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BULGARIA

Bulgaria celebrated 10 years as a member of the European Union (EU) on January 1, 2017. During that time, the country has witnessed stable economic growth, with per capita gross national income rising from \$14,848 in 2007 to \$17,880 in 2015, according to the World Bank (using adjustments for purchasing power parity). This growth, however, has not registered in the way Bulgarians feel about their lives: according to Eurostat, 54 percent of Bulgarians were unsatisfied with their standard of living in 2016.

Dissatisfaction has led to a series of government ousters in the past few years and, most recently, to the resignation of the government after the ruling center-right GERB party's candidate lost the presidential elections in November 2016 to a political novice supported by the opposition Socialists. The new president, Rumen Radev, has been frequently described as a supporter of closer links with Russia, even though he insists that he favors deeper integration of Bulgaria in the EU. Bulgaria is a parliamentary republic, and real executive power lies with the government, which is appointed by parliament. Whether Bulgaria's changing political climate will lead to significant policy changes will depend on the results of the early general elections to be held in March 2017.

The decade of EU membership has been disappointing for development of the media market, as MSI studies have shown over the years. Even though Bulgaria's media perform better than in some neighboring countries, experts and the general public are not satisfied with the overall quality of the media in the country. As one panelist in the 2016 MSI survey, university lecturer, rock star, and former media manager Constantine Markov, put it, "The media in Bulgaria don't meet the expectations and standards established in the more developed part of the world. They may be better than in Moldova, but they're not where they should be after so many years of democratic development."

Many Bulgarians share those sentiments. According to a 2016 survey carried out by the Media Democracy Foundation, only 17 percent of Bulgarians trust the independence of the media. The main threats to the public's trust in the media are the huge growth of fake news, a campaign against Bulgaria's pro-Western orientation, the visible political pressure on the leading national media, and the growing impact of the media described in Bulgaria as "truncheons": tabloid newspapers, online news sites, and television channels used by local oligarchs to exert influence, ruin the reputations of political and business opponents, and manipulate public opinion. "The media are being used to hack people's minds and to hijack reason. That's above all the online media, which have sent us to the post-truth era when a connection to the facts becomes impossible and even undesirable," said popular columnist and free-speech activist Yassen Boyadjiev. For these reasons, the 2017 issue of the MSI for Bulgaria marks the lowest level recorded since the survey launched in 2001, with a slight decrease in score compared with last year's previous low.

BULGARIA at a glance

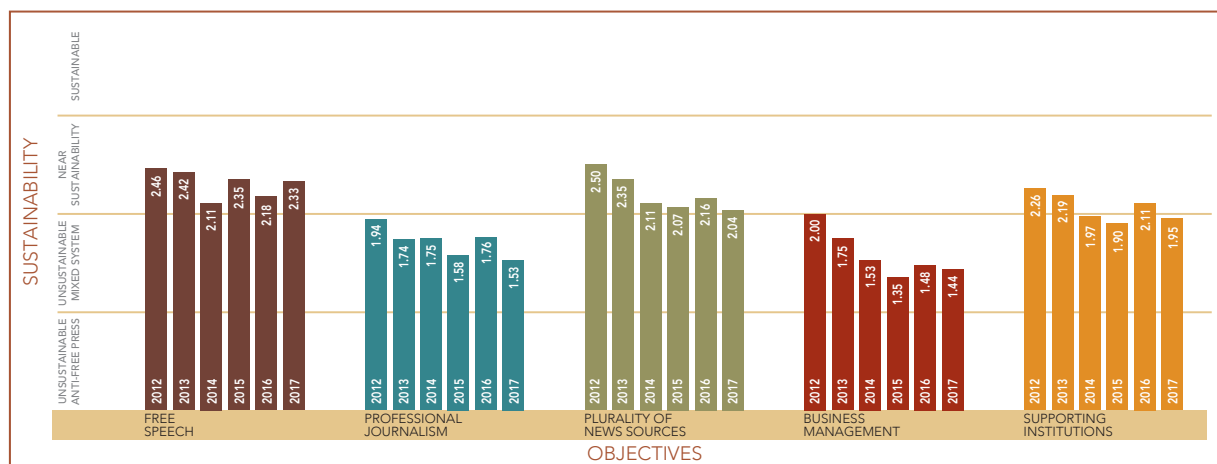
GENERAL

- > **Population:** 7,144,653 (July 2016 est., CIA World Factbook)
- > **Capital city:** Sofia
- > **Ethnic groups (% of population):** Bulgarian 76.9%, Turkish 8%, Roma 4.4%, other 0.7% (including Russian, Armenian, and Vlach), other (unknown) 10% (2011 est., CIA World Factbook)
- > **Religions (% of population):** Eastern Orthodox 59.4%, Muslim 7.8%, other (including Catholic, Protestant, Armenian Apostolic Orthodox, and Jewish) 1.7%, none 3.7%, unspecified 27.4% (2011 est., CIA World Factbook)
- > **Languages:** Bulgarian (official) 76.8%, Turkish 8.2%, Roma 3.8%, other 0.7%, unspecified 10.5% (2011 est., CIA World Factbook)
- > **GNI (2015-Atlas):** \$53.69 billion (World Bank Development Indicators, 2017)
- > **GNI per capita (2015-PPP):** \$17,880 (World Bank Development Indicators, 2017)
- > **Literacy rate:** 98.4%; male 98.7%, female 98.1% (2015 est., CIA World Factbook)
- > **President or top authority:** President Rosen Plevneliev (since January 22, 2012)

