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BULGARIA

The Government of Bulgaria's suppression of the freedom of speech and the media sector's lack of transparency in ownership have attracted international attention, prompting warnings that the EU might impose official media freedom monitoring in this member state.

A brief media war between the two largest Bulgarian media groups culminated in legal prosecution against the owners of one of the groups and a sudden cease fire, exposing questions about transparency of ownership on both sides.

Furthermore, the ongoing financial crisis has led the media to depend more than ever on government subsidies and advertising, risking the loss of their independence in the process.

Through the turmoil of the last year, the media sector remained a central battleground for the country's political debates. Protesters condemning Bulgaria's environmental policies in 2012 also turned against the leading national television stations for what the protesters deemed biased, pro-government coverage. Citizen activists and NGOs have warned of public institutions increasing pressure on people seeking access to information.

Increasingly, citizens tap new media to access information and organize civic action, helped by an increasing number of independent news providers online. Social media tools played an important role in the protests over corruption and high utility prices, and those protests helped defeat Prime Minister Boiko Borisov's government in February.

The Bulgarian media continued their slow slide away from the levels of sustainability reached in the years before the country's EU accession. The decline is happening across the board and touches all aspects of the media scene, but is most visible in the areas of editorial and financial independence, professional journalism standards, and the balance of entertainment and information programming. In absolute terms, the 2013 MSI marks a record low since the first MSI study in Bulgaria in 2001, and the trend seems likely to continue. While the digital transition has picked up some speed, and online and public outlets have grown and improved, this progress is marginal compared to the escalating political pressure, corporate control, and disrespect for professional standards in the mainstream media, where the majority of Bulgarian citizens still get most of their information.

BULGARIA at a glance

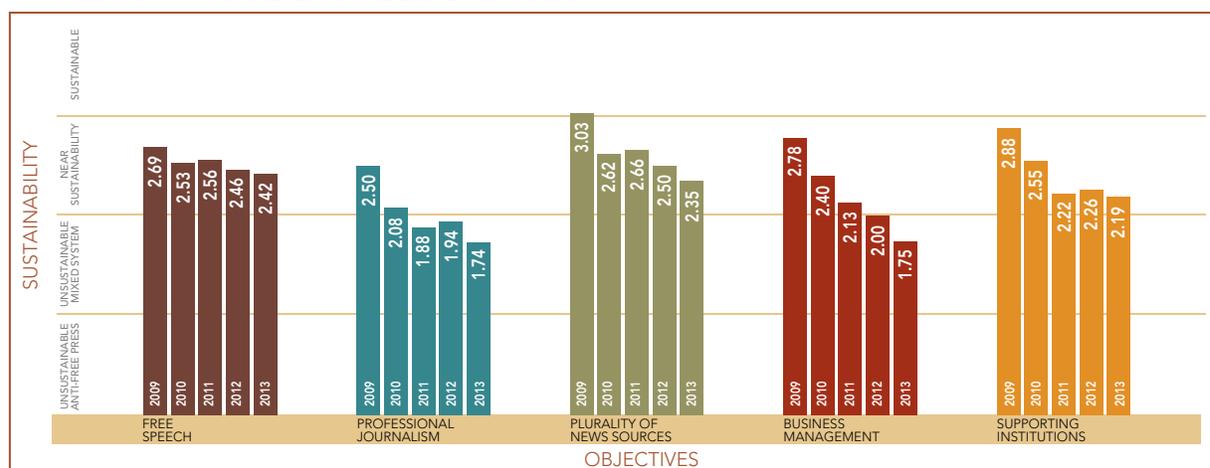
GENERAL

- > Population: 7,037,935 (July 2012 est., *CIA World Factbook*)
- > Capital City: Sofia
- > Ethnic Groups (% of population): Bulgarian 83.9%, Turk 9.4%, Roma 4.7%, other 2% (2001 census, *CIA World Factbook*)
- > Religions (% of population): Bulgarian Orthodox 82.6%, Muslim 12.2%, other Christian 1.2%, other 4% (2001 census, *CIA World Factbook*)
- > Languages (% of population): Bulgarian 84.5%, Turkish 9.6%, Roma 4.1%, other and unspecified 1.8% (2001 census, *CIA World Factbook*)
- > GNI (2011-Atlas): \$48.495 billion (World Bank Development Indicators, 2012)
- > GNI per capita (2011-PPP): \$13,980 (World Bank Development Indicators, 2012)
- > Literacy Rate: 98.2% (male: 98.7%, female: 97.7%) (2001 census, *CIA World Factbook*)
- > President or top authority: President Rosen Plevneliev (since January 22, 2012)

MEDIA-SPECIFIC

- > Number of active print outlets, radio stations, television stations: Print: 211 newspapers; Radio Stations: 76; Television Stations: 217 (Peiro97)
- > Newspaper circulation statistics: Total daily circulation: 340,000 (Market Links)
- > Broadcast ratings: Top three television stations: bTV, NOVA, BNT1
- > News agencies: Bulgarian Telegraph Agency (state), BGNES (private), Focus Information Agency (private)
- > Annual advertising revenue in media sector: \$256 million (Market Links)
- > Internet usage: 3.395 million (2009 est., *CIA World Factbook*)

MEDIA SUSTAINABILITY INDEX: BULGARIA



MEDIA SUSTAINABILITY INDEX 2013: OVERALL AVERAGE SCORES



CHANGE SINCE 2012

▲ (increase greater than .10) □ (little or no change) ▼ (decrease greater than .10)

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 http://www.irex.org/system/files/EE_msiscorers.xls

OBJECTIVE 1: FREEDOM OF SPEECH

Bulgaria Objective Score: 2.42

Bulgaria slipped in freedom of speech scores from 2012, with the growing dismay over the handling of crimes against journalists and libel cases dragging down the objective. Still, sustainability has been largely achieved in several areas, including access to foreign and domestic news sources and entry to the profession. Market entry remained comparatively open, if not yet sufficiently stable. Although freedom of speech rights are deteriorating and far from sustainable, this objective remains Bulgaria's strongest.

