

MEDIA SUSTAINABILITY INDEX

2003

Development of Sustainable Independent Media in Europe and Eurasia

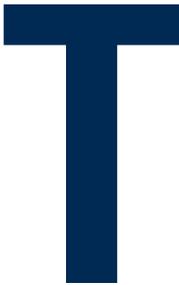




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Introduction



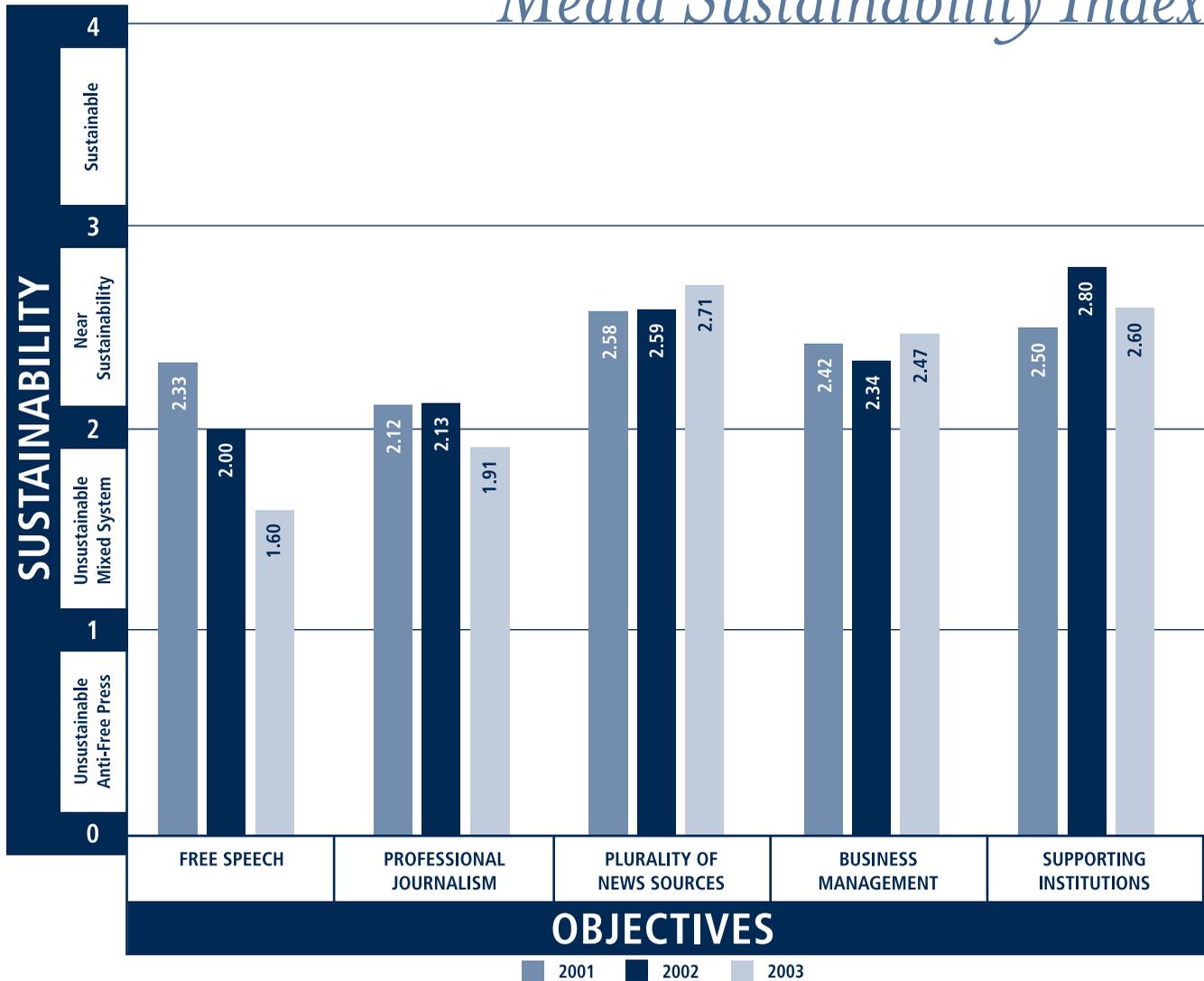
The year 2003 was one of the most significant for Bulgaria's transition to democracy. Indeed, Bulgaria achieved two important benchmarks, receiving an official invitation to join the North Atlantic Treaty Organization (NATO) in 2004 and progress toward European Union (EU) membership in 2007. The country seems to be safely on to the road to achieving the institutional objectives of its transition. Also in 2003, Bulgaria played an important role as an active member of the international anti-terrorism coalition, offering diplomatic support to the war in Iraq and participating in the multinational force there.