MEDIA-SPECIFIC

- > **Number of active media outlets:** Print: 295 newspapers, 635 magazines (National Statistics Institute 2014); Radio Stations: 85; Television Stations: 112 (Council for Electronic Media)
- > **Newspaper circulation statistics:** Total annual circulation: 324,310,000 (National Statistics Institute 2014)
- > **Broadcast ratings:** bTV, NOVA, BNT1
- > **News agencies:** Bulgarian Telegraph Agency (state), BGNES (private), Focus Information Agency (private)
- > **Annual advertising revenue in media sector in 2014:** \$107.6 million net (MA Pierrot 97)
- > **Internet Usage:** 4.072 million (July 2015 est., CIA World Factbook)

MEDIA SUSTAINABILITY INDEX: BULGARIA



Unsustainable, Anti-Free Press (0–1): Country does not meet or only minimally meets objectives. Government and laws actively hinder free media development, professionalism is low, and media-industry activity is minimal.

Unsustainable Mixed System (1–2): Country minimally meets objectives, with segments of the legal system and government opposed to a free media system. Evident progress in free-press advocacy, increased professionalism, and new media businesses may be too recent to judge sustainability.

Near Sustainability (2–3): Country has progressed in meeting multiple objectives, with legal norms, professionalism, and the business environment supportive of independent media. Advances have survived changes in government and have been codified in law and practice. However, more time may be needed to ensure that change is enduring and that increased professionalism and the media business environment are sustainable.

Sustainable (3–4): Country has media that are considered generally professional, free, and sustainable, or to be approaching these objectives. Systems supporting independent media have survived multiple governments, economic fluctuations, and changes in public opinion or social conventions.

Scores for all years may be found online at <https://www.irex.org/msi>

OBJECTIVE 1: FREEDOM OF SPEECH

Score: 2.33

Bulgaria has an established legal environment that protects and promotes free speech and access to public information. Regulations in this sphere were set up in the early 1990s and have been gradually improved and expanded; however, they are not vigorously enforced, and the public puts less and less value on free speech. Some experts say the radio and television law is long overdue for revision. Nikoleta Daskalova, of the Media Democracy Foundation, has counted 44 amendments to it since its adoption in 1998, most made in the last moment to serve a short-term business or political purpose. “We don’t need any more piecemeal changes, but a total reform of the legislation,” she said.

Free speech is protected by Bulgaria’s constitution and legislation on broadcast media. At the same time, Bulgaria suffers from an overall weakness of the rule of law, and these norms and protections are not always enforced. Panel participants noted that the public has grown less concerned about free speech, as this right has been abused by populist politicians and tabloid media, fake news has increased, and the media generally traffic in sensationalism. Public trust in the media is declining, and distaste for the behavior of the tabloids has spilled over to media that adhere to professional standards.

The licensing of broadcast media is done by the Council for Electronic Media (CEM), which started 2016 in limbo, as the terms of three of its members, including the chairperson, had

LEGAL AND SOCIAL NORMS PROTECT AND PROMOTE FREE SPEECH AND ACCESS TO PUBLIC INFORMATION.

FREE-SPEECH INDICATORS:

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

expired. In April, parliament elected two new members, and a candidate who had earlier been nominated by the president took her seat. The council’s revocation of the license for TV7 in 2016 was an example of why some believe its actions are politically motivated. TV7 is owned by Bulgarian oligarch Tzvetan Vassilev, who fell out of favor with his political and business partners and lives in self-imposed exile in Serbia. The former banker regularly gives interviews in which he accuses the prime minister and the prime minister’s alleged business partner, member of parliament and media tycoon Delyan Peevski, of corruption. TV7 was forced to stop broadcasting as it was preparing to air such an interview; the CEM, however, said the move was motivated by the channel’s bankruptcy and multiple violations of the broadcasting law. Panel members said the license of TV7 was taken away in the same political way it had been awarded a few years earlier.

Panelists also noted the CEM’s unwillingness to start the election of a new director general for BNT, the Bulgarian public television broadcaster. The incumbent’s final term ended in July, but parliament changed the law on radio and television to allow the term to be extended until a new director is elected. “This decision is very controversial, made at the last minute, lacking in details, purely aiming to legalize the current situation and as a reaction to the fact that there is no agreement on a new candidate; new candidates aren’t even being discussed,” Daskalova said.

Conditions for entering the market and the tax structure for media are fair and comparable to other industries; Bulgaria has a simplified VAT of 20 percent and a flat 10 percent revenue tax for all industries. Media industry associations have tried repeatedly to have the VAT reduced or abolished for their industry. “We benefit from favorable taxation—there are very few professions where you can automatically deduct 40 percent of your income,” said Vladimir Yonchev, director of OFFNews. However, according to Vessislava Antonova, media editor of the *Capital* weekly, the state can use tax authorities to pressure uncooperative media: “When they want to threaten a media outlet, they send the taxmen.”