The past year saw no significant changes in the media regulatory environment, which is generally accepted as meeting international standards for protecting freedom of speech and media independence. However, many of the panelists noted the continuing trend of biased implementation of the public norms protecting freedom of speech and access to information. Svetla Petrova, a journalist with Livenews.bg, explained that poor implementation is due to "the increased pressure of various authorities over the media and the inability of the professional community to stand by these norms in their daily work." Ivan Kanevchev,

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 or registration of media protects a public interest and is fair, competitive, and apolitical.
- > Market entry and tax structure for media are fair and comparable to other industries.
- > Crimes against media professionals, citizen reporters, and media outlets are prosecuted vigorously, but occurrences of such crimes are rare.
- > The law protects the editorial independence of state of public media.
- > 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 available; right of access to information is equally enforced for all media, journalists, and citizens.
- > Media outlets' access to and use of local and international news and news sources is not restricted by law.
- > Entry into the journalism profession is free and government imposes no licensing, restrictions, or special rights for journalists.

"While we were all watching developments in the media legislation, we failed to notice texts endangering freedom of expression sneaking in from other directions," noted Georgiev.

director of municipal radio, pointed out another aspect of the problem: "Society has lost its sensitivity towards freedom of speech and access to information. The formal existence of the legal norms does not guarantee freedom of expression and pluralism of opinion in the media."

Nicoletta Daskalova, a lecturer with the Media Democracy Foundation, posited that a tension exists between the formally sound regulatory framework and the implementation of the law. "More refined ways of pressure over free speech are applied," she concluded.

The panelists described the government's growing tendency to use non-media legislation to limit freedom of expression and coerce the media. "While we were all watching developments in the media legislation, we failed to notice texts endangering freedom of expression sneaking in from other directions," noted Petko Georgiev, a journalist and producer with BTC ProMedia. He gave an example: "There is indeed a provision against 'disgracing the national flag and symbols' in the Penal Code. The lawmakers somehow managed to vote it in without anybody objecting."

Another example is the banking law, which gives the National Bank unrestricted powers to intervene against alleged threats to the stability of the banking system. Under that law, outlets that criticize a bank's credit policy, its available resources, its credit standing, or its involvement in the "real economy" are likely to be labeled this type of threat, inviting serious financial sanctions and legal action. The commercial banks tend to leverage this law to suppress any criticism, rendering media practically incapable of providing effective coverage of banking.

One recent case was the action that Bulgarian National Bank took on behalf of four commercial banks against the website Bivol.bg. The website had published a Wikileaks-acquired cable from the US embassy in the capital, Sofia, expressing concern about the banks' involvement in money laundering. The banking law allows for fines between BGN 10,000 and 150,000 (USD 6,750 and 10,200). The owners of the site were invited to meet the bank's Supervisory Department and "discuss" the publication. No fines were imposed.

A businessperson investigated by a local correspondent from a national weekly sent the reporter Sun Tzu's famous treatise *Art of War* as a "gift," along with the advice "not to start a battle he cannot win."

In another very prominent case at the end of 2012, a commercial bank managed to freeze the assets of one of the last remaining independent publishing groups by claiming an unresolved debt issue, which the publishers dismissed as an open attempt to put pressure on its editorial policy. Similar combinations of commercial, regulatory, and legal pressure have been used to silence opponents and independent media on a regular basis in smaller media markets outside Sofia. Another prominent example of legal pressure on free speech includes the 2013 indictment of a rapper for the lyrics of a popular song.

Other incidents that the panelists discussed included a well-known political analyst being questioned by the police over a press interview, and the police harassment of a citizen who posted online a photograph of police officers asleep in their patrol car. Panelists also noted several occasions in which police questioned bloggers about their publications. While no formal persecution followed these discussions, they are seen as a form of harassment, using existing law and police powers to exert pressure on the free expression of opinion. "These provisions must have been around for ages; all we are witnessing now is a much more aggressive implementation, which is only possible because of the lack of public reaction," Georgiev argued. "People do not realize that limitations of freedom of speech which start with rap songs may end up reaching them."

An emblematic example of a threat against an investigative journalist occurred in Varna, where a businessperson investigated by a local correspondent from a national weekly sent the reporter Sun Tzu's famous treatise *Art of War* as a "gift," along with the advice "not to start a battle he cannot win."

Petya Cholakova, the owner and editor of a regional magazine, described how control over media content works. "There are financial mechanisms that effectively bypass regulations on payments to the media, which make them shy away from objective coverage of what's happening in the country"—a form of quid pro quo of continued support to prevent negative press coverage. She recounted the case of a major international mining company that was investigated

for environmental pollution yet became a main sponsor of the Olympic Games coverage by National Radio and Television. Like many of the other panelists, she lamented that public money from EU-funded projects is funneled to selected media outlets to ensure positive coverage of the government's policies.

The licensing process, traditionally a trouble spot, remains problematic. For Vesselin Vassilev, a local radio station owner, "Licensing has thus far led only to greater concentration. Very few local media have managed to survive. The market is divided between several big players, and the local media are left in the corner."

At the same time, Dilyana Kirkovska, an expert at the Monitoring Directorate of the Council for Electronic Media, noted that a large number of broadcast licensing tenders opened in 2012 for broadcast radio in many small markets. After a long delay, the process has sped up, improving diversity in the local media markets. Other panelists, especially those coming from such small markets, expressed their doubts about the financial viability of commercial broadcasting in their regions.

According to Ivo Draganov, a journalism professor at New Bulgarian University, part of the problem lies with the media regulatory body, the Council for Electronic Media. He described in detail the effects of the council's partisanship. "There are visible links between politicians and their press officers and members of the council. There is the problem with the lack of transparency—digital platforms were issued under manipulated circumstances. In general, the questions of the origin of media money and the shady aspects of privatization are rarely examined. That's where the dependencies between media owners and the politicians are hidden. The more vulnerable the owners are to the tax or judicial authorities, the more eager they are to serve the people in power. In fact, instead of an advertising market and a dynamic market of journalism and management skills, the media have become a marketplace of trading influence."