However, domestic developments in 2003 did not match Bulgaria's progress in the international arena. Even though the country has remained stable and the economy is showing some encouraging signs, political and economic reforms have slowed. The government of Bulgaria's former king-in-exile Simeon Saxe-Coburg-Gotha has lost much of its public support. Developing the rule of law remains problematic, social tensions emerge frequently, and organized crime and corruption pose serious problems. Local elections in late 2003 indicated that many Bulgarians are disappointed with the political establishment, with a significant portion ignoring the poll. Political analysts suggest that campaign contributions of unknown origin have for the first time become a decisive factor in local politics. Many local strongmen are all but buying their seats as mayors or legislators. And media outlets, especially local ones, have become eager participants in this process.

Developments in the Bulgarian media community are equally equivocal. On the one hand, independent media fostered public debate about important policy issues including fighting crime and corruption, establishing the rule of law, making politicians and institutions more accountable for their actions, and completing the difficult steps toward EU membership. On the other hand, Bulgarian media have shown significant vulnerability to political and economic pressure typical of countries with less advanced development. For example, organized crime gangs are now attempting to harness media influence by buying outlets or starting their own operations. Professional

Bulgaria

Media Sustainability Index



Objective Scoring

The averages of all the indicators are averaged to obtain a single, overall score for each objective. Objective scores are averaged to provide an overall score for the country. IREX interprets the overall scores as follows:

- 3 and above:** Sustainable and free independent media
- 2–3:** Independent media approaching sustainability
- 1–2:** Significant progress remains to be made; society or government is not fully supportive
- 0–1:** Country meets few indicators; government and society actively oppose change

Indicator Scoring

Each indicator is scored using the following system:

- 0 =** Country does not meet indicator; government or social forces may actively oppose its implementation
- 1 =** Country minimally meets aspects of the indicator; forces may not actively oppose its implementation, but business environment may not support it and government or profession do not fully and actively support change
- 2 =** Country has begun to meet many aspects of the indicator, but progress may be too recent to judge or still dependent on current government or political forces
- 3 =** Country meets most aspects of the indicator; implementation of the indicator has occurred over several years and/or through changes in government, indicating likely sustainability
- 4 =** Country meets the aspects of the indicator; implementation has remained intact over multiple changes in government, economic fluctuations, changes in public opinion, and/or changing social conventions

standards, though well established in a few mainstream print and broadcast outlets, still are not the accepted industry rule. Reporting is often biased, facts and opinions too rarely differentiated, and tolerance of minorities minimal. Many publications willingly participated in campaigns of different interest groups, including those rallying against the closure of two of the old Soviet-era nuclear reactors at the Kozloduy nuclear power plant, a precondition for Bulgaria's EU membership.

Bulgarian media regulation suffered a serious setback in 2003 when a stalemate developed between the majority in parliament and the Council for Electronic Media (CEM). The standoff resulted when the government realized it could not control the very regulatory body it appointed in 2002. The ruling majority tried to resolve the problem by passing a new Radio and Television Law, which would have dissolved the CEM and created a new regulatory body. The draft was so nondemocratic that it managed to unite virtually every media and political organization in the country in opposition. With significant pressure from the EU and the Council of Europe, the draft was abandoned. However, the parliament managed to pass amendments in the existing legislation that virtually halted the licensing process. The authority of the regulatory body was further undermined by its inability to enforce the law on state-owned Bulgarian National Television (BNT).

Even though the Bulgarian media environment improved somewhat in 2003, serious media law implementation problems overshadowed the overall picture. When Media Sustainability Index (MSI) panelists evaluated the situation, they measured improvement in most aspects of the independent media, but many of the issues related to free speech and access to information undermined these positive results. Thus, Bulgaria was shown to have a lower degree of independent media sustainability in 2003 than in 2002.

Major indicators related to the plurality of news sources and the reliability of information continue on a steady and positive track. This results partly from an increase in the quantity of available news sources, rather than the quality of the material provided. To ensure they have a balanced and complete understanding, Bulgarians still must review and compare several interpretations of the same event as reported by the media.