Crimes against media professionals, including citizen reporters, and media outlets happen occasionally and have been on the rise. Stoyan Tonchev, an investigative reporter from the Black Sea town of Pomorie, was badly beaten by a group of men that included the personal driver of a city councilor from the town. One attacker was arrested and is awaiting trial, while the others have not been identified. During the attack, the men shouted, “When will you stop writing?” Another member of the criminal underground received a suspended sentence of five months for attacking a journalist in the nearby regional center of Burgas. In several other cases of threats and physical violence against journalists, police have launched serious investigations. In another disturbing incident, Bulgaria’s greatest football star and

national icon from the late 1990s, Hristo Stoitchkov, attacked reporters for taking pictures at a wedding he was attending. He is now awaiting trial. Similar cases involving powerful people are happening more often, especially in the countryside.

Bulgarian law protects the editorial independence of public media, but it is not always enforced. In a widely discussed case, the culture minister accused publicly the anchor of the country's public television daily culture program of being too critical and "forgetting who feeds him." The journalist and the management of BNT responded with a defense of free speech and criticized the minister, but it is widely believed that BNT and BNR (the public radio broadcaster) are under pressure to provide favorable coverage of the government. Both organizations have rigorously defended their editorial independence. For some members of the public, this independence goes to extremes, as with a controversial weekly talk show on BNR taken off the air in 2016. The program, known for its pro-Putin and anti-EU stance, was suspended after CEM started imposing financial sanctions on BNR for violating pluralism requirements for public media. BNR's new director general has started to deal with programming problems that have accumulated over the years but is facing internal opposition and limited political support for the much-needed reforms.

Libel in Bulgaria remains criminalized, although sanctions do not include imprisonment. Increasingly, public figures and journalists successfully sue the media for libel and defamation. Antoaneta Tzoneva and Assen Genov, prominent civil-society activists, are among those winning cases against one of the "media truncheons." The *Monitor* newspaper, one of the "Peevski" group, had accused the two of paying people to protest against the prosecutor general, a claim it was unable to prove in court. Disputes often arise over social media postings, and courts have delivered varying verdicts. Bojidar Bojkov, a journalist from Burgas, successfully defended himself against a defamation case brought by a local businessman after proving that his posting was based on fact; local activist Bojidar Sandov, though, was found guilty in the same city for offending another local businessman on Facebook. It is usually more difficult for public officials to prevail in such cases, and the offended party must prove falsity and malice.

Public information laws have been strengthened for all media, journalists, and citizens, although enforcement is sometimes lacking. According to the annual report of the Access to Information Program, a civil-society group, public institutions are getting better about publishing and responding to requests for information but sometimes drag their feet or bury the information in obscure sections of their websites.

"The first problem is that publicly available information is not well organized and is published on the wrong part of the website," Yonchev said. "The second problem is the naming of

the files, which makes them difficult to find, and the biggest problem is that most documents are in unsearchable PDF format. I'm sure this is done on purpose—to fulfill the legal obligation to publish but make it difficult for people to find the information... As a general rule, if there's a lot of money involved, the documents are impossible to find. That's a scandal."

As has been the case for many years, media outlets' access to and use of local and international news and news sources is not restricted by law or in any technical way; however, there are concerns that the reduced financial and professional capacity of some media is resulting in less regional and international news.

Entry into the journalism profession is free, and the government imposes no licensing or restrictions for journalists—which, given the declining level of professionalism in Bulgarian media, some MSI panelists quipped is not such a good thing.

OBJECTIVE 2: PROFESSIONAL JOURNALISM

Score: 1.53

With an objective average of just 1.53, this is the second-lowest-scoring part of the MSI for the year. The panelists acknowledged significant differences among different segments of the media that could make the low average misleading. The work of journalists at the three mainstream television channels and a handful of print and online publications is significantly more professional than at the "media truncheons," yet the overall trend even in the more professional media is not encouraging.

Reporting is not seen as fair, objective, or well-sourced. The mainstream media show a bias for the government while sidelining the opposition or alternative points of view. The tabloid media are not committed to professional and fair reporting at all, and the number of fake-news portals and stories is growing fast. The panelists said mainstream media may disregard a fake-news story initially, but once it appears in the bigger tabloids, they feel free to include it in their own programs for comments and further distribution. The "Peevski" group of media, including several print and online outlets and the well-funded Channel 3, which government members favor over mainstream outlets for interviews, does not abide by professional standards and is used for pro-government propaganda and attacks on any who oppose those in power. Biased reporting is finding its way into the mainstream media as well, particularly on talk shows on BNR and on the two main commercial channels, bTV and Nova TV.

The mainstream media have accepted codes of professional behavior and a media complaints commission that reviews potential violations. The most flagrant violators, however, are media that do not participate in the self-regulatory mechanisms.

In a paradox then, the media community regulates those who perform better but is unable to take measures against those outlets that commit the worst violations of professional standards.