Libel remains a criminal offense in Bulgaria, though only fines are administered for convictions. Tzveta Nenova recalled a recent libel court case in her hometown of Russe involving an investigative journalist and an interviewee. The journalist was convicted and fined for libel despite the fact that she provided ample evidence in support of the article, including the recorded conversation with the plaintiff that served as the basis of the story. The court dismissed the recording as unacceptable evidence and sentenced her to pay considerable damages (BGN 6000, or about \$4000) and offer a public apology. "The court imagined that this sentence would serve as a warning to the whole local media community," Nenova claimed.

After a vigorous media and public campaign against the court's ruling, an appeals court overruled the sentence on procedural grounds. "The positive thing about the whole story was that it helped consolidate the local professional community, which came to witness the court's proceedings and the help provided by the Access to Information Program," Nenova said.

The Access to Information Program is a measure against the deteriorating information access for Bulgarian media members. According to local online media owner and editor Ivan Atanasov, a winner of this year's Access to Information Award, "The courts are not in favor of people seeking their rights to information through them." Nenova concurred. "There is increased pressure on journalists and citizens seeking to obtain public information," she said.

Fanny Davidova, a lawyer for the Access to Information Program, also reported a number of cases of the police and local authorities harassing people applying for access to information. In one prominent case, a group of citizen activists filed a class action suit for access to information about a controversial city plan to start construction at Varna's central seaside park. After the requests were filed, police summoned more than 20 of the 40 applicants to explain their actions.

Davidova noted that Bulgaria's access to information legislation has not changed over the past year, and it is considered to be in line with the highest international standards. Members of the media as well as state institutions are quite aware of their rights and obligations under the legislation. The media are growing more competent in using it to gather information, while institution staffers are becoming more adept at declining access by using valid legal arguments. Despite Atanasov's skepticism, more journalists are seeking to exercise their rights to access to information through the courts, though the panel was divided on whether the courts are becoming more receptive to these cases.

Yassen Boyadjiev, Chair of The Free Speech Forum and editor of the respected online news site Mediapool.bg, remarked on the bigger picture of the topics being discussed. "All the problems listed here are interconnected, and are the result of a problem which has deepened during this year. The media are only collateral damage of the merging of political power with corporate interests. Our model is less and less European and resembles Russia more and more."

According to many panel participants, the Internet has become the only medium in which journalists can work freely and citizens can express their opinions openly. As

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Petrova argued, "The Internet is unfolding as the truly free zone for journalism, with all its limitations. This is the space where journalists can work professionally, where media can fulfill its public functions, and where the major citizen interest and activism is focused. This is the most positive development of the past year," she says.

The panelists pointed to the launch of the digital switchover as another important, positive step forward this year in the regulation of broadcast media. After more than five years of delay, in July the government canceled the 2008 digitization plan and passed a brand-new one, speeding up the process with a very short simulcast period. Digital broadcasting began on March 1, 2013, and all analog broadcasting should end by September 1 of the same year. Digital broadcasting will increase the number of free terrestrial channels available to the public. Currently, three over-the-air television channels have national coverage; after the digital conversion, there will be eight, with the number expected to grow.

Access to international news sources and entry to the journalism profession remain two of Bulgaria's strongest indicators of media sustainability. The only limitations in access to international news agencies are financial, as just the larger mainstream agencies are able to afford access. Local and regional media depend on their own resources and on free online news dissemination services, which often are of lower quality. The traditional media sector observes copyright laws on news and photos, though violations are known to occur in the online sphere.

Aspiring journalists may enter the job market freely, although low wages and the pressure applied to journalists from various interests groups pose barriers for some interested in the field.

OBJECTIVE 2: PROFESSIONAL JOURNALISM

Bulgaria Objective Score: 1.74

Year after year, this objective scores the lowest in the MSI, revealing the areas in Bulgaria's media environment with the most serious problems. Four of the lowest indicator scores were recorded under this objective, leaving the country well within the Unsustainable Mixed System classification in this category. The score fell a modest quarter point from 2012, but sits well below the 2.12 it received in the first Bulgaria MSI study in 2001.

Self-censorship remains the most important constraint on this indicator, with the panelists expressing dire warnings about the trend toward absolute self-censorship based on the business or political interests of each particular outlet. Ethical standards and coverage of key events also worsened considerably, according to the panelists. Draganov said that much of this comes down to the integrity of journalists and editors. "Unfortunately, some leading journalists identify themselves with certain politicians. Those who dare to criticize usually lose their jobs. Journalists' careers in many cases depend on how many orders they are willing to take," he said.

The deteriorating quality of media is not news for any observers within Bulgaria or outside. Panelists took note of the increasing international criticism of the declining media freedoms in Bulgaria. While US ambassadors to Sofia have always been vocal about the problems of the media in the country, in 2012 the French and the German ambassadors also voiced their concerns publicly.

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 and retain qualified personnel within the media profession.
- > 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 exist (investigative, economics/business, local, political).

Their criticism followed an incident involving the *Monitor*, one of the leading local newspapers owned New Bulgaria Media Group, the country's largest media conglomerate. In October, the *Monitor* published an interview with the German ambassador, but *Monitor* editors redacted his negative remarks on the country's press freedom and ownership transparency. The embassy website posted the ambassador's letter to the editors as an official response. In a follow-up interview, the diplomat reflected on the worsening media freedoms in Bulgaria since its entry in the European Union. He outlined the problem with the hidden ownership of major mainstream media outlets, which was demonstrated so clearly by the censoring of his earlier comments in the *Monitor*.

Biased coverage of the environmental protests that took place in Sofia in the summer also led to the first case of widespread citizen protests against bTV. The commercial station is owned by Central European Media Enterprises, a publicly traded company, and is the highest-rated television station in Bulgaria. Faced with unprecedented public discontent, the station offered a public apology and began presenting the protests with greater concern for objectivity and fairness.

