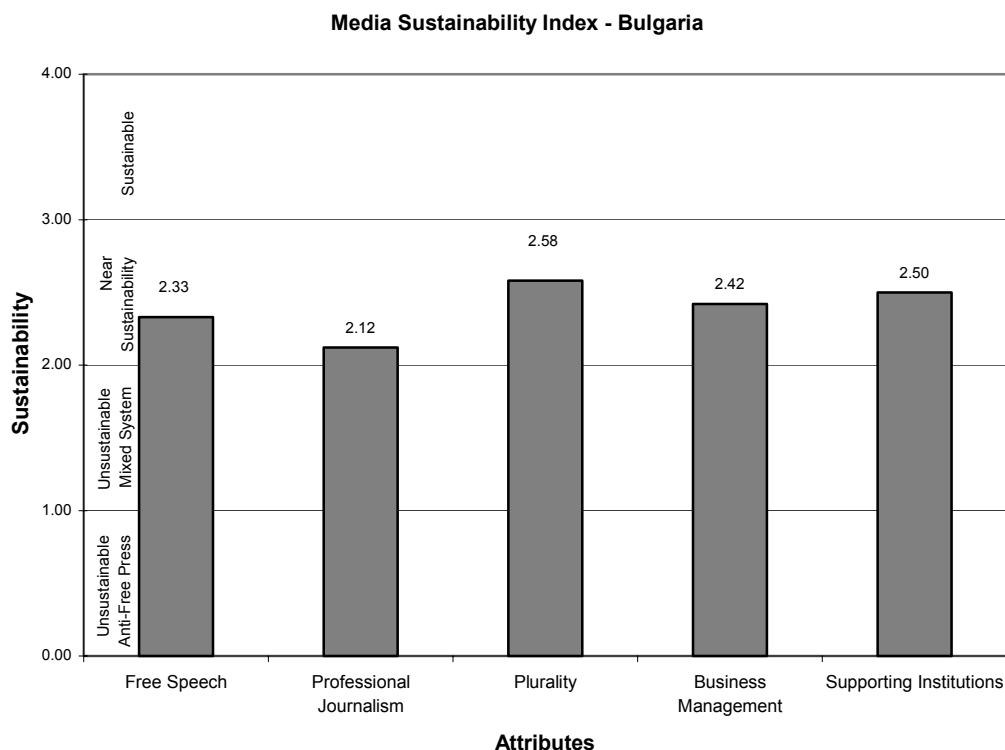


Bulgaria

Introduction

Unlike many of its Southeast European neighbors, Bulgaria has managed to avoid ethnic and civil unrest and has steadily moved toward closer integration with the EU and NATO. The reform-minded majority of the United Democratic Forces (UDF) has provided much needed political and economic stability over the last four years. Despite the visible positive developments, some problems persisted and gradually undermined public support for the government. The economy and standard of living are not improving as rapidly as expected; the much-needed social and health care reforms have produced mixed results and stirred discontent; privatization is slow and lacks transparency; foreign investment remains insignificant; cronyism and corruption are rampant; and over regulation hampers business development. Seeing no attractive domestic alternatives, many Bulgarians turned their eyes to the former Bulgarian king-in-exile, Simeon II, who formed a powerful populist political movement competing for parliamentary seats in the June 2001 elections. Avoiding speculation about restoring monarchy and promising to raise living standards, boost reforms, and “bring new ethics into politics,” Simeon II won the support of left and right wing voters and headed a parliamentary coalition (the King’s movement and the largest Turkish party, MRF) and the new government.



Scoring System

- 0** = Country does not meet indicator; government or social forces may be actively opposed to its implementation.
- 1** = Country minimally meets aspects of the indicator; forces may not be actively opposed to its implementation but business environment may not support it and government or profession not fully and actively supporting change.
- 2** = Country has begun to meet many aspects of indicator but progress may be too recent to judge or still dependent on current government or political forces.

78 Media Sustainability Index

3 = Country meets most aspects of indicator and implementation of indicator has occurred over several years and/or change in government, indicating likely sustainability.

