical aspects from the point of view of the policies implemented by the Union as a whole and by individual member states.

This issue has become particularly relevant in the light of the establishment of economic and monetary union and the adoption of the euro as a common currency. Over the years, with the gradual accession of member states to the euro area, an extensive body of scientific literature on the subject has accumulated, on top of which there is a wealth of empirical data on the trends which may be observed. However, it is important to note that there are no specialised studies that highlight solely the impact of the adoption of the euro on the processes of nominal and real convergence between euro area countries. Cyclical economic factors have an impact, and it is particularly difficult, if not impossible, to assess the degree of influence of several other individual factors.

In general, the use of the single currency and the liberalisation of capital flows imply accelerated economic growth and are intended to contribute to nominal and real convergence between the members of the euro area which, in turn, supports more intensive growth in labour productivity and income. These opportunities can be summarised as follows:

- the elimination of currency risk – a prerequisite for encouraging investment in poorer countries
- free movement of people puts pressure on wages within new euro area members
- the single currency encourages trade and helps countries achieve economies of scale.

In addition to the indisputable benefits and favourable conditions for economic and social convergence, the introduction of the euro also entails potential risks/challenges. These include the inability to pursue an independent monetary policy and to devalue the national currency in order to stimulate exports and support competitiveness, especially in times of economic turmoil and crisis. The European Central Bank determines monetary policy in the euro area by taking into account the overall situation without considering in detail the specific circumstances of individual member states. In this context, there is a risk of a stronger and asymmetrical impact of adverse economic processes on weaker economies.

Easier access to credit within the euro area carries risks of a credit boom and debt problems. In this regard, the problems of Greece, Spain and Portugal are usually cited. After the introduction of the euro in 2000, taking Greece as an example, significant inflows of capital triggered a credit boom focused on consumer spending, real estate and construction, rather than encouraging an increase in labour productivity. The global financial crisis of 2008–2009 further reinforced these adverse trends and imbalances, making the country's exit from the debt crisis particularly painful.

Nominal convergence is monitored on the basis of the Maastricht criteria and countries' compliance with these; real convergence is observed when less developed countries catch up with more developed ones in terms of income, productivity and standard of living. A summary measure of this level of process is gross domestic product per capita at purchasing power parity. Sustainable real convergence occurs when the level of real GDP per capita in lower income countries approaches that of higher income ones, and where this is a sustainable trend.

The first examples and analyses on the impact of the introduction of the euro on real convergence cover the group of 12 member states in the period after 2000. Studies by the International Monetary Fund (Franks and Schölermann 2017) and the European Central Bank (2015; see also Diaz del Hoyo et al. 2017) do not confirm expectations of convergence within the EU; they show accelerated convergence in the 1990s, but insignificant change after 2000 and a widening of the gap during the economic crisis of 2008–2009.

For Bulgaria – as well as for other countries in south-east Europe – the most interesting cases are, however, those of the new member states that joined the euro area after 2004; that is: Slovenia (2008); Slovakia (2009); Estonia (2011); Latvia (2014); Lithuania (2015); and Croatia (2023) (year of euro adoption indicated in brackets). Here, Eurostat statistics clearly show that these countries are converging in terms of income levels with more developed ones. Convergence is measured by an average increase of 10–12 percentage points in the GDP per capita index over a period of approximately ten years or slightly more. The same trend is observed in Bulgaria, but from a much lower base and at a significantly slower pace. The economic crisis in 2008–2010 and the uneven pace of economic recovery have had a negative impact on this process (Eurostat 2025).

All the countries under review, with the exception of Slovakia, show a steady convergence trend for the period 2014–2024. In Slovakia, in contrast, there has been a prolonged stagnation in convergence since 2011 while, since 2016, it has been on a negative trajectory with a sharp decline and a gradual negative trend. From 2022, Slovakia has seen a recovery in the positive trend and a degree of catch-up, although without reaching the 2014 level. In other words, convergence is not necessarily an automatically linear process for euro area countries. Targeted and consistent efforts and policies are needed for coordinated economic reforms and institutional strengthening.

Along with the gross domestic product per capita indicator, the actual individual consumption per capita indicator is often used to analyse and assess the degree of convergence. This provides more information about changes in the standard of living and wellbeing of households, the first indicator being more general in terms of economic and social development as a whole.

The table below clearly shows that, following the introduction of the euro, all member states have achieved an improvement in this other indicator – a trend which is widespread and sustained. Even in the years of the Covid-19 pandemic and subsequently, this trend has continued. In isolated cases, some individual years do show a decline from previous values, most likely due to specific national factors, without affecting the overall trend.