Slanted coverage of the protests was not limited to bTV, by any means. With the exception of Bulgarian National Radio (BNR), all of the main broadcast media were accused of trying to disregard and marginalize the protests, and only responded after government officials were forced to recognize the people's legitimate concerns. BNR is traditionally more independent, and part of a national trend of improvements in the public media balance amid decreasing market share. However, BNR is less important as a source of information and is not under such political scrutiny. The panelists considered the case with bTV significant mainly because it represents the first display of citizen action against biased coverage by the unquestioned media market leader. Bulgarians successfully managed to force bTV to correct its stance and to offer public apologies.

One of the most serious concerns the panelists share, year after year, is the decline of mainstream media quality. In 2012, standards appeared to have worsened. "The trend of lower and lower quality, stagnant content, and displacement of professional standards seems permanent," said Konstantin Markov, honorary chair of the Association of Bulgarian Broadcasters.

Ivan Kanevchev, as a board member of the Union of Bulgarian Journalists, identified the role that journalists play in the decline of professionalism. "This is partially our fault," he said. "We are unable to unite and rally behind the professional ethics of journalism."

Many of the panelists agreed that the prolonged economic crisis, the shrinking advertising market, and the changing mechanisms for media funding are all behind the rapid decline in the quality of journalism and the independence of the media.

“In this situation, the government has become the biggest advertiser—which is used by the ruling majority to impose control and force the media into submission,” Petrova said. “Any kind of editorial independence is disappearing. The owners interfere directly with the editorial policy and the work of journalists, giving direct orders on what can be published. These paid publications are then presented as investigative journalism or ordinary media production and are never labeled as paid content.”

Investigative reporter Ivan Michalev agreed. “The media business is no longer able to make a profit, so most media outlets depend on the other business of their publishers,” he claimed. He quoted the annual report of SEEMO (the South East European Media Organization) on Bulgaria, which claims that a majority of journalists in the country find it “normal” to refrain from any writing that might hurt the business interests of their publishers. The annual reports of Freedom House and Reporters Sans Frontiers report similar findings.

Nenova also noted the role that EU-funded projects play in Bulgaria’s worsening media situation. “There is a perverse abuse of EU funds under the EU’s ‘operative programs,’ where the government uses these funds to buy media comfort from the big media,” she said. EU cohesion funds are spent in many sectors of the economy as direct grants to public institutions. The grants usually include a large “communications” component, which the institutions pay to selected media outlets for positive coverage. The media do not dare criticize these institutions, out of fear that they might lose the next communications contract through this mechanism.

Self-censorship is believed to be widespread, and the panelists consider the practice one of the worst aspects of Bulgaria’s media. Petrova described it as a massive obstacle, when combined with the open censorship applied through the editors and producers.

The panelists held the opinion that the news and current affairs programming of most mainstream media steer away from controversial issues concerning the people in power or the corporate world. Based on her professional monitoring of the media, Daskalova said that analytical content is found increasingly more often in interviews. This is a way for the media to avoid “authoring” critical content; they afford the

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media a protective distance from controversial positions while still trying to present all points of view, she said.

At the same time, Petrova pointed out, the interview genre has a separate problem—many interviews are funded by public relations agencies. Both the media outlet and the host of the show are paid extra to air interviews with selected public figures, which essentially means that no critical questions will be asked. These arrangements are made off the record, and the public is not informed in advance that it is watching prearranged content. All media energetically deny being involved in such practices.

According to Michalev, a new trend is self-censoring to protect major advertisers and not just the people in power. The media avoid controversies at all costs with banks and larger companies especially. “With the big advertisers, it is either good news or no news at all,” he said. “The media [are] becoming more and more financially dependent, which makes [them] editorially more dependent, too,” he added.

Rositza Donkova, manager of the public relations agency Action Bulgaria, agreed. “As far as business reporting is concerned, there is a total dependency between advertising and editorial content,” she said. “Paradoxically, the public media cover the news more objectively than the commercial media. In other words, the private media are more vulnerable to political pressure than the state-owned ones.”

Another serious shortcoming in professional standards is the blurring of lines between politicians and lead hosts of news and current affairs programs. An increasing number of well-promoted television personalities serve as mouthpieces of select politicians, and make no secret of their affiliations. Many media outlets compromise editorial independence and offer their programs readily for promoting politicians. The outlets do not seem to mind serving openly political parties or the government, according to the panelists.

Davidova gave the example of a member of parliament that anchors the morning talk show of Nova TV, one of the three

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television stations with national coverage. According to Davidova, “This violates at least three legal norms: the Radio and Television law, the Conflict of Interest Legislation, and the National Assembly’s own internal regulations, which do not allow members to work during their terms. It is shocking that the Council of Electronic Media has not intervened, let alone Parliament itself or the Commission Against Conflict of Interest.”

Hate speech in the mainstream media is also on the rise. While previously, it typically only appeared on television stations supporting Bulgarian nationalist parties, it is now spreading to the main broadcast media. Davidova said that such language is used during bTV’s *Neka Govoryat* program, Nova TV’s *Direktno Karbovski*, TV 7’s Morning Show with host Nikolay Barekov, and others. “It is a pity that the ethical commissions do not function any more. They were good at handling such problems in the past,” Davidova said.

Donkova said that media owners and publishers directly attempt to extort businesses that do not advertise with them. She reported that, as the head of a PR agency, she was approached with unethical offers twice last year by major national media. “In exchange for the product of one of our clients, they were offering to assign a special correspondent, who would cover that client in a positive manner the whole year,” she said. “When the client declined the offer, we received a polite letter from the media saying that the client will not be covered by their media at all. It could have been worse, such as a threat to cover them only with negative publications.” She also cited an example of a large and legitimate company that pays the media to *abstain* from writing about it, or even to mention it by name.

“In normal Western countries, the amount of coverage you get will depend on the quality of information you are able to offer,” Donkova continued. “In Bulgaria, it depends mainly on the budget you are willing to offer for paid content.” According to her, this explains business reporting in Bulgaria: it concentrates on the specific areas of telecommunications, energy, and banking, where the money is.