4 = Country meets the aspects of the indicator; has remained intact over multiple changes in government, economic fluctuations, changes in public opinion and/or changing social conventions.

The scores for all indicators are totaled and averaged for each objective.

Each of the objectives can receive a score from 0 to 4:

Above 3: Sustainable and free independent media

2-3: Independent media approaching sustainability

1-2: Significant progress remains to be made; society or government not fully supportive

0-1: Country meets few of indicators and government/society actively opposing changes

The new parliament created a Media Commission headed by a former TV reporter and dominated by the ruling coalition. The new majority expressed commitment to reform media legislation by passing a new Radio and Television Law and a new Telecommunications Law. The main purpose of these changes is to free regulatory bodies from their dependence on the powerful of the day and to grant public status to the state broadcasters, Bulgarian National Television (BNT) and Bulgarian National Radio (BNR).

IREX/ProMedia helped launch a media law reform task force to work on media legislation amendments. The task force includes representatives of independent media, regulatory bodies, and the parliament. The parliament adopted a new Access to Public Information Act, the first one in a series of freedom of information laws, but its implementation is still lagging. Even though fines replaced jail sentences, libel suits still fall under the penal code and remain a tool for harassment of journalists, especially those working in local media outlets.

Independent media in Bulgaria have made significant progress in the last few years. Print media are pluralistic, privately owned, and increasingly better managed. Professional standards, however, remain a serious shortcoming: reporting is often unprofessional, biased, and intolerant. The German publisher, West Deutsche Allgemeine Zeitung (WAZ), controls the two largest dailies in the country and threatens to bankrupt many local competitors. Russian investors have gained control over some smaller publications and used them as a platform to promote their political and business interests. The *Duma* daily, the Socialist Party (former Communist) paper, went bankrupt immediately after the June 17 elections. The UDF daily *Democratzia* is currently the only party-owned newspaper in Bulgaria.

Private radio successfully competes with the still dominant BNR. Private radio networks (some with international investment) have developed across Bulgaria. Just recently, dozens of newly licensed independent radio stations started broadcasting in all major Bulgarian cities. The growth in number of stations is not matched by a similar growth in the advertising market and is seen by the Association of Bulgarian Broadcasters (ABBRO) as a threat to the sustainability of many independent stations. Private television, especially after licensing two independent channels with national coverage, is rapidly developing and challenging the monopoly of the BNT. The first independent TV station with national coverage, BTV, has surpassed BNT in audience and market share. However, the Supreme Administrative Court revoked the license for national coverage granted to the Greek-owned Nova TV, claiming that the State Telecommunications Commission had violated the legal procedures of licensing.

Broadcast media has not yet achieved full independence from government control, reflecting the prevalence of over regulation and political influence in all spheres of public activity in the country. Licensing so far remains biased against independents. Pressure on independent media, especially during the election campaign, demonstrated their continuing vulnerability to government interference. State-owned broadcasters BNT and BNR are not as yet moving toward greater independence from political influence. The broadcast regulatory bodies, the National Council for Radio and Television (NCRT) and the State Telecommunications Committee (STC), have remained firmly under government control.

Professional associations of broadcasters and journalists are in place and have become strong advocates of independent media development. ABBRO and the Bulgarian Media Coalition (BMC) are actively promoting independent media, freedom of speech, and professionalism. The Center for Independent Journalism developed, and the BMC adopted, the General Principles of Professional Journalism, unifying into one consistent Code of Ethics the numerous other codes adopted by different media outlets. ABBRO was elected to chair the Southeast European Network of Private Radio Associations, bringing together associations from the whole region, and is taking the lead in promoting regional broadcasters' cooperation.