Table 1 – Indices of actual consumption per capita (PPP) in the EU (EU27=100), 2008–2024

20…	08	09	10	14	15	16	17	20	22	23	24
EA20	109	109	108	107	107	106	106	104	104	104	104
Lithuania	70	63	61	81	82	84	87	91	91	88	89
Slovakia	82	82	80	77	76	77	77	81	86	85	85
Croatia	60	58	56	63	62	63	64	69	74	76	78
Slovakia	70	72	71	74	74	69	67	75	77	77	79
Latvia	59	50	50	62	63	64	66	68	73	75	76
Estonia	64	58	57	71	73	74	75	79	78	75	74
Bulgaria	45	43	42	54	55	56	57	62	69	70	74

Source: Eurostat (online data code: prc_ppp_ind).

Note: the table shows the years closest to the date of adoption of the euro. The value for Estonia for 2011 was 58.

Public discourse and public opinion in Bulgaria

During the period of preparation for the adoption of the euro, public debate in Bulgaria has been dominated by the issue of the rising prices of goods and services, especially in 2025 when the prospects of the imminent introduction of the euro became clearer. Unfortunately, the debate in the media has been dominated by a number of commentators, analysts and politicians who, without any serious arguments, have painted apocalyptic scenarios, fuelling people's occasionally well-founded fears. In contrast, a group of real experts have put forward theoretical and empirically proven theses, citing numerous examples and statistical data from the experience of countries that have already gone down this path (see, for instance, Avramov 2025).

Public talk of an inevitable jump in prices feeds speculative inflationary expectations, thereby becoming a factor in the actual increase of many prices beyond the objectively determined price increase. This phenomenon is partly due to the information and awareness campaign on the introduction of the euro starting rather late and being not particularly convincing. Furthermore, the media in Bulgaria seem to prefer to spread negative and fearmongering messages without realising their responsibility at such an important moment, giving a platform to certain politicians who readily use the topic of the euro for narrow party goals and interests, instead of actively seeking out other points of view (Ganev 2025b). In a market economy, such mass hysteria can easily lead to price increases, which seems to be happening in Bulgaria on the eve of the adoption of the euro. However, this process cannot continue for long because the mechanism of supply and demand will eventually balance prices. Effective and efficient regulators are also needed but, unfortunately, they act extremely slowly in Bulgaria and without much result.

The role of nationalist and populist political parties represented in parliament, such as Vazrazhdane, is particularly negative. Its representatives in parliament are calling for the criminal prosecution and sanctioning of the chair of the National Statistical Institute on the grounds that the data on inflation in Bulgaria have been falsified and are inaccurate. In such a situation, when such claims are spread via a parliamentary platform, it is especially easy for ordinary citizens to believe in the 'inevitability' of a rise in prices.

Experience in those EU member states that adopted the euro at an earlier stage shows a slight increase in prices in the short term (immediately after adoption), mainly due to rounding-up effects and psychological factors related to expectations of higher prices. The introduction of the euro is also likely to entail some initial technical costs (the replacement of accounting software, recalibration of cash registers, etc.) which some traders will try to pass on to the end consumer through higher prices. On the other hand, the broad impact of the euro is more likely to be greater price stability than higher inflation. The real effect depends more on domestic economic policy and the global economic situation than on the currency change itself.

Against this backdrop, what are the attitudes among the public in Bulgaria towards the introduction of the euro?

The most complete picture is provided by the results of national representative surveys of citizens and businesses conducted in April-May 2025. Between April 8 and 16 and May 22 and 28, Alfa Research (2025) conducted two national representative surveys of public attitudes towards the introduction of the euro on behalf of the Ministry of Finance. A total of 1,200 citizens over the age of 16 were surveyed in their homes through a direct standardised interview. Separately, again in two waves in April and May, 500 owners or representatives at the management level of businesses responsible for making decisions about the development of the company were also surveyed.

The main conclusion from the surveys is that there is growing support for joining the euro area, but also concerns about the short-term economic effects. Both surveys additionally show that, after 18 years of EU membership and Bulgaria's accession to the Schengen free movement area, joining the economic and monetary union is seen as a logical step in the process of European integration. Fifty-six per cent of citizens and 64 per cent of businesses believe that the country should continue this process in accordance with the EU Accession Treaty.

Alfa Research Agency had conducted a similar survey in 2022. A comparison of the results shows an increase in support for joining the euro area among ordinary citizens. In 2022, the percentages of those in favour to those against stood at 33:50, while in April 2025 it was 45:49. In May, there was almost complete parity between the two groups – 46.5 % in favour of joining and 46.8 % against. In April-May, President Rumen Radev proposed holding a referendum on the country's readiness to adopt the euro. This did not sway supporters of joining the euro, but rather reinforced the positions of both camps.