Cholakova agreed, saying, “Reporters often write promotional stories in favor of businesses for their own financial gain, instead of following professional principles

of fairness and objectivity.” She said that balance in reporting is often missing, to the disadvantage of Bulgarian citizens. “The mainstream media often skip issues of public importance in favor of reciting government events. There is little coverage of important social issues, ecological problems, local community issues, health, and European integration,” she said.

Local media are under even stricter state control than the large national publications, in Cholakova’s view. She shared an example from her hometown of Zlatitza, where last summer the water was declared undrinkable. None of the three local media investigated or even asked why, but threw themselves into the city-sponsored campaign to warn the citizens against drinking the water. The environmental activists, who tried to find out why the water was declared undrinkable, were portrayed by the local media as “provocateurs” and “panic-mongers” instead.

Daskalova said that she has seen a visible shift from diversity of content toward the tabloid formats in the traditional mass media. The high-quality content is marginalized and the public media are becoming an island of relatively good content. She pointed out that the specialized blogs of think tanks and the institutional websites of public institutions provide more professional and in-depth information than the news programs of television channels or newspapers.

Nenova noted the serious withdrawal from the journalistic profession on the local level, due to poor pay, lack of job security, and the worsening professional standards. People change jobs every few months, which guarantees their lack of professionalism and the ease with which they are subject to manipulation, she adds.

“The pay for journalists is high only if the reporter in question is directly helping promote a politician, a corporate interest, or both,” Draganov said. “The media as a rule promote celebrity-style journalists, who prefer entertainment and lifestyle content to the analytical of current affairs programs or publications.”

But being in the television entertainment business does not prevent political controversy either, according to the panelists. They recounted the case of the *Gospodari Na Efira* comedy show, which was forced to leave bTV and move to the lower-rated and lower-paying Nova TV. The show producers claimed that the act was an attempt to impose censorship.

On the other hand, one particular media production, *Pod Prikritie*, attracted record ratings in 2012, and indicated that Bulgarian viewers are interested in productions of good professional quality that address key social and political issues. The series is aired by Bulgarian National

Television and presents fictionalized versions of real-life stories on corruption and organized crime in Bulgaria. The series quickly became the most watched and downloaded programs in the country. "People are sick and tired of fake Balkan glamor and cheap comedy; they want something real" Georgiev asserted, adding, "Let's hope that is not just my own wishful thinking."

OBJECTIVE 3: PLURALITY OF NEWS

Bulgaria Objective Score: 2.35

Transparency of media ownership has always been a core weakness of the Bulgarian media landscape, but events in 2012 brought it under the limelight and prompted severe domestic and international criticism. MSI panelists judged the transparency shortcomings meriting an "Anti-Free Press assessment, the lowest ever a Bulgarian MSI panel had ever given to this indicator. Along with the decreasing propensity of private media to produce independent news reports, there is little doubt why news plurality declined from its 2012 score of 2.50.

The ownership structures of the main Bulgarian media were displayed clearly during a relatively brief but heated "media war" between Bulgaria's two largest conglomerates. The bigger of the rivals is New Bulgarian Media Group, owned by the past head of the state lottery and her son, an MP formerly of little importance. That group is backed allegedly by one of the country's largest commercial banks.

MULTIPLE NEWS SOURCES PROVIDE CITIZENS WITH RELIABLE, OBJECTIVE NEWS.

PLURALITY OF NEWS SOURCES INDICATORS:

- > Plurality of public and private news sources (e.g., print, broadcast, Internet, mobile) exist and offer multiple viewpoints.
- > Citizens' access to domestic or international media is not restricted by law, economics, or other means.
- > State or public media reflect the views of the political spectrum, are nonpartisan, and serve the public interest.
- > Independent news agencies gather and distribute news for media outlets.
- > Private media produce their own news.
- > Transparency of media ownership allows consumers to judge the 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 media provide news coverage and information about local, national, and international issues.

"These companies are like Matryoshkas," Kanevchev commented, referring to the Russian nesting folk dolls. "They spring out of each other, and no one really knows who is inside."

The other conglomerate is Media Group Bulgaria Holding, which was recently sold by WAZ, its former German owners, to a Bulgarian pharmaceutical tycoon and a politician-turned-businessperson with a controversial reputation. New Bulgarian officially owns a television station and several newspapers, and unofficially controls several other outlets; while Media Group controls at least two major dailies, *24 Chasa* and *Trud*, according to the panelists.

Trying as hard as they could to undermine each other, the newspapers of the two groups made public previously rumored claims about their rival's actual owners. Recently, Media Group emerged from a scandal with a former business partner, whose shares in the company were hijacked in a Russian-mafia-style hostile takeover. The war ended rapidly when the authorities started investigating the partners in Media Group Bulgaria Holding that were suspected of alleged money laundering. Since the real structure of ownership in either case is not transparent, experts can only speculate on whether ownership has actually changed hands—a claim that the company officially denies.

There has also been speculation about a change of ownership of TV7, the flagship television company of New Bulgarian. Media experts believe that the officially circulated relatively low price of the deal indicates that a formal transfer of ownership was made in an attempt to prevent anti-monopoly investigations and to reduce tax liability.

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This tussle between the conglomerates overshadowed another shady deal, which left the newly licensed digital distribution platforms in the hands of offshore companies, allegedly related to Bulgarian broadcast media. If the allegations are true, this would represent a cross-ownership of a television channel and a digital distribution platform, which the law prohibits.

Both the prime minister and the EU now admit that the lack of transparency of media ownership is the key problem of

The panelists registered an improvement in public media's coverage over the last several years, with Bulgarian National Television and Radio reflecting the views of the entire political spectrum, becoming less partisan, and serving the interests of the public better than their commercial competitors.

Bulgarian media, but there have been no signs of corrective measures being considered. The existing public registers of media ownership for the print media and the registers of the Council of Electronic Media for the broadcast media do little to reassure the public or the experts that the real media owners are known. Investment funds and offshore companies listed as owners do not disclose information about the actual ownership structure, and the parties deciding the editorial policies of these media remain a matter of speculation. This lack of transparency affects people's confidence in the media, and is reflected in decreasing circulation numbers and ratings of the majority of the mainstream traditional media.