The average scores on media sustainability, as analyzed by experts during the MSI panel discussion, present the media scene as not completely sustainable. The highest rating went to the indicator "multiple information sources available to citizens." Other strong indicators of sustainability were freedom to enter the journalism profession; unrestricted citizen access to local and international media; and entertainment programs not eclipsing news and information programming. Supporting institutions that function in the professional interests of independent media were also said by the panel to be a substantial presence. The lowest indicator ratings went to professionalism in journalism and to the legal and social norms protecting free speech. Other indicators receiving low scores from panelists were:

- Pay levels for journalists in private and state media too low to discourage corruption;
- Journalists and editors practicing self-censorship;
- Broadcast licensing not being fair, competitive and apolitical;
- Libel still being a penal code violation;
- Journalists not following recognized and accepted ethical standards;
- Lack of transparency of media ownership allowing consumers to judge the objectivity of news;
- Media ownership being concentrated in a few conglomerates.

Attribute #1: Legal and social norms protect and promote free speech and access to public information

Indicators
1. Legal/social protections of free speech exist and are enforced
2. Licensing of broadcast media is fair, competitive, and apolitical
3. Market entry and tax structure for media are fair and comparable to other industries
4. Crimes against journalists or media outlets are prosecuted vigorously, but occurrences of such crimes are rare
5. State or public media do not receive preferential legal treatment, and law guarantees editorial independence
6. Libel is a civil law issue, public officials are held to higher standards, offended party must prove falsity and malice
7. Public information is easily accessible; right of access to information is equally enforced for all media and journalists
8. Media outlets have unrestricted access to information; this is equally enforced for all media and journalists
9. Entry into journalism profession is free and government imposes no licensing, restrictions, or special rights for journalists

Two of the above indicators were rated highest during the panel discussion: access to international news and the unrestricted access to the journalism profession. Panel participants agreed that freedom of speech is guaranteed by the constitution, but relatively good laws are not enforced, and the public is not fully aware of the need to advocate for freedom of speech. As a panelist said, "Even though imperfect, the legislative framework is in place. At the same time, however, there are problems with legal defense in cases of free speech violations. And the really serious problem is whether the public cares for freedom of speech as a basic right." The new Access to Information Act (AIA) was discussed, but panelists admitted that it is still too early to judge its impact. Some participants mentioned that the Act is premature as there is no clear definition yet of what constitutes a state secret: "The Access to Information Act is closely related to the Classified Information Bill, which has not been passed yet. So, we have a law to regulate access to information but no definition of what is confidential information." Some panelists argued "In

the absence of a law access was easier than it is now with the AIA.” Others disagreed: “Despite some regulations in the AIA that can be viewed as overly restrictive, access to information is not altogether obstructed, nor is there any discrimination against media outlets based on the type of ownership.” A common view was expressed as follows: “Beyond doubt ours is a decent set of regulations. But not always does the government live up to the level of the legislation.” The legal framework was also criticized for favoring state-owned media over their commercial counterparts.

Licensing of broadcast media is only partially fair, competitive, and apolitical. It was severely criticized by panelists for not being independent of government control. “It is obvious that the Council of Ministers has complete control over the licensing body. Even some independent commercial outlets got their licenses on political grounds.” Granting a license is in the hands of two institutions: the National Council for Radio and Television (NCRT), and the State Telecommunications Committee (STC). The NCRT is responsible for checking the quality of programming. Its members are media experts appointed by the parliament and the president, which happened to represent the same political coalition, the UDF. To a limited degree the NCRT is fair, open, and allows for competitiveness.

Technical licenses are controlled by the government-appointed STC and its procedures are not open to public scrutiny. Once the NCRT and STC have granted preliminary license approval, a special commission under the control of the prime minister reviews the applications approved by the two bodies. The process is entirely political and lacks any degree of transparency. Panel members also mentioned that license fees are deliberately high and aim at purposefully bankrupting many private outlets: “License fees and other related fees for operating transmission networks do not correspond to the level of development of the local market.”

Panelists mentioned that basically, “media are acting in a relatively free market situation, print media in particular. There are no specific tax rates and tax relief. Print media felt a lot of pressure after VAT was introduced.” Discussants stressed that broadcast fees are disproportionately high compared to the economic capacities of radio and TV stations. Over the last couple of years, the media market has shown it is capable of attracting foreign investment (the German WAZ, the Greek Antenna).