Bulgarian media display some degree of effective management and professional autonomy as measured by panel responses to those indicators. The highly competitive media market in the country, characterized by the great number of outlets and thin advertising

budgets, has forced most to become more effective and better managed or face bankruptcy. As a result, recent trends include the concentration of media ownership and improved management professionalism. Bulgarian media-support institutions also display overall stability. Despite the reduction in international donor support and the notable decrease in the amount of services provided to the media community, support institutions have made significant steps toward sustainability.

Overall, the 2003 MSI scores for Bulgaria show that the country has retained last year's levels of sustainability, but failed to build on them.

Objective 1: Free Speech

Bulgaria Objective Score: 1.60/4.00

Responses to the indicators make clear that free speech and access to information in Bulgaria are considered to be more a matter of official statement than substance

| Legal and social norms protect and promote free speech and access to public information | |
|---|---|
| FREE SPEECH INDICATORS | ■ Legal/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 the offended party 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. |

“The Bulgarian constitution guarantees the freedom of speech, but the constitution is not a guarantor per se. Its direct action is being ignored.”

or implementation. State media outlets are utterly lacking in independence from the government, while crimes against journalists are a huge concern and no progress has been made toward

decriminalizing libel and defamation. Easy entry into the media profession and unrestricted access to international news sources are some compensation for the legal and social problems faced by freedom of speech reform in Bulgaria.

A major concern of the MSI panel was the poor implementation of the constitutional provisions for the freedom of speech. While many panelists agreed that the legislative framework is capable of ensuring the uninhibited development of the media industry, problems occur when it comes to enforcement. Overall, the political will is deficient when it comes to taking the needed legislative action, and the public is passive in defending freedom of speech. One panel member said, “The Bulgarian constitution guarantees the freedom of speech, but the constitution is not a guarantor per se. Its direct action is being ignored.”

Bulgarian media legislation is formally in line with EU membership requirements. But amendments introduced in 2002 have produced very mixed results. On the one hand, the Radio and Television Law adopted in late 2001 and the amendments to the Telecommunications Law from 2002 have made significant progress toward less government control in the regulatory process. The specialized commission responsible for the final stage of the licensing process under the previous broadcast law was eliminated, moving the regulatory process one step further from direct political intervention. Radio and television programs for cable and satellite broadcasters enjoy an easier registration process, compared with the former licensing procedures identical to those for terrestrial distribution. On the other hand, some key shortcomings of the old law were reproduced in the new one despite recommendations from independent media associations and international organizations. Most notably, the new CEM is being elected in the same way as the body it superseded, the National Council for Radio and Television. This step allows the ruling majority in

parliament to appoint the decision-making majority in the council. Additionally, some revisions in the media legislation were introduced retroactively in order to change the membership of the regulatory body and the head of state television station, BNT.

The Freedom of Information laws and the Access to Public Information Act give journalists and media outlets theoretical access to public information. The Classified Data Protection Act and the Personal Data Protection Act are in place and regulate access to restricted information. In some cases, the laws are being enforced, and journalists have won lawsuits when information has been denied to them. There is, however, a gap between the provisions of the law and the general level of implementation by various state institutions. The national government, its ministries and agencies, the legislature at national and local levels, local government institutions, and especially the judiciary tend to disregard obligations under the laws. The court system is not always willing to handle media-related cases effectively, and the procedures in place to sanction noncompliant officials are slow and ineffective. The public is not familiar with its rights to public information. As one panelist explained, “The public hasn’t yet realized that the battle journalists are waging against classified information has a direct bearing on the public itself. Many people consider it a private cause, an issue for the journalism insiders, rather than an attempt to defend the rights of the general society.”

Also of major concern to the panel are the licensing procedures and the independence of former state media. While there is no licensing process for print media, broadcast licensing has become completely politicized. “The worst thing is that licensing was put on hold because of blatant political and corporate favoritism,” one panelist said. “There have been halts in the issuing of licenses before, but never for such obvious reasons.” Meanwhile, the two state outlets, Bulgarian National Television and Bulgarian National Radio, were declared “public,” and both had public boards appointed to oversee them. However, in practice they are still run by the state, and they are directly funded from the government budget. Political influence over BNT and BNR is visible, and neither station has made much progress in the transition from state to true public. There is nothing to stop both outlets from serving as government mouthpieces, and state subsidies put them in a favored position vis-à-vis the competition.