Antonova, a member of the National Council for Journalism Ethics, said that most recent complaints concern the “very essence of journalism.” For instance, one complaint said a major channel had used archival footage of another place and time to substantiate allegations of corruption in an investigation. “What is worrying is that the complaints have now reached the serious long journalistic formats of the media, where the facts should be straightforward. Moreover, many of these investigations get results—people are being fired,” Antonova said.

The lowest indicator score for Objective 2 arises from widespread self-censorship, which all panelists said prevails even in publications with relatively high standards. In the case of the tabloids, self-censorship is the rule; these media do not write anything on domestic political, social, or business matters that is not in line with the private interest of the publisher. In the mainstream media, self-censorship is the combined result of external political pressure and a weak advertising market that makes managers wary of scaring off advertisers with coverage of controversial issues related to their businesses. “Self-censorship is cruel,” Yonchev said. “Self-censorship is when you want to say something, but you’re scared. It’s worse now—you don’t want to say anything anymore.”

While the panelists agreed that journalists generally cover key events and issues in the country, there are growing concerns that the news agendas are driven by specific interests and not by the desire to inform the public about important events. The angle of coverage of these events is also problematic—even the mainstream professional media tend to select less controversial

angles or accept the spin developed by government, political, or corporate public relations.

Pay for journalists and other media professionals has been falling amid the financial difficulties in the advertising market, and keeping qualified people within the media profession is becoming difficult. Some media and journalists have been caught semi-officially offering their services to politicians and companies in exchange for positive coverage. Recently, Deputy Prime Minister Ivailo Kalfin condemned what he called “fake news” about him produced by Valeria Veleva, a well-known journalist and website editor. “Unfortunately, financial problems make some journalists do anything for a few bucks,” Kalfin said. Veleva, who was exposed as a former informant for the Communist secret services, had earlier shocked the professional community by posting on her site special tariffs for giving prominent placement to stories and for producing a “promotional analytical publication.” Panelist Ivo Draganov, a professor at the New Bulgarian University, said journalists “with high material status, their fast rise to wealth, the luxurious villas and the expensive cars...the demonstration of close links with the people in power known for their unscrupulous attitude toward the media are indicative of these issues.”

BNR producer Irina Nedeva recalled that tabloids had fabricated a story about reporter Maria Cheresheva, a board member of the Association of European Journalists Bulgaria. Tabloids said Cheresheva had interviewed the Syrian refugee who had registered in Bulgaria and later killed himself in a July suicide attack on a wine bar in Germany—and then that the tabloids had asked her about the interview. Cheresheva is suing the newspapers.

Despite the important political and economic developments in 2016, entertainment continues to eclipse news and information programming, and it is increasingly creeping into even more serious formats; pop divas, footballers, and reality-TV stars are being invited to comment on serious political, security, and social issues alongside experts and politicians. While panelists said this is meant to boost ratings, they also said it trivializes serious debates and damages the quality of the public discussion. Another trend seen in 2016 is celebrities’ increasing willingness to use their status to directly interfere with politics. *Slavi’s Show*, a popular late-night entertainment program, initiated a referendum on the elections system and used its daily programming to gather the necessary signatures to have the referendum officially registered. The program also exposed critics of the referendum to indiscriminate attacks, including the public tearing of a portrait of the president and hours of smear campaigns against members of parliament and public figures, including respected journalists who did not approve of the changes in the electoral system promoted by the showman.

JOURNALISM MEETS PROFESSIONAL STANDARDS OF QUALITY.

PROFESSIONAL JOURNALISM INDICATORS:

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

Rozita Elenova, a member of the CEM, said the regulator does not have legal power to interfere. “We’ve asked the European Regulators Group for Audiovisual Media Services, ERGA, for advice on what to do in this situation. There is no tool in our law allowing us to regulate this unprecedented situation,” she said.

The only bright spot in the measure of professionalism remains the technical level of facilities and equipment for gathering, producing, and distributing news. The panelists agreed that most media can afford good equipment and that the technical quality of the content is improving. Not all are pleased with the final product, however. Draganov said video has not improved much, graphics are poor, and pictures are not dynamic. “Television in Bulgaria disregards the importance of the image. Well-trained cameramen and studio directors able to work the studio’s setting professionally are missing,” he said.

Quality niche reporting and programming in Bulgarian media is becoming rarer and remains limited to a few outlets. These include the three main television channels; publications, such as *Bivo!*, that specialize in investigative reporting; the group of publications around *Capital*; and some smaller online media, such as BIT TV, which launched in 2015 with investment from Bulgarian nationals in the United States. “There are entire beats that are dead,” Yonchev said. “Tell me one reporter who knows anything about regional development, about municipal budgets, about local budgets.... The reasons are financial—reporters don’t have the time to develop beats because they have to bring in information every day.”

Daskalova warned of the rise of hate speech. “It’s no longer limited to fringe media—websites and political party TV channels, which have a political agenda behind their intolerance to minorities and ethnic groups—but is being developed by leading TV stations as a sort of a commercial nationalism. The victims are numerous—not only minorities, but also politicians and the liberal media, citizen activists, and NGOs. This is becoming the rule,” she said.