Libel remains a criminal offense. Serious pressure from independent media and their associations and from the EU and the Council of Europe led to the abolishment of jail sentences in libel cases, but the UDF government did not decriminalize libel offenses. The financial penalties for libel are very high and can go up to one year of a journalist’s salary. Refusal or failure to pay the penalty may result in imprisonment. Public officials receive preferential legal treatment in libel cases; penalties for libel against government officials are higher.

The panel raised the issue of the inefficient and corrupt court system. Journalists believe that some prosecutors and judges are incapable and/or unwilling to resolve cases, and purposefully delay lawsuits to harass certain media outlets or reporters. “There is hardly anyone convicted for crimes against journalists. So, we couldn’t say that journalists are safe.” Some panel members thought, “Attacks against journalists on behalf of the state are frequent. There are lots of ways for the state to pressure journalists.” In general, everyone agreed that replacing imprisonment of journalists with fines has been a great achievement “We have been fighting a long battle—libel sanctions to be replaced with financial ones. We’ve achieved a lot in this direction.”

Panelists said that state media have a competitive legal advantage: “State radio and TV have a special status under the Radio and TV Act. That’s a direct answer to the question regarding the easier access to information that media legislation provides for the public or state-owned media.” Editorial independence is guaranteed by law, but not enforced in practice. State media receive government subsidies, collect fees, and sell advertising. In addition, they do not have to be licensed or pay license fees. The NCRT appoints their directors and approves their boards. As a result of the political bias in the NCRT, both institutions

are headed by journalists with close affiliations to the ruling party and are involved in pro-government propaganda.

Attribute #2: Journalism meets professional standards of quality

Indicators
1. Reporting is fair, objective, and well sourced
2. Journalists follow recognized and accepted ethical standards
3. Journalists and editors do not practice self-censorship
4. Journalists cover key events and issues
5. Pay levels for journalists and other media professionals are sufficiently high to discourage corruption
6. Entertainment programming does not eclipse news and information programming
7. Technical facilities and equipment for gathering, producing, and distributing news are modern and efficient
8. Quality niche reporting and programming exists (investigative, economics/business, local, political)

The average rating on this topic is the lowest compared to the other topics. Panel members thought that self-censorship is still a general practice, quality niche reporting is rare, and pay levels for media professionals are too low. On the issue of quality reporting, the group was split: some argued, “To a great extent we are still lagging behind,” and “There are standards, but the question is whether they are followed.” Others said, “Information is being confirmed by at least two sources. As to the balance between entertainment and informative programs, it depends on the outlet. This balance is beyond doubt imperfect, but let us not forget that private-owned media are businesses trying to make a profit. And they still aspire to objectivity, issues are being approached from a variety of viewpoints.... Competition has compelled journalists to set higher standards for themselves.”

Still, ratings show that fairness and objectivity of reporting remain a troublesome issue. BNT and BNR are generally biased in favor of the government. Independent media try to follow higher professional standards, but broadcast media (because of the political process of licensing) with few exceptions tend to be pro-government in their editorial policies. Print media depend on the economic and political interests of their publishers, often in conflict with generally accepted professional standards. There is a significant difference in pay levels between journalists in private and those in public media, which is one of the main reasons for corruption. Corruption within the profession consists mainly of outside, non-journalistic pressure to publish articles, oftentimes including a payoff. Accepting money or gifts for covering certain events and not covering others is often considered a normal practice in journalistic circles.

The panel agreed that while the importance of following ethical standards is recognized; nevertheless they are not followed, due both to economic pressure and self-censorship. “It is clear that readers are perfectly aware of false and ‘commissioned’ articles when they come across them. Journalists are also perfectly able to recognize a paid-for piece of reportage, regardless of the type of medium, broadcast or print. We cannot have more than 1 here [referring to indicator score for ethics].”