Libel remains a criminal issue. Although prison terms for libel and defamation have been replaced with

heavy fines, cases are still reviewed under the criminal code. In court, journalists must prove their claims against the offended parties. Public figures are granted privileged protection in libel and defamation cases. Libel allegations are often used to harass journalists, especially in smaller towns.

These issues aside, the positive signs are that media outlets have unlimited access to international news and information sources, although the cost of subscriptions and Internet fees is still a strain for small and regional outlets. In addition, there are no barriers or entry requirements for media professionals.

Objective 2: Professional Journalism

Bulgaria Objective Score: 1.91/4.00

The MSI panel determined that there had been no dramatic change in the professional development of journalists in Bulgaria since 2002. However, coverage in the major mainstream outlets is seen as increasingly fair, objective, and well sourced. The responses suggest better sustainability in this area, although the media sector is still faced with political obstacles in determining content. Self-censorship, on the other hand, draws the panel's greatest concern. This apparent contradiction highlights

one of the most serious shortcomings of Bulgarian news reporting—it is objective, but selective. Most of the published information is more or less accurate, but information that does not fit the publishers' agendas usually is not published at all.

In general, Bulgarian journalism is beginning to comply with international professional standards, but the developments are quite recent and still depend on current social and political processes. There are still cases of publishing unverified information. Blatantly subjective programs are still aired on state television. An example is the "Aktualno" program, which is aired weekly on prime-time television. The program's "format" is a minister talking about his successes, or a member of parliament (MP) talking about the advantages of new legislation. No alternative opinion ever reaches the screen.

The implementation of professional ethics still has not reached sustainable levels. Many codes of ethics exist, but their utility is questionable. Employees of private print media outlets still largely depend on the owners' interests and political convictions. Some print media outlets are run as propaganda outlets for the special interests of their owners and do not even pretend to practice professional journalism. For example, the newspaper *Standard* is owned by a Russian businessman expelled from Bulgaria as a threat to national security. The newspaper has been used as a propaganda tool to support the owner's lucrative privatization bid for the state tobacco monopoly. The paper's coverage tried to discredit the minister and the agency responsible for the deal, as well as the competing bidders. Such publications also have been involved in open political campaigns. As a general rule, there are no firewalls between the management, sales departments, and editorial departments of many print and broadcast media outlets. As a result, reporting is often biased, news is distorted, and readers must compare the conflicting versions of different publications in order to get a more balanced picture of the actual

"Self-censorship is everywhere—in all media, on all levels. There is a simple relationship: the bigger the outlet, the stronger the self-censorship. There's hardly any in the smaller outlets since not as much is at stake."

| 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). |

In fact, a panel member stated that “media employees are not just inclined to receive gifts and payments for coverage, they’re addicted.”

developments. Positive practices have only started to emerge in big independent broadcast media.

In general, quality niche reporting and programming are in very short supply, but what

is available is of reasonably good quality. A few publications, including some of the most influential ones, have developed good investigative reporting and show a growing level of professionalism in covering political events, local government, and the economy. Nevertheless, good investigative reporting is still limited to a few media outlets and often depends on donor support. There are relatively few trained investigative journalists and beat reporters, although there are no specific legal or formal constraints to this kind of specialized reporting. Concurrently, the public demand for such programming is not high. Citizens do not recognize the deficit of niche reporting as a big problem.

Self-censorship continues to be an issue for Bulgarian journalism because of the strong dependence of editorial policy on the economic interests of publishers and outlet owners. As one panelist explained, “Self-censorship is everywhere—in all media, on all levels. There is a simple relationship: the bigger the outlet, the stronger the self-censorship. There’s hardly any in the smaller outlets since not as much is at stake.”

A commonly recognized code of ethics for Bulgarian journalists is still lacking, although some outlets have adopted their own. Employees of private outlets, especially print media, must consider closely the owners’ priorities in their work. The desk rules adopted at some outlets force journalists to customize their work to coincide with the publisher’s interests. The panelists agree that media professionals are open to receiving gifts or money as incentives to cover certain events. In fact, a panel member stated that “media employees are not just inclined to receive gifts and payments for coverage, they’re addicted.”