OBJECTIVE 3: PLURALITY OF NEWS

Score: 2.04

While there is a plurality of public and private news sources and a large and diverse media scene, including print, broadcast, online, social, and mobile media platforms, they offer a relatively narrow range of viewpoints. The “media truncheons” are generally seen as distributing via multiple channels the same messages, covering the same selection of events and people from the same angle, even sharing the same fake-news stories across multiple platforms. A growing number of anonymous online platforms cross-promote one another to multiply fake news and Kremlin propaganda and attack and discredit

politicians, institutions, and civic activists. More pluralism exists in the mainstream media, which are themselves attacked by the rest of the media when presenting points of view that do not correspond to certain propaganda lines.

“The media in Bulgaria in the 1990s were more pluralistic than now. There were clashes of ideas among them,” political analyst and blogger Ivo Indjev said. “Since then, it’s been all smoothed over by corruption. Bulgarian media were corrupted by the government with European money, which is absurd. This is selection by virtue of obedience. The more obedient you are, the more you get, the more you’re on screen... The Bulgarian media refuse to focus on whole segments of reality that are important to society. All the big international media saw it very clearly—that the battle in the presidential elections in Bulgaria was between East and West. Our media refuse to see it,” Daskalova said.

Bulgaria has a large number of media outlets, but little actual pluralism, thanks to concentration of ownership. It is difficult to prove who controls the “truncheon” media, as ownership is spread among companies that have no formal connection to the media tycoon Peevski. However, a scandal involving three of the leading tabloid-style outlets in 2016 shed some light on their links to him. The editor of the PIK news agency, an online tabloid, and the owner and editor of the *Trud* newspaper entered into a public debate about their financial dependency and links to the Peevski media empire. A similar scandal involved PIK and another tabloid, *BLITZ*. Despite blatant violations of media standards, PIK managed to receive registration as an online television channel, which prompted the protest resignation of CEM Chairman Georgi Lozanov. Some of these media are among the biggest beneficiaries of EU funds distributed by the government.

Citizens’ access to domestic or international media, unrestricted by law, economics, or other means, is traditionally among the highest-rated indicators of the MSI in Bulgaria. Free terrestrial television and radio are available across Bulgaria, with few areas where the coverage is bad. Cable television is widely available and affordable; more than 63 percent of households have Internet access, a 4 percent increase over 2015.

The public media of Bulgaria, BNT (television) and BNR (radio), enjoy a relatively high level of trust and tend to reflect a wide spectrum of political views. Except for a few talk shows, they are widely seen as nonpartisan and in the public interest. There are, however, serious concerns about political interference by the government, which directly intervenes in the two stations’ programming and tightens its purse strings in an effort to keep them in line.

Stoyana Georgieva, editor-in-chief of the Mediapool website, said the culture minister’s unobvious reminder that the government “feeds” BNT journalists “is indicative of the way

politicians imagine the role of journalists in public media—that they are on a state salary and should serve the government.”

BNR went through a difficult period in 2016, with disagreements over internal financial regulations between the management and the editorial staff, and with the decisions to cancel the controversial *Dekonstrukcija* talk show and to send into early retirement a popular independent-minded presenter, Lilly Marinkova. A new director general will be appointed at BNT in 2017; new management is in place at BNR. For several years, there has been talk of merging the two broadcasters, but there is little internal support for the move and governments have avoided radical changes. In the case of BNR, there are serious concerns that the station’s new management, like its predecessor, has little editorial control over some programming, which is run by powerful producers who impose their own editorial and financial policies.

According to BNT’s chief producer for current affairs, Boyko Vassilev, some cases, especially at BNR, raise the question of whether pluralism can be abused and “whether under the guise of free speech the journalists have the right to drive their own political agenda or directly propagandize.”

With the growth of the Internet there are few strong, independent news agencies serving media outlets. The state-owned BTA depends entirely on its government subsidy, and the private alternatives are used as propaganda tools. Most media do not depend on news agencies and receive information from a variety of their own and free online sources. Copyright violations are common. Private media produce their own news. The radio and television law requires broadcast media to produce their own news, and external production of current-affairs programs is limited.

MULTIPLE NEWS SOURCES PROVIDE CITIZENS WITH RELIABLE AND OBJECTIVE NEWS.

PLURALITY OF NEWS SOURCES INDICATORS:

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

“The Bulgarian media refuse to focus on whole segments of reality that are important to society. All the big international media saw it very clearly—that the battle in the presidential elections in Bulgaria was between East and West. Our media refuse to see it,” Daskalova said.

The ownership of media, especially print and online, continues to be opaque and does not allow consumers to judge the objectivity of news. Despite legal requirements and numerous attempts to increase transparency, it is still difficult to find reliable information about the actual owners of some print outlets and impossible to do so for the sea of new websites. “We have better transparency now in the ownership of print media, but the online [sphere] is completely out of control,” Antonova said.

Owners of broadcast media, on the other hand, must identify themselves in order to obtain a license, and there is clarity about who owns the major television channels. Media ownership is increasingly concentrated among a few conglomerates; the groups of bTV (owned by Central European Media Enterprises and Time Warner) and Nova TV (owned by Swedish media group MTG) dominate the television market and hold a very strong position in the online market. Peevski is the assumed man in control of the biggest print network, with a significant presence in online and television platforms.