Self-censorship is practiced to a greater extent in state media than in privately owned media. “I am for 1 [score] here,” said one panelist, “because anyone working in state media is simply bound to compromise, if they want to survive.” Most journalists avoid any controversy with their publisher’s policy and with government officials for fear of being fired, sued, or both. Another panelist said: “I think self-censorship is closely related and undoubtedly stems from censorship. It can be censorship on the part of the editor-in-chief or someone else, but journalists are altogether aware that if they write the way they know they should, they will have to leave or will be forced to leave.” Some panel members mentioned that there is a difference between young and more mature reporters in terms of submitting to censorship. “Young reports are painfully sensitive to getting their articles published. So, they try to imitate the style of the editors and to follow closely their ideas. They get driven into self-censorship.”

Panelists said that media coverage of key events depends very much on whether someone’s interests were endangered or not. Still, said one, “In general, I agree that people are able to obtain information on issues

of particular interest when needed.” Some also pointed out, “It is a prevailing practice that print media most often neglect events that may be of interest to average citizens and favor events more relevant to high level officials. For example NATO is a very important subject, but it still isn’t what people on the street are talking about.”

Private media were criticized for being sometimes inclined to spread rumors, which can have the effect of denying information to the public through distortions of news and events. But fortunately the strong competition in the media sector acts to push all media to bring out key issues to the public.

Panel participants agreed that there is definite progress in terms of technical equipment, but there is “still much to be wanted, especially in TV.” They also mentioned that, “In Bulgaria converting to the digital system is still in its initial phase. But technical differences in print and radio are not very serious.”

Panel members agreed that there are journalists qualified to do niche reporting and investigative reporting, but there are many other obstacles. “Such journalism is quite expensive and not all media can afford it. Very few can afford to have on their payroll several people who would be utterly devoted to investigations that sometimes take months to complete.”

Attribute #3: Multiple news sources provide citizens with reliable and objective news

Indicators
1. Plurality of public and private news sources (e.g. print, broadcast, Internet) exist and are affordable
2. Citizens’ access to domestic or international media is not restricted
3. State or public media reflect the views of the entire political spectrum, are non-partisan, and serve the public interest
4. Independent news agencies gather and distribute news for print and broadcast media
5. Independent broadcast media produce their own news programs
6. Transparency of media ownership allows consumers to judge objectivity of news; media ownership is not concentrated in a few conglomerates
7. A broad spectrum of social interests are reflected and represented in the media, including minority-language information sources

The highest average indicator rating was given to the lack of restrictions on citizen access to local and international media. The indicator on awareness of media ownership got the lowest rating. The lack of transparency on ownership prevents consumers from judging the objectivity of news. Ownership of the mainstream print and electronic media is concentrated in a few conglomerates. Most notably, the German WAZ group owns the two largest dailies, with over 70 percent of the total newspaper circulation in the country. Their local editions have put most of the local Bulgarian-owned press out of business. The Radio and Television Law has strict requirements about transparency of domestic capital sources, but international investors are sometimes registered as offshore companies, and their capital sources are not made public.

All panelists agreed that a plurality of news sources is available to the public, but the situation differs between the largest cities and the countryside. “People in the country, especially older ones, have hardly any alternative sources to state radio.... The availability and variety of news sources is satisfactory, except in the villages where people are confined to state radio and TV; also, Internet access is not available there.” The fact that Internet access is not affordable to everyone was mentioned as a serious obstacle: “On the local level few people can afford access to the Internet, or even print editions.”

The panel members shared the opinion that there are an increasing variety of news programs produced by independent broadcast media, but political interest still interferes with objectivity. “There is a lot of freedom, we witness an increasing variety of news programs, but on the other hand, it is still possible for owners and politicians to impose changes on news programs.” State media are biased and serve the public interest only partially.

Independent news agencies do not exist in the country. The problem is related to the monopoly of state agencies such as the State Telegraph Agency (BTA), which discriminates against some independent print and electronic media. Panelists agreed, “The BTA is a monopolist, and manipulates and selects information. On the other hand, the numerous emerging Internet editions are undermining the BTA monopoly. Some local media outlets have problems using the BTA or other sources, as there are no special subscription rates to accommodate the varieties of outlets, but this is an economic problem, not a legislative one.” Participants said that even though the government influences the BTA, Internet information compensates for their one-sided and biased coverage.