The inequality of pay levels for journalists is also a concern. The discrepancy in pay between state journalists and those in private outlets strongly favors the government employees. Second, journalists outside Sofia are more underpaid. These journalists are paid

less than their colleagues in the regional bureaus of the state media. This salary gap strongly affects the quality of journalism, the objectiveness of reporting, and overall media sustainability.

As in previous years, entertainment programming does not overshadow news. However, there is a noticeable attempt to attract more viewers by offering increased entertainment programming, which increased in all electronic media in 2003. As a broad trend, panelists said, print outlets with predominantly informational formats are losing readership and cutting circulation, whereas sensationalist and yellow publications are increasing their market share.

Objective 3: Plurality of News Sources

Bulgaria Objective Score: 2.71/4.00

The Bulgarian media sector has made great strides in offering a multitude of news sources and in providing the public with objective and reliable information. The high scores for this objective suggest the country has succeeded in showing sufficient stability in this area, with some relatively minor exceptions.

Private and public news sources, including international media, are widely available to anyone

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.

who wants them. Most media outlets face no limitations in attaining the reach or territorial coverage they desire. The selection of operating media outlets allows citizens to compare and choose. Access to print and broadcast media is driven by financial and demographic constraints, with better-off, urban residents having more access to media than poorer, rural citizens. As one panelist mentioned, “There are many news sources, but it’s more about what coverage different outlets have, and how affordable they are for the general public.” Many are still unable to afford access to international news channels and cable subscriptions.

Internet usage mainly depends on the technical, educational, and linguistic capacity of the people. In 2003, several new Internet news outlets appeared in Bulgaria and rapidly gained influence within the media community. Some try to compete with print publications, while others offer an alternative to the relatively expensive state news agency. General access to them remains limited because of the country’s low level of Internet access.

Minority-language media are available, but still unable to achieve the reach desired. They are limited mainly because of the fragmentary composition of minority communities and language difficulties. The national distribution of minority-language programming is slightly frowned upon by the general public. There is a general sense that coverage of issues related to minority groups should be limited to their representative communities.

The MSI panelists praised the political plurality and nonpartisanship of media coverage. The prevailing opinion is that most viewpoints are covered, with the exception of the state media that are strongly subjective. Many new private national channels are compensating for the inability of state media to exercise public functions. Commercial national channels cover the political spectrum in a balanced manner, and the views of opposition parties are objectively and fairly reflected.

While state-controlled television fails to offer a variety of up-to-date cultural and educational programming, commercial operators are meeting the demand. Public radio has managed to build on its traditions and is offering trademark programming in these areas.

A variety of public and private news agencies are available to all outlets, although some outlets cannot afford to use them legitimately.

Unfortunately, the transparency of media ownership does not instill confidence in the objectivity of news. The public is not fully aware of who the real media

owners are, and there is no set procedure on how to request such information. “We have a sustainable trend of nontransparency,” one panelist said. “For example, the public doesn’t know what happened with the ownership of Bulgaria’s best-circulated daily paper.” Such cases of ownership turnover appear to have taken place

during 2003, but no details are publicly available. There are indications that media ownership appears to be leading to the concentration of outlets into a few hands. This has been especially true for the print industry, where the Westdeutsche Allgemeine Zeitung (WAZ) publishing group almost totally dominates ownership. The restructuring of the radio market in the past year also offers the potential for consolidation with other media.

“The biggest problem about advertising revenue is the already monopolized advertising market. Advertising budgets are managed according to the interest of certain groups and spent in select outlets.”

Objective 4: Business Management

Bulgaria Objective Score: 2.47/4.00

The conditions for Bulgarian media to operate as well-managed businesses have not changed significantly since last year. Panel responses indicate that the independence of private outlets would be generally sustainable even should the political hierarchy change.

There is a well-established practice of using market research to manage revenue and shape programming with a view to audience needs. “It is my firm belief that audience research is used more adequately and more often than before,” one panelist said. “Even people meters are more effective and reliable.” On the other hand, the reliability of ratings sometimes is considered rather dubious. Panelists stated that manipulation of ratings and other data in favor of some outlets occurs mainly due to combined ownership of media outlets and audience research agencies. While media managers use ratings to market their product and improve their programming, ad agencies use the ratings to sell advertising time. Media managers, according to the survey, are doing

| 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. |

an increasingly better job of running their outlets, while polling and ad agencies tend to manipulate ratings in favor of their clients. The MSI panel also noted that there are no reliable circulation figures for the print media in the country. No Audit Bureau of Circulation exists yet, and newspapers often manipulate their circulation data to attract advertisers.