Business attitudes are traditionally positive and unchanged – 66 % in support in 2025 versus 34 %.

Neither the proposal for a referendum nor the protests organised by Vazrazhdane have not significantly affected overall attitudes towards joining the euro area; attitudes remain somewhat more stable. However, they have acted as a catalysis for certain concerns and fears, mainly economic and social which, in the first place, often stem from manipulative statements on social media or from poor information and communications.

The main ones are related to the short-term effects of the introduction and the country's adaptation to the new currency. With regard to the near future, 56 % of citizens fear negative consequences for themselves, while 35 % who do not. Optimistic expectations prevail among businesses, but there are also concerns about a number of practical aspects of the euro introduction process. In the long term, this trend runs in the other direction. Both citizens and businesses alike have positive expectations about the effects of joining the euro area: 48 % of citizens are rather positive compared to 39 % who are rather negative, while the respective figures among businesses are 61 % and 35 %.

The positive effects of the introduction of the euro which are expected boil down to three main areas:

- greater convenience when traveling and making payments abroad (61 %)
- elimination of currency exchange losses (44 %)
- facilitation of trade with other European countries (33.8 %).

In addition, businesses expect a reduction in transaction costs (39 %) and more favourable conditions for investment in Bulgaria (38 %).

The negative consequences which are expected are quite diverse and multi-faceted. The most significant concerns for both citizens and businesses are related to rising the prices of goods. Also in this vein are concerns about fraud/artificial price increases from unscrupulous traders. Between four and six out of ten Bulgarians share these fears. Among them are included not only those with a negative attitude towards the adoption of the euro, but also more than a third of those with a positive attitude. In addition, 39 % of Bulgarian citizens believe various rumours about reductions in salaries/pensions and 20 % expect a change in the fixed lev:euro exchange rate.

Meanwhile, concerns specific to businesses include the expected difficulties for small and medium-sized businesses in adapting to the new conditions (30 %) and higher prices of both raw materials (35 %) and manufactured goods (43 %).

The Alpha surveys reveal numerous gaps in citizens' and businesses' knowledge of the practical steps involved in introducing the euro. Every second respondent (that is, over 50 %) indicated that they did not have sufficient knowledge on key issues such as: at what exchange rate will the lev be converted to the euro; how long after approval will Bulgaria actually introduce the euro; where it will be possible to exchange levs; and others. Between 60 and 70 per cent do not know for how long prices in stores will continue to be displayed in levs and euros; in which currency change will be given for retail purchases in cash; whether fees will be charged for currency exchanges; how long it will be possible to pay in both currencies; what will happen to savings in banks; how loan/lease obligations will be recalculated; and many other issues. That between half and two-thirds of the population is unclear about such fundamental issues opens the door wide to speculation, misconceptions and fears. Furthermore, fears of fraud, speculation and unscrupulous traders bring to the fore the question of who will monitor possible abuses and to whom and how such cases could be reported. Over 78 % of those surveyed still do not know the answer to this question and thus possess legitimate concerns.

The Croatian example

In just a few months, Bulgarians will be replacing the Bulgarian lev with the euro. We will start using the euro everywhere, unlike before when only larger transactions were priced in euros and payments were made in the equivalent amount in levs (i.e. for the purchase and sale of real estate, cars, mortgage loans, etc.).

The expected major changes are most likely to be mainly positive, but there may also be some potential negative effects and there are some important recommendations to consider as regards the measures and policies which may need to be taken in the intervening period.

The summary assessment of Boris Vujčić (2024), Governor of the Croatian Central Bank, is apposite:

> If I had to sum up the impact of the euro on the Croatian economy and society as a whole in one sentence, it would be this. We have seen all the benefits we expected and announced in advance. The Croatian economy has become stronger and more resilient, especially given the specific conditions of the crisis during which we introduced the euro.

Croatia's immediate preparations for adopting the euro took place amid the Covid-19 pandemic and a period of high inflation across western Europe which was unprecedented since the late 1970s. No other EU member state had introduced the euro during a period of restrictive monetary policy. Meanwhile, the international geopolitical and economic environment was characterised by tension and great uncertainty. All of these are factors which are unfavourable to any change of the national currency.