Minority-language sources are not widely available and they remain underdeveloped because, according to participants, public demand for them is relatively low. Panel members also expressed doubts that the presentation of some social events was not quite objective. Said one: “On the issue of making minority editions available to everyone, I’m not quite convinced that anything related to minority rights, or the presentation of social interests, is perfect.” Even though international donors have supported a number of small Roma publications, their circulation cannot satisfy the needs of the large Roma population in Bulgaria. One Roma TV station exists in the town of Vidin (northwest Bulgaria) and is entirely dependent on donor money. State television has recently begun to include Turkish language news in their daily programs, but polls show that few ethnic Turks ever watch these programs.

Attribute #4: Independent media are well-managed businesses, allowing editorial independence

Indicators
1. Media outlets and supporting firms operate as efficient, professional, and profit-generating businesses
2. Media receive revenue from a multitude of sources
3. Advertising agencies and related industries support an advertising market
4. Advertising revenue as a percentage of total revenue is in line with accepted standards at commercial outlets
5. Independent media do not receive government subsidies
6. Market research is used to formulate strategic plans, enhance advertising revenue, and tailor products to the needs and interests of audiences
7. Broadcast ratings and circulation figures are reliably and independently produced

Panelists were unanimous that independent media do not receive government subsidies, although indirect funds are sometimes provided to the *Democratia* daily, the UDF coalition paper. Use of market research studies was also assessed highly. However, media revenues from advertising are low. According to participants, many media outlets are forced, because of competition, to produce more ads since advertising is the only source of revenue for broadcast media. “The market is stagnating and advertising is the only revenue source. Private outlets would dump their own rates in the struggle for survival. This affects programming. Despite regulations on the percentage of ads per hour, some radio programs are hard to listen to as ads prevail over everything else.” Still, other panelists mentioned that Bulgaria has a good advertising market and media outlets take advantage of clients: “The truth is that the Bulgarian ad market is more or less developed. And media are advertisement-hungry.” The situation is different in print media. “However, in print media there are several sources of revenue: subscriptions, street sales, and advertisements. Of course the major dailies with huge circulations get most of their revenues from advertising.”

Despite this assessment of the ad market, the panel did not believe that broadcast ratings and circulation figures are reliably and independently produced. Participants voiced their strong opinions that market research is used to manipulate the market: political figures, media bosses, and/or the government sway broadcast ratings in their favor. Some panel members also claimed that quite often agencies would work only with the few highest-ranking radio or TV stations and altogether neglect the rest

On the other hand, many panelists shared the opinion that the publishing business in Bulgaria is lucrative and newspaper distribution is one of best-managed enterprises in the country. “The truth is the publishing business in Bulgaria is more lucrative than in Germany. Newspaper distribution is one of the best-

managed enterprises in the country, providing around 30,000 jobs nationwide.” However, “the biggest print-house is not being used to its fullest capacity, even though it is still subsidized by the state.”

Attribute #5: Supporting institutions function in the professional interests of independent media

Indicators
1. Trade associations represent the interests of private media owners and provide member services
2. Professional associations work to protect journalists' rights
3. NGOs support free speech and independent media
4. Quality journalism degree programs exist providing substantial practical experience
5. Short-term training and in-service training programs allow journalists to upgrade skills or acquire new skills
6. Sources of newsprint and printing facilities are in private hands, apolitical, and not restricted
7. Channels of media distribution (kiosks, transmitters, Internet) are private, apolitical, and unrestricted

Panelists rated highest the indicator on organisations presenting media owners' interests: “If we look at ABBRO, we'll have a 4. It is an organization of international esteem; quite a successful one in promoting private radio stations' interests.” Some panelists praised the efforts of such associations: said one, “Being an insider and having an idea about the activities of such organizations, I am sometimes amazed by how much is being done.” Others participants were more critical. “If we consider the Union of Bulgarian Journalists, the rating should be a zero.” Still, many acknowledged the efforts of professional organizations. The indicator on the professional organizations' protection of journalists' rights, on the other hand, was given the lowest rating. It reflects their lack of action concerning the recent massive layoff of state radio employees by a management which was largely perceived as non-legitimate.