The diversity and number of media outlets also does not translate into a broad spectrum of social interests reflected in the media. Most news content is centered around the government, and there are limited citizen alternatives. Minority-language information sources practically do not exist. For Bulgaria’s significant Turkish population, the main information sources remain television channels broadcasting via satellite or included in local cable networks from Turkey.

The Bulgarian media provide news coverage and information about local, national, and international issues, but limited finances restrict the number and depth of stories most media outlets can cover outside their area. Only the public broadcast media have regular correspondents in the countryside or abroad, whom they find increasingly difficult to sustain; all other national broadcast media work with freelancers in the country and abroad, often sharing the same correspondent, who usually also works for an independent local outlet. This adds up to partial and superficial coverage of events outside Sofia.

Information about international events is freely available but most is taken from foreign sources.

“The same private team delivers the same reports to several national channels, which is a recipe for one-sided coverage,” said Dimiter Lipovanski, director of the Arena Media news website in the northeastern city of Russe. “The national media rely less and less on correspondents in the regions—the newscasts are full of similar issues in Sofia. They’re no longer national, but rather Sofia-centered.”

Local media remain relatively weak and financially unstable. “The media practitioners in the local media, especially at the lower levels—reporters, editors, cameramen—are mainly people without a professional education who have to learn as they work,” Lipovanski said. They tend to rely on official press centers and the public-relations agencies, which results in poorer-quality information and a narrow set of issues being covered, he said. Lipovanski said 60 percent of managers at private local media in his region do not recall even signing an ethics code. With few exceptions, there is no quality coverage of beats, mainly due to the minimal staffing of the local media. “It’s common for the same journalist to cover the police and culture. This has a negative impact on the reporters’ competencies and is reflected in the quality of the content produced,” Lipovanski said.

OBJECTIVE 4: BUSINESS MANAGEMENT

Score: 1.44

With a score of 1.44, Objective 4 received the lowest score this year; this is also the lowest objective score for the entire MSI in Bulgaria since the survey launched in 2001.

There are four distinct groups of media in the country in terms of efficiency and profitability: One is the large, foreign-owned broadcast networks of Nova Broadcasting Group and the bTV Media Group; the second consists of the two large public broadcasters, BNT and BNR, and their regional bureaus, which operate local stations; a third group is the independent commercial media, which sustain themselves from a variety of sources, including significant donor support; and the last group is the “truncheons,” which are sustained from external business sources related to their owner. These groups have different business models and fare differently in the current environment.

The two national broadcast groups owned by international investors operate several channels—one main television channel each plus other digital and cable channels with niche programming, such as film, sports, and entertainment. The two national broadcast groups also operate radio stations and, in the case of Nova, a vast network of websites. These companies are efficient and profitable. According to national statistics published in 2016, Nova surpassed bTV in revenues for the first

time in 2015: Nova made BGN 130 million (about \$71 million), compared with BGN 124.6 million (\$68.15 million) for bTV. A year earlier, bTV made BGN 124.9 million (\$77.6 million), compared with Nova’s BGN 114.6 million (\$71.2 million at the time).

Even so, profits are declining, and Antonova said the international investors who own the big Bulgarian channels are thinking about leaving. “The moment they decide to leave, they might need a big investor [to purchase their holding]—someone like Vivacom, a mobile phone company, which already owns a multiplex and would become owners of content as well.” She noted that Vivacom is Russian-owned, which could add a new wrinkle to the geopolitical information war being waged in Bulgarian media.

Bulgaria’s advertising market is well-established but suffers from monopolization, as the same people control the local operations of major international channels, major advertising agencies, and audience-measurement companies. Advertising revenue as a percentage of total revenue is in line with accepted standards only for the group of self-sustainable highly efficient media with national coverage and a variety of distribution channels. As a general trend not unique to Bulgaria, advertising revenue for online and mobile media is growing fast, revenue for television is slowing down, and print and radio advertising revenue is shrinking. Antonova said the gross amount of advertising sold in 2016 has increased, but falling prices are dragging down revenues. “The prices for advertising on TV are the lowest since 2008, but there are expectations that this will start changing,” she said.

State-owned BNR and BNT and their networks of bureaus are highly dependent on state subsidies, which are among the smallest in the EU. BNT was to receive BGN 65.1 million (\$35.6 million) from the budget in 2016, and BNR was to receive BGN 43.1 million (\$32.2 million). Both media attract some commercial revenues from advertising. While the state subsidy for BNR is sufficient, BNT faces constant shortfalls, has cut staff, and has been forced to share rights to key programs, such as the EURO 2016 football championship, with other broadcasters.

The third group of media with a different financial model are outlets and such groups as the Economedia Group, which publishes the weekly *Capital* newspaper and other print and online outlets. It also operates popular independent websites, such as Mediapool and OFFNews, which have mixed revenue sources that might include advertising, sponsorships, and subscriptions. All are experiencing problems directly related to their independent editorial policy, which often criticizes the government. Economedia Group has been the target of investigations and media attacks largely related to its criticism of the government and the judiciary. Many of these media receive support from donors, such as the America for Bulgaria

Foundation, and to different extents rely on this philanthropy to continue operating.