In terms of the short-term positive effects of introducing the euro, the primary focus needs to be on avoiding currency risk and lowering the risk premium. In Croatia, the cost of borrowing on international markets fell sharply compared with the period before the introduction of the euro, while there has also been a reduction in interest rates due to lower risk premiums alongside lower regulatory costs for banks under the common European monetary policy. These are important factors that have acted to increase the competitiveness of the Croatian economy and businesses.

Moreover, membership of the euro area has also meant that Croatia has access to support from the European Central Bank and the European Stability Mechanism, ensuring macroeconomic stability and increased investor confidence.

The elimination of the need to exchange currency for international trade reduces transaction costs for local businesses. This is particularly important for the development of international tourism, which is central to Croatia's economy. Tourists pay directly in euros which, in practice, means convenience and price transparency. At the same time, there are additional incentives for full international trade and financial integration and foreign investment. Croatia has also seen an accelerated integration of export-oriented industries into euro area supply chains.

The social consequences in Croatia are rather more nuanced than the economic ones and include issues such as prices and inflation, incomes and the purchasing power of the population, and social inequality.

In all countries that have replaced their national currency with the euro, politicians have faced the same fears: rising prices and speculation. At the time of the currency changeover, inflation in Croatia was around 10 % due to the war in Ukraine and problems with energy supplies. However, data show that the effect of the introduction of the euro on prices was minimal – around 0.2 to 0.4 percentage points. International comparisons of inflation for the same period show that inflation in Croatia was actually lower than in EU member states that are not members of the euro area (Hungary, the Czech Republic and Poland). This insignificant inflationary pressure is mainly due to rounding-up effects and is concentrated in services (restaurants) and retail trade. The psychological factor also plays a significant role at such times, people believing that prices rising significantly is a result of the introduction of the euro. The changes are most easily noticed are those which are felt in everyday small purchases (so-called ‘subjective inflation’). However, official statistics tell a different story.

Again, using Croatia as an example, it should be emphasised that the effect of higher prices in that time was felt more strongly by households with lower incomes. This is a factor that exacerbates social inequality. As a compensatory measure, the Croatian government introduced focused support measures (social assistance for energy support). Despite the initial, often negative, public perception and fears of inflation, public attitudes are, however, normalising against the backdrop of greater financial security, easier payments, opportunities for more travel and, in general, greater convenience for citizens and businesses.

Separately, the long-term expectation is that the introduction of the euro in Croatia will support economic growth and income convergence between EU member states. Equally, a process of price convergence is also taking place, with prices in poorer countries catching up with those in richer countries, especially for real estate and services.

The forecasts and expectations surrounding the impact of the introduction of the euro in Bulgaria are similar to those in Croatia. The positive effects are mainly associated with the elimination of currency conversion costs for businesses and households. Preliminary estimates have this at an amount of approximately 1 billion BGN per year. With accession to the euro area, easier access to financing for businesses and households is expected, while Bulgaria will move into the group of lower-risk countries, resulting in expanded lending opportunities for a larger number of borrowers.

Similar to Croatia, more foreign investment and, in general, faster capital accumulation are expected, with an inevitably positive impact on economic growth.

As expected, there will also be some negative consequences. The most likely of these is a small increase in the price of some goods and services due to rounding up when setting new prices in euros. There will also be attempts by unscrupulous traders to defraud consumers. In order to minimise these adverse effects, state authorities and consumers should be particularly vigilant and active in exposing abuses. As part of the preparations for the introduction of the euro, the prices of all goods and services must already be displayed in both levs and euros, allowing citizens and businesses to get used to prices in euros gradually. It also enables them to monitor the appropriateness of the behaviour of sellers and service providers and to report any irregularities to the National Revenue Agency and the Consumer Protection Commission in a timely manner.

Conclusion

With the introduction of the euro, Bulgaria is fully integrating into the single European market. Although this may sometimes seem like a symbolic step in the course of the country’s European integration, it will have many practical benefits for the economy. It removes uncertainty about future economic policy, improves the credit rating and, as a result, is expected to increase investment activity, improve labour market characteristics and, ultimately, lead to higher economic growth and higher incomes. The long-term positive effects are related to stable prices and the resilience of the economy to sudden economic shocks.

However, as the experience of other EU member states teaches, these potential opportunities will not materialise automatically: efforts are needed to complete institutional reforms, hold financial discipline and develop political wisdom and responsibility in order for the step taken with the adoption of the euro to be successful. Only then will Bulgaria be able to reap the benefits of euro area membership.

In the time remaining until 1 January 2026, it is vital that an even more comprehensive and properly targeted information campaign, one that has a practical focus and seeks to address citizens' fears and outstanding questions with the aid of plain language, is rolled out.

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