While transparency is the obvious top problem under this objective, other indicators also showed a decline in 2012. Petrova noted a plunge in public interest and a crisis of trust in the traditional media. More and more people are turning away from the traditional sources, instead seeking authentic news and information from the vast number of small, alternative online resources available, she said.

Abandoned by their younger and better educated audience, the mass commercial media are increasingly inclined to adjust their programs to the lowest common denominator of interest among the remaining viewers, offering production of ever-decreasing quality.

Draganov was particularly critical of broadcast media programming. According to him, there is inane humor, profane entertainment, and very little content of substance. He put blame on the commercial media for playing to the basest instincts of their remaining audience, which he posited have low expectations for informative content. He also observed that many media outlets hire young and underpaid journalists, and put on the air half-educated people with a limited intellect and even more limited vocabulary. "Folk pop singers, models, and other chatterboxes are appointed as show hosts, and they work

day and night to bring the audience's tastes even lower," he said.

Georgiev expressed a similar disappointment with print media. "For me, as a media consumer, there is a steep decrease in the amount of media content which is worth reading, listening to, or watching. The average newspaper now takes me about one minute to read through—the time needed to physically turn between the pages and make sure I am not missing anything important."

Pluralism in Bulgaria can be seen in the number of titles, but not in the number of owners, panelists agreed. "Media pluralism in Bulgaria remains a fake, and is in reality a pluralism of similarity," Petrova said.

The panelists said that the lack of pluralism is partially due to the growing concentration of ownership among just a few players. The financial crisis is catalyzing these negative trends, because it renders newspapers, radio stations, and television channels unsustainable as media businesses. The media's dependence on large capital and the government has led to sacrificing true diversity. "There are a lot of media outlets which exist only to simulate pluralism," Michalev claimed. "The media that are able to sustain themselves can be counted on the fingers of one hand...and these are a few tabloids and two or three of the big television stations. Everything else is subsidized to serve other interests."

In addition, as Kanevchev and Vassilev pointed out, very little pluralism is left in the local media market. Many medium-sized and smaller cities have but one or two media outlets, mostly controlled by the local authorities or local businesses, and access to local information is becoming strained.

The EU has also addressed the worsening media environment in the country. Neelie Kroes, the vice president of the European Commission responsible for the Digital Agenda for Europe, visited Bulgaria and met with members of the media and citizen organizations protesting the restriction of media freedoms. Some Bulgarian media organizations are campaigning for the introduction of official EU monitoring of media freedom in the country—a notion still opposed by many and resisted by the EU itself. On the other hand, the visit and statements of the EU commissioner prompted the prime minister to admit Bulgaria's serious problem with transparency of media ownership, while vehemently denying any political pressure on media.

The panelists registered an improvement in public media's coverage over the last several years, with Bulgarian National Television and Radio reflecting the views of the entire

political spectrum, becoming less partisan, and serving the interests of the public better than their commercial competitors, panelists said. Like some of the other panelists, Dimitar Lipovanski, a producer with Arena Media, noted a positive trend in public media. “BNT and BNR are getting more and more active in presenting a wide variety of topics, points of view and ideas,” he said.

The panelists also highlighted as a positive the launch of BNT’s Channel Two, which encompasses the network of regional television centers and provides a wider variety of local and regional information. They also pointed out that BNR was the only national outlet to adequately cover the environmental protests in Sofia, and it does not shy away from covering controversial news stories about the government and the prime minister—something that other national media seem to avoid at all costs. However, the panelists noted that these encouraging developments are not yet entrenched, and they depend largely on the leadership at the two channels. Political appointments to those positions could quickly reverse these gains, the panelists feared.

Another problem, according to Atanasov, is that many news sites use information from others without identifying the source, a phenomenon described by Daskalova as “copy-paste” journalism.

As a result of the media sector’s financial problems and of local authorities stepping up their control, the gap in quality between national and local media is increasing, Nenova said. Some outlets are already showing serious shortcomings in the quality of reporting, especially in sensitive cases. “Coverage is often superficial, speculative, and irresponsible, even in the mainstream media,” she said. She gave the example of the terrorist attack at Burgas airport, and how the media blindly followed the information provided by the authorities and failed to verify facts on their own.

The panelists also pointed to the coverage of a prominent court case involving a group of Muslim *imams* [religious leaders] accused of spreading radical Islam. The panelists agreed widely that the coverage exposed the media’s lack of understanding of religious and human rights issues, which are rarely on the agenda of the mainstream media. The news coverage was seen as superficial and biased, often allowing hate speech and disregarding the basic principles of ethical and professional reporting. “The Bulgarian media avoid really important issues and replace them with criminal and lifestyle news,” Cholakova said. “The media do not discuss such issues as sustainable development or the environment—the big issues facing the world in general.”

Pluralism is becoming problematic even in the entertainment formats, many of the panelists noted. “While 10 years ago the playlist of the average music radio station consisted of about 1500 to 2000 songs, now it’s 150 to 200,” lamented Markov, himself a well-known rock musician. “So, not surprisingly, people don’t want to listen any more. They make their own playlists and listen to them on smartphones.”

At the same time, as Kirkovska pointed out, the sector is seeing some positive trends in the diversity of formats, and especially specialized talk shows. Examples include Bulgaria On Air, a 24-hour business news television channel that is simulcast on radio; television market leader bTV’s successful new radio simulcast, which includes its main news and talk programs; and the growing number of talk stations in the country, such as Radio K2 in Sofia and the network of Radio Focus that covers most of Bulgaria. Kirkovska also noted that a growing number of local and community media are registering with the Council for Electronic Media. They include a faith-based television channel in Plovdiv, existing Roma Radio and television channels, and others.

Bulgaria has several well established independent news agencies that gather and distribute news for media outlets. The panelists said that they consider the agencies professional and reliable. As a result, even the local media with limited news budgets can provide some news coverage on local, national, and international issues. The indicator score for news agencies buoyed the pluralism score somewhat.