Finally, the “truncheons” media group receives revenues from oligarchs and what many view as public “extortion”—companies and wealthy individuals placing advertising to pay for “media comfort,” meaning positive or no coverage.

Concentration of ownership allows major media to monopolize the advertising market, squeezing out small, independent outlets. “Nova TV and its whole group of sites offer huge discounts on TV ads if the advertiser invests his whole Internet budget with the sites,” Yonchev explained. “The discounts reach up to 60 percent. What’s left for us are the crumbs—the advertising money of companies that don’t work through agencies. Our revenues are less than half what they were last year, and that was a bad year itself. Our Google revenues are bigger than our advertising revenues this year. For the independent websites, it’s a tragedy.” He said that in November 2016, OFFNews made one-third of the revenue it had earned in November 2015 “despite the bigger number of impressions we’re generating and despite the net growth of online advertising budgets.”

Draganov, who is a former CEM member, said the regulator is not adequately promoting diversity in the media market. “The licensing doesn’t fulfill its role to protect the market from oversaturation,” he said. “The market is full of Top 40 radio stations playing the same music. No one has lost their license for format violations yet.”

The distribution of government advertising has seriously distorted Bulgaria’s media market. Most of this advertising is part of campaigns to find applicants for EU structural funds and to promote projects financed by those funds. The government bypasses the public tender process for placing these advertisements and distributes them in a way that is seen as subverting editorial independence and distorting the market. Besides the significant funds that go to the main broadcasters without proper tendering, some of the advertising money also goes to the “truncheon” media and is seen as buying media compliance and paying for smear campaigns against political opponents.

Lipovanski said small regional media’s straitened circumstances make them vulnerable to manipulation. “Almost all media outlets in Russe have ‘information services’ contracts with the municipality. This has a very categorical influence on their editorial policy and on the self-censorship of journalists working there. The news related to the local authorities is mostly positive. The business model of local cable TV is different—they own the distribution networks and make money from subscriptions, which allows them to produce some limited content on their own cable channels.”

Most financially viable media outlets use advanced market research to formulate their strategic plans, boost advertising revenue, and tailor their products to the needs and interests of the audience. A serious problem, though, is the dearth of reliable broadcast ratings for television and circulation figures for the print media. Bulgaria has two parallel people-meter systems, each working with one of the two main commercial television channels and producing different ratings. Printing and distribution figures for newspapers are not reliable and are widely viewed as inflated.

Yonchev said online audience measurement is only somewhat more trustworthy and suggested that some sites use bots to generate artificial traffic. For instance, he said, the online version of the *Blitz* tabloid claims to have 38 million impressions per day from 200,000 unique users. “This means they’re all spending the entire day clicking on all possible stories. These are comic figures—one site’s daily average time spent is 23 hours and 59 minutes per user. There was a bigger joke yet—one site had fewer impressions than unique users. How is that possible?”

As for a printing market in Bulgaria, Antonova said there is none. “Print distribution is completely monopolized, proven, and recognized. Only one company sells newsprint, and everyone is in debt to it. All the big dailies are printed in this one printing house.”

Markov, a former chairman of the Association of Bulgarian Broadcasters and Radio Managers, said the radio market is “looking for buyers.” Even established and big radio chains do not pay copyright fees and are looking for new investors. “The radio stations from the bTV media group have not paid royalties for music for five years; the group has now been reorganized in a new structure that refuses to take up the debt of the previous one,” Markov said.

INDEPENDENT MEDIA ARE WELL-MANAGED BUSINESSES, ALLOWING EDITORIAL INDEPENDENCE.

BUSINESS MANAGEMENT INDICATORS:

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

OBJECTIVE 5: SUPPORTING INSTITUTIONS

Score: 1.95

Two opposing trends in this objective counterbalance each other in the overall assessment. On the one hand, the country's fast-developing physical and technological infrastructure supports opportunities for media development; on the other hand, weakening institutional support means less professional development for the media.

Bulgaria has traditionally had strong trade associations representing the interests of media owners and managers and providing member services; in recent years, however, these associations are less visible and focus more on the interests of the large media conglomerates than on those of the smaller regional media, which are slowly disappearing.

Existing professional associations are not seen as working to protect journalists' rights, and the only trade union offers few professional journalism activities and has few members outside the state-owned media. Trade unions still play a limited role in industry and professional disputes in BNR and BNT but are practically nonexistent in private media. While the Union of Bulgaria Journalists has tried to reinvigorate its role, many younger journalists and those whose careers started with the birth of independent media in Bulgaria in the 1990s see it as a relic of the Communist past.

Several NGOs support free speech and independent media in Bulgaria by raising awareness of violations, but they lack funds and operate on project-specific grants or as volunteer organizations around a few prominent media figures. The strongest remains the Access to Information Program, which, among other things, provides free legal advice and some legal representation to investigative reporters. However, it depends almost entirely on donor funding, which is coming to an end.