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control of the industry. Nevertheless, distribution as a whole is not limited or hindered.

Bulgaria’s advertising market has grown significantly in 2003. That growth has not influenced the

The distribution network represents another positive development. Big publishing houses own many of the big distribution firms. Over the past year, the distribution market began consolidating, and there were attempts by former state secret service and shadow businesses to gain

media’s advertising revenue in general because a few big broadcast and print outlets take most of the new business. All private media businesses in Bulgaria claim advertising as their sole source of revenue. However, the MSI panel concluded that the sustainability of many outlets could be in doubt because the advertising market is so concentrated. A panel member stated, “The biggest problem about advertising revenue is the already monopolized advertising market. Advertising budgets are managed according to the interest of certain groups and spent in select outlets.” Generally, the outlets with news and talk formats are facing more difficulties in generating revenue, compared with the music channels and entertainment media.

Objective 5: Supporting Institutions

Bulgaria Objective Score: 2.60/4.00

Overall, institutions that support media have made substantial progress in recent years. The 2003 evaluation suggests that institutions are in place and protecting the interests of media professionals, as well as providing training programs.

Media associations and unions successfully opposed politicized attempts at appointing a partisan director general of the state radio station. Such organi-

| 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 private, apolitical, and unrestricted. |
| | ■ Channels of media distribution (kiosks, transmitters, Internet) are private, apolitical, and unrestricted. |

“In fact, the environment does not encourage journalists to seek additional training. The improvement in professional skills is not adequately appreciated by employers and does not improve the position of the employees.”

zations also were active in halting the passage of regressive changes to the Radio and Television Law. The Association of Bulgarian Broadcasters (ABBRO) or the Bulgarian Media Coalition (BMC) is consulted consistently on any potential changes to media legislation. The notable success of ABBRO and BMC is proof that trade associations are able to represent the interests of indepen-

dent media and provide valuable member services.

The nongovernmental organizations (NGOs) that support media have been relatively successful in interacting with the government and political forces influencing the media environment. However, these NGOs still are unable to provide all the needed protection for media freedoms. Supporting organizations are particularly weak in the print media, where they often compete against the owners’ interests. The owners are protected by the vaguely defined employment contracts of the print journalists.

Professional associations that protect the rights of journalists include only limited memberships, which leave them weak. “We have the Union of Bulgarian Journalists, but it does not provide any services to nonmembers. It does not offer any protections,” a panel member said. There are no signs of improvement.

Bulgarian universities still do not provide the level of education or the substantial practical experience needed by young journalists. Other options are extremely limited in Bulgaria and would not exist at all without donor support. Very few media outlets have any kind of in-house training.

Professional training for Bulgarian journalists is generally available. Nevertheless, some training programs are either ineffective or improperly targeted. As one panelist explained, “In fact, the environment does not encourage journalists to seek additional training. The improvement in professional skills is not adequately

appreciated by employers and does not improve the position of the employees.”

In 2003, the private ownership of distribution channels and printing facilities continued to lend strong support to media sustainability in Bulgaria. There are no limitations on the free and unobstructed publication and distribution of information.

Panel Participants

Yassen Boyadjiev, program director, Inforadio; cofounder and chairman, Free Speech Civic Forum

Vesselin Dimitrov, professor, Faculty of Journalism and Mass Communications at Sofia University

Stoyana Georgieva, head, *Mediapool* electronic daily

Georgi Koritarov, journalist and political analyst, Radio Free Europe/Radio Liberty

Georgi Lozanov, professor, Faculty of Journalism and Mass Communications at Sofia University; member, Council of Electronic Media (CEM)

Konstantin Markov, general manager, Radio Tangra; chairman, Association of Bulgarian Broadcasters (ABBRO)

Yovo Nikolov, special correspondent, *Kapital* weekly; cofounder, Bulgarian Association of the Investigative Journalists

Dimitar Sotirov, journalist, executive director, Bulgarian Media Coalition (BMC)

Boiko Stankushev, television anchor, executive director, Union TV

Vessela Tabakova, professor, Faculty of Journalism and Mass Communications at Sofia University; head, Center of Independent Journalism (CIJ)

Mira Yanova, executive director, MBMD Polling Agency

Moderator

Rumiana Bachvarova, director, Media Links Polling Agency