NGO support for freedom of speech and independent media was acknowledged by most panelists, at least in terms of NGO efforts to change legislation. “At least there are attempts to change the legislation. Of course, just like in other fields, the impact of their work is often questionable, but undoubtedly there are some breakthroughs.” Some complained that NGOs are not doing enough: “My grade is 2, because the efforts of the NGO sector are not enough.”

Panel members criticized the quality of journalism degree programs for the lack of modern technical facilities for practical training, the lack of updated and accessible training materials and updated concepts, and little local expertise on journalism education. There are some local short-term training services, which help journalists upgrade their skills or acquire new ones, but these are highly dependent on international aid. Panel participants acknowledged that training courses are available, but criticized their accessibility: “They are hardly accessible due to a variety of reasons. Sometimes it is mere time constraints, in other cases, media outlets cannot afford to let employees participate in such trainings. But since such programs are available and attended, we could have a 2 indicator rating.” Other members were more critical. “First, those programs are not enough, second, the selection of participants is not transparent, and finally, the management is not quite aware of or sensitive to the need to improve their employees' qualifications.”

Media distribution channels are privately owned and provide unrestricted access to media outlets. Some of the low ratings on this issue are related to the fact that distribution networks are not well developed in the rural areas and smaller towns. Though the largest printing house was praised for its good work, panel discussants mentioned that it was still state-owned.

List of panel participants

1. Alexander Ivanov, media lawyer, former member of the National Council for Radio and Television; areas of expertise: broadcast licensing and libel law.
2. Vassil Dimitrov, radio owner/manager, Chairman, Board of Media Development Center (former Soros Media program, currently an independent training center funded by the German government); areas of expertise: radio and NGO management, relations with independent organizations and donors.
3. Konstantin Markov, radio owner/manager, Chairman, Association of Bulgarian Broadcasters, ABBRO, Chairman, SEE Network of Private Broadcasters' Associations, (11 associations from 9 SEE countries); areas of expertise: radio and NGO management.
4. Jassen Boiadjiev, journalist, Chairman, Bulgarian Media Coalition and Free Speech Forum; areas of expertise: journalism, freedom of speech issues, and NGO management.
5. Vassil Chobanov, journalist, media law expert; areas of expertise: libel law, copyright law, broadcast law; freelance reporter for Radio Free Europe (media and the court system).
6. Jovo Nikolov, reporter, *Kapital* weekly (one of the most influential papers); Chairman, Investigative Reporters Foundation; areas of expertise: investigative reporting.
7. Georgy Dasklov, political analyst, *24 Hours* daily; areas of expertise: investigative reporting.
8. Luba Rizova, reporter, *BTV* news director; areas of expertise: journalism, TV news production and training.
9. Raina Konstantinova, director, Radio Board of Geneva-based European Broadcast Union; former state radio director; areas of expertise: public radio management, relations with IOs.
10. Stojana Georgieva, *Mediapool* Internet newspaper editor; former Speaker of the Bulgarian government; editor-in-chief of the first Bulgarian Internet newspaper; areas of expertise: reporting, political PR, Internet publications.
11. Vesselin Dimitrov, PhD, Dean, Sofia University, Faculty of Journalism and Mass Communication.
12. Gergana Jouleva, Access to Information Program Director; areas of expertise: NGO management and FOIA issues.

Observers

Diana Arnaudova, Democracy Officer, USAID/Bulgaria
 Petko Georgiev, Resident Advisor, IREX/ProMedia, Bulgaria

Moderator

Rumiana Bachvarova, Sociologist, *MarketTest*, a leading polling group on media market in Bulgaria