Elenova, the panel's CEM member, called for more active involvement of civil society in the council's critical decisions and in promoting dialogue on professional issues. For instance, she said she would like to see these groups take a more visible position on the politicization of *Slavi's Show*. "In situations like this, when the law does not allow us to do much, if the NGOs were more active, including toward us, we could do more—start a debate, provoke discussion, etc.," Elenova said.

Likewise, she said, she would have welcomed more input from civil society on the forced retirement of BNR star Marinkova, which spurred a group of highly respected Bulgarian journalists and public figures to unsuccessfully petition the CEM to reinstate her. "This time, the majority decided we didn't have a right to meddle with the BNR director's decisions about staff changes," she said. "I don't share this opinion. We [CEM] can't interfere

with such decisions in private media, but when dealing with public media one should expect a much more robust response to questions about key journalist appointments and firings."

With the withdrawal of international donors, short-term training programs have all but disappeared. The training institutions of the past have diversified in search of funding and are more involved in production and communications training than in the provision of professional training, which the market does not support.

Antonova said the most active journalism organization is the Association of European Journalists – Bulgaria, but usually it can offer only moral support. It is also the only professional group that still offers some training and professional tools, such as a recent handbook on covering natural disasters. Daskalova, of the Media Democracy Foundation, said it is difficult to find funding for, and even more difficult to implement, professional development programs, mostly because of lack of interest from media outlets. Echoing this point, Antonova said, "In the strong years of the media, when there were better profits, the owners of the media could invest more in professional training, with in-house training at the top with external experts on professional issues. This is now gone." The two big media groups, which used to organize occasional in-house training for their new staff, rarely do so now and rely entirely on on-the-job practical learning.

The minimal requirements and financial terms set by media managers for starting reporters also signal a lack of interest in professional development. Daskalova said the major television channels take unpaid interns for up to 18 months with very limited, occasional pay, which contributes to lowering professional qualifications and depresses pay for everyone else.

"Every now and then, there are some courses targeting the small media—the occasional MoJo or guerilla-reporting

SUPPORTING INSTITUTIONS FUNCTION IN THE PROFESSIONAL INTERESTS OF INDEPENDENT MEDIA.

SUPPORTING INSTITUTIONS INDICATORS:

- > Trade associations represent the interests of private media owners and provide member services.
- > Professional associations work to protect journalists' rights.
- > NGOs support free speech and independent media.
- > Quality journalism degree programs that provide substantial practical experience exist.
- > Short-term training and in-service training programs allow journalists to upgrade skills or acquire new skills.
- > Sources of newsprint and printing facilities are in private hands, apolitical, and unrestricted.
- > Channels of media distribution (kiosks, transmitters, Internet) are private, apolitical, and unrestricted.

courses—but that’s not happening often enough,” Lipovanski said.

Numerous universities in Bulgaria provide journalism education, but few offer quality journalism degree programs. The proliferation of journalism faculties and the relative scarcity of university lecturers with practical media knowledge combine to lower the quality of journalism education. Some universities recruit media professionals as guest lecturers to provide practical experience, but media employers complain that well-prepared journalism graduates are hard to find. The impression of the panelists is that most journalism students are attracted to communications and public relations, lured by the higher pay.

There are no short-term qualification or extracurricular courses, especially for the local media, Lipovanski said. In the universities in the countryside, professors teach journalism and mass communications using methods from the 1990s. “The people teaching it have no current connection to the media world,” he said.

Bulgarian media have adequate access to equipment and production infrastructure but lack the money to keep up with technical upgrades.

As mentioned, the channels of distribution for print are limited and largely monopolized, but with the free distribution of broadcast media, cable, Internet, and mobile, this does not represent a significant restriction for readers. Hamstrung by distribution costs, print does not reach too deeply into the countryside.

The information and communications technology infrastructure meets the needs of the media and citizens. Free terrestrial television and radio are available throughout the country; direct-to-home television and mobile communications have good coverage networks.

“Good legislative framework, excellent human potential, and a sore failure as far as observing professional principles and striving for excellence,” said Vassilev, summing up the media situation in the country.

List of Panel Participants

Vladimir Yontchev, board chair, *Offnews*, Sofia

Rozita Elenova, member, Council of the Electronic Media, Sofia

Constantine Markov, media lecturer, Sofia University, Sofia

Yassen Boyadzhiev, editor, *Mediapool.bg*, Sofia

Ivo Indjev, blogger, Sofia

Stoyana Georgieva, editor-in-chief, *Mediapool.bg*, Sofia

Irina Nedeva, board chair, Association of European Journalists, Sofia

Vessislava Antonova, reporter, *Kapital*, Sofia

Nikoleta Daskalova, media analyst, Media Democracy Foundation, Sofia

The following participants submitted a questionnaire but did not attend the panel discussion.

Dimiter Lipovanski, owner, Arena Media, Russe

Ivo Draganov, professor, New Bulgarian University, Sofia

Galina Spasova, senior correspondent, *Zhivotat Dnes*, Sofia

Boyko Vassilev, senior producer, *Current Affairs*, Bulgarian National Television, Sofia

Moderator

Bistra Ivanova, project coordinator, BTC ProMedia, Sofia

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Petko Georgiev, director, BTC ProMedia, Sofia

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