OBJECTIVE 4: BUSINESS MANAGEMENT

Bulgaria Objective Score: 1.75

The score for this objective had the most rapid decline compared to the previous year, indicating the serious financial problems that the media faced as a result of Bulgaria’s economic crisis. This is also the second objective in the 2012 MSI that fell beneath the 2.0 mark and into the “Unsustainable Mixed System” category. Due to the prolonged financial crisis, the indicator tumbled not only well below its peak in 2008, but also far beneath the 2001 value, when the MSI in Bulgaria began. Government subsidies continue to distort the market, and professional researchers have not stepped in to add transparency and introduce sound business decisions in advertising.

“Many of the business problems of the media today are the result of fundamental errors made in the early years of establishing the media environment of Bulgaria,” Markov

MEDIA ARE WELL-MANAGED ENTERPRISES, ALLOWING EDITORIAL INDEPENDENCE.

BUSINESS MANAGEMENT INDICATORS:

- > Media outlets operate as efficient and self-sustaining enterprises.
- > 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.
- > Government subsidies and advertising are distributed fairly, governed by law, and neither subvert editorial independence nor distort the market.
- > Market research is used to formulate strategic plans, enhance advertising revenue, and tailor the product to the needs and interests of the audience.
- > Broadcast ratings, circulation figures, and Internet statistics are reliably and independently produced.

said. "On top of that, the regulations are not enforced. As a result, we have a concentration of the media that exceeds the reasonable limits. The competition is merciless and ferocious, and it puts everyone in the business under very heavy pressure. If we add the new technologies, which are only increasing this pressure on the traditional media, the picture is very grim," he concluded.

One of these foundational flaws, according to many of the panelists, is the cross-ownership of media outlets, advertising agencies, and audience research companies. The monopolization of all three leads to a tightening circle in which no one really knows how many viewers are watching, but a few players are positioned to draw most of the advertising share and exert artificial market pressure on their competitors.

According to Michalev, most media enterprises are operating at a loss and are subsidized by their publishers or owners, although data to back that assessment are not made available to the public. He said that one or two commercial television channels with national coverage are making a profit, as are some of the tabloids, which manage to keep a relatively high audience and are of some interest to advertisers. But he said that "the remaining 90 percent are fighting fiercely for what remains of the shrinking advertising budgets, and they are accumulating losses."

According to Donkova, businesses are using traditional advertising less and less, since it "has lost its impact." Company budgets are shrinking, and advertisers are looking for alternative means of reaching their target audiences. This shift has had a very negative impact on

media businesses, driving them to depend increasingly on government funds and on trading influence.

Other panelists validated Donkova's observation that the media make no distinction between editorials and advertorials. "It is very difficult to explain to our international partners how is it possible that the price list of a major national newspaper has an item called 'paid PR publication.'" As she explained, these publications are not marked as advertorials or advertising, yet they are paid at 50 to 80 percent higher than the standard advertising rate of the media. "This is the premium for selling your integrity," she said, to the agreement of many of the panelists.

According to Kanevchev, who is a partner in a local newspaper distribution company, the newspaper business has a big market distortion. His data show that the government mouthpiece New Bulgarian Media Group controls roughly 80 percent of the circulation of daily press in the country. He lamented the fact that the Audit Bureau of Circulation exists only on paper and claimed that no reliable figures for newspaper readership exist in the country. He described how "many newspapers artificially increase their circulation by printing more copies than they will sell. They are only sold to the distribution companies owned by the same publishers, destined to be recycled. I know some newspapers increase their circulation by 50 percent this way."

"There is no transparency in the newspaper distribution business," Michalev, formerly with *Kapital*, concurred. "This business is entirely in the grey zone."

Lipovanski noted that the local media are unable to compete in the local markets and do not get ad placements from the national advertising agencies. They also have very limited access to the EU cohesion funds earmarked for communications that have become a major revenue source for national media based in Sofia. His views were echoed by Atanasov, who claimed that the state subsidizes a few select national media outlets through its advertising and public announcements, but such subsidies do not reach the local media. The panelists representing the local media all agreed that survival based on the local advertising market alone is almost impossible. As a result, local media have become reliant on local governments and businesses and have lost their editorial independence.

According to Nenova, "These state 'subsidies' [described above] have a direct impact on media independence. The media are being manipulated by the authorities, with threats and promises of withdrawing or receiving public funds through procurement of European funds."

Cholakova pointed out the trend of local businesses establishing monopolist packages of newspaper, websites,

radio and television outlets. The group receives all of the company's advertising and they serve as the mouthpieces of corporate interests, leaving little room for independent local media. As a result, the local media depend on big local businesses and on local authorities. The outlets sign information services contracts with the local government, and cover government actions in a positive way only. "This leads to self-censorship in the publications, which publish only convenient material and articles and avoid opposing points of view and citizen initiatives," Cholakova said.

She also explained how so-called "information services" work, using the example of the Ministry of the Environment. According to her, that ministry alone has given 5 million BGN (\$3.3 million) to preferred media outlets, which de facto buys positive coverage. She also pointed out that the preferred media are owned by a corporation with investments in mining and mineral resources, leading to serious questions about conflict of interest. "The corporate media are the new 'baseball bats' of the oligarchs," Cholakova said, referring to the symbol of organized criminal extortion in Bulgaria in the 1990s. These corporately controlled media are a serious threat to the freedom of speech and to the very existence of the few remaining independent media in the country, she concluded.

According to Donkova, advertising budgets in 2013 are expected to continue their downward trend. As advertisers' actual sales revenues shrink due to the financial crisis, the media should expect a parallel stagnation of the advertising market in the following year. The same is true for foreign company advertisers. "More and more international advertisers are cutting down their advertising budgets for Bulgaria, because our internal market is too small and shrinking," Donkova said. "This creates a vicious [cycle] and makes media compete by dumping prices, which is the case in Bulgaria at the moment."

Often throughout the discussion, the panelists avoided specifically naming media outlets and their owners, due to a general lack of transparency and the inability to confirm facts.

OBJECTIVE 5: SUPPORTING INSTITUTIONS

Bulgaria Objective Score: 2.19

While this objective scored above the country average, several problematic areas showed a decline related to Bulgaria's worsened overall media and financial situation. Panelists registered the biggest concerns regarding the weak professional journalism associations, the lack of adequate short-term training services for working professionals, and

"The competition is merciless and ferocious, and it puts everyone in the business under very heavy pressure. If we add the new technologies, which are only increasing this pressure on the traditional media, the picture is very grim," Markov said.

the monopolistic trends in the distribution of print and electronic media.

On the other hand, Objective 5 included two of the higher-rated indicators for the whole MSI. Bulgaria is reaching sustainability in the sources of equipment for media production and its information and communications networks. Networks do not represent a problem for media members or for citizens, and they are adequate for the development needs of Bulgaria's new and traditional media.

While some Bulgarian trade associations have lost some of their public visibility, most panelists agreed that associations still represent the interests of media owners and managers before the public authorities. Partially paralyzed by legal action and fierce competition between some of its leading members (for example, bTV and Nova taking legal action against each other for price dumping), the Association of Bulgarian Broadcasters still negotiates actively on behalf of the broadcast industry with the regulatory bodies. As a result of the corporate wars between these outlets and

SUPPORTING INSTITUTIONS FUNCTION IN THE PROFESSIONAL INTERESTS OF INDEPENDENT MEDIA.

SUPPORTING INSTITUTIONS INDICATORS:

- > Trade associations represent the interests of media owners and managers and provide member services.
- > Professional associations work to protect journalists' rights and promote quality journalism.
- > NGOs support free speech and independent media.
- > Quality journalism degree programs exist providing substantial practical experience.
- > Short-term training and in-service training institutions and programs allow journalists to upgrade skills or acquire new skills.
- > Sources of media equipment, newsprint, and printing facilities are apolitical, not monopolized, and not restricted.
- > Channels of media distribution (kiosks, transmitters, cable, Internet, mobile) are apolitical, not monopolized, and not restricted.
- > Information and communication technology infrastructure sufficiently meets the needs of media and citizens.

“The Council for Electronic Media and the Association of Bulgarian Broadcasters were glaringly absent during this year,” Nenova said.

their holding companies, the association’s press complaints committee has been weakened. The publications that left the union have formed their own association and no longer participate in the work of the committee, undermining its funding as well as its legitimacy.

The Council of Electronic Media, which has a regulatory function in the broadcast industry, has also stayed away from the internal controversies of the sector. “The Council for Electronic Media and the Association of Bulgarian Broadcasters were glaringly absent during this year,” Nenova said.

However, according to Kirkovska, the Association of Bulgarian Broadcasters and the newly established Bulgarian Association of Cable and Communications Operators work actively to protect their members’ rights and interests, and are involved in an active dialogue with the government and regulatory bodies on implementing media legislation.

Several panelists lamented the shortage of professional associations capable of defending journalists’ rights and promoting quality journalism. “Unfortunately, the journalistic community has disintegrated, with no strong professional organizations able to protect its values and interests,” Petrova said. Cholakova agreed, adding, “In most cases, journalists who need protection find themselves alone.” And according to Draganov, “Not a single fired journalist has been adequately protected.”

The only exception that the panelists noted is the Access to Information Program, which intervenes actively on behalf of journalists in court case across Bulgaria and carries out a series of training seminars that prepare reporters on how to better use Bulgaria’s access to information legislation.

Free access to media equipment, newsprint, and printing facilities has never been problematic in Bulgaria; no one attempts to impose political control or to monopolize them. The picture is similar with the physical channels of distribution. Some press outlets complain that newspaper distribution is subject to unfair competition, but for the most part the distribution networks of kiosks, transmitters, ISPs, and mobile networks are traditionally seen as apolitical, not monopolized, and unrestricted.

Bulgarians benefit from a free and highly competitive communications sector, with multiple providers of cable and Internet services offering good packages of television, fixed phone lines, and fast optical Internet access at very good prices.

The lack of quality journalism degree programs at universities continues to be a problem for the Bulgarian media industry. Panelists cited the most pressing shortcomings as the outdated media curricula for the majority of universities and the lack of direct links between journalism education and the needs of the media industry. Students graduate with little practical experience and need substantial on-the-job training. When they reach the media, their new managers ask them to forget about the professional standards they have been taught at school, and they become easily disillusioned. “The quality of journalism education is growing, but the reality [of the field] usually disappoints the young reporters,” Draganov said.

Short-term training programs for working journalists are also not very effective, as such courses are available rarely and the media owners say they cannot spare the resources to pay for high-quality professional training.

List of Panel Participants

Yassen Boyadzhiev, chair, Free Speech Forum; editor, Mediapool.bg, Sofia

Petko Georgiev, journalist, producer, media consultant, BTC ProMedia, Sofia

Dilyana Kirkovska, expert, Council for Electronic Media, Monitoring Directorate, Sofia

Konstantin Markov, honorary chair, Association of Bulgarian Broadcasters, Sofia

Ivan Michalev, investigative reporter, Sofia

Tzveta Nenova, director, The Bulgarian Europe Media Festival, Russe

Svetla Petrova, journalist, Livenews.bg, Sofia

Vesselin Vassilev, owner, Radio Sevlievo, Sevlievo

Petya Cholakova, editor and owner, *Srednogorski Bagri*, Zlatitza

Ivan Atanasov, editor and owner, Sakarnews.info, *The News*, Harmanli

Fanny Davidova-Peneva, lawyer, Access to Information Program, Sofia

Dimitar Lipovanski, journalist, producer, Arena Media, Russe

Nicoletta Daskalova, media expert and lecturer, Media Democracy Foundation, Sofia

Rositza Donkova, manager, Action Bulgaria PR agency, Sofia

Ivan Kanevchev, director, municipal radio; board member, Union of Bulgarian Journalists, Pleven

Ivo Draganov, journalism professor, New Bulgarian University, Sofia

Moderator

Dessislava Velkova, EU and media law expert

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