

# MAPPING DIGITAL MEDIA: **BULGARIA**



# Mapping Digital Media: Bulgaria

**A REPORT BY THE OPEN SOCIETY FOUNDATIONS**

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# Mapping Digital Media

The values that underpin good journalism, the need of citizens for reliable and abundant information, and the importance of such information for a healthy society and a robust democracy: these are perennial, and provide compass-bearings for anyone trying to make sense of current changes across the media landscape.

The standards in the profession are in the process of being set. Most of the effects on journalism imposed by new technology are shaped in the most developed societies, but these changes are equally influencing the media in less developed societies.

The **Mapping Digital Media** project, which examines the changes in-depth, aims to build bridges between researchers and policymakers, activists, academics and standard-setters across the world. It also builds policy capacity in countries where this is less developed, encouraging stakeholders to participate in and influence change. At the same time, this research creates a knowledge base, laying foundations for advocacy work, building capacity and enhancing debate.

The Media Program of the Open Society Foundations has seen how changes and continuity affect the media in different places, redefining the way they can operate sustainably while staying true to values of pluralism and diversity, transparency and accountability, editorial independence, freedom of expression and information, public service, and high professional standards.

The Mapping Digital Media project assesses, in the light of these values, the global opportunities and risks that are created for media by the following developments:

- the switch-over from analog broadcasting to digital broadcasting;
- growth of new media platforms as sources of news;
- convergence of traditional broadcasting with telecommunications.

Covering 60 countries, the project examines how these changes affect the core democratic service that any media system should provide—news about political, economic and social affairs.

The **Mapping Digital Media** reports are produced by local researchers and partner organizations in each country. Cumulatively, these reports will provide a much-needed resource on the democratic role of digital media.

In addition to the country reports, the Open Society Media Program has commissioned research papers on a range of topics related to digital media. These papers are published as the **MDM Reference Series**.

# Mapping Digital Media: Bulgaria

## Executive Summary

After a significant delay, the transition to digital terrestrial broadcasting in Bulgaria is scheduled to be finished in 2013. While cable television appears to have peaked since 2007, satellite television continues to increase its penetration, more often through bundled services. On the other hand, Internet Protocol television (IPTV) is also growing, albeit from a low base. Although Bulgarians enjoy some of the fastest internet connections in the world, overall broadband penetration is low. However, except for the ubiquitous popularity of torrent trackers, there is a lack of e-government services and on-demand audiovisual content. Press and radio are declining in revenue, and the press in particular has welcomed investors with hidden sources of financing that use newspapers for their own business interests. Shedding more light on media ownership, prohibiting concentration, and securing sustainable business models for quality news outlets remain key challenges.

The first test transmissions of digital terrestrial television (DTT) started in 2004, with the process expected to finish in 2013 with three multiplexes in operation. After that, four more multiplexes are scheduled for launching. Although the simulcast period started on 1 March 2013, the subsidy scheme to help people in need of financial and other assistance has yet to start. Last-minute legal amendments regarding the transition to DTT, together with the fact that only three companies control six multiplexes (with strong suspicions that in reality a single company stands behind the three), led the European Commission to initiate proceedings against Bulgaria in the European Court of Justice in 2013. Despite the fact that the Council for Electronic Media has awarded digital licenses for 27 television channels, currently only three of them have signed contracts with multiplex operators, while six others are still negotiating.

Digitization has yet to affect radio networks that are bound to use analog frequencies for a long time with no policy on digital switch-over in view. While the total duration of production stayed the same between 2006 and 2011, there is a solid decline in advertising budgets, and as of 2012 Bulgarians spent 11.7 hours a week listening to radio compared with 16 hours browsing the internet.

Between 2000 and 2011, a third of all newspapers ceased publication and the total annual circulation fell by 15 percent. Nevertheless, the percentage of people who read daily newspapers has stayed stable: roughly

36 percent. Most newspapers have fought the fall in circulation by publishing more sensational content, shrinking news rooms, and hiring young reporters willing to work for less money. Because of the decreasing number of advertisers, tabloid newspapers that rely on sales revenue have retained a stable audience. Overall, newspapers continue to be a vital source of information for the public, despite losing the fight for online advertising to native news websites. There is limited use of online subscriptions because of the large number of news websites that publish content for free.

The internet does not seem to fully displace conventional media, rather more people than ever are engaging in media multi-tasking. More than half of Bulgarians are online. An estimated 41 percent of Bulgarians watch television and surf the web simultaneously, compared with an EU average of 59 percent.<sup>1</sup> All major television networks have introduced linear audiovisual content on the web, and currently there is only one video-on-demand (VOD) service operated by established media outlets. Public service broadcasters have struggled to remain relevant among advertisers and with regard to audiences, with the national radio network, Bulgarian National Radio (BNR), doing better than Bulgarian National Television (BNT).

Digitization has increased the workload of journalists, who now produce content for more platforms. This development drains resources, and currently only a handful of Bulgarian media engage in in-depth journalistic investigations. News is the dominant content people consume on the web, although most of it comes from online-only outlets that rewrite content from traditional media and press agencies. Blogs are fairly popular; however, most of them dwell on personal topics and few have the power to set the agenda. Probably the most successful WikiLeaks copycat website worldwide is the Bulgarian website Bivol.bg, which manages to publish high-quality content on a regular basis.

Social media have been great at channeling people's energy into one-off events on issues such as environmental protection and internet freedom. Facebook is the dominant social network in Bulgaria, while a number of opinion leaders tend to post on Twitter, whose total audience is still very tiny, however. Another important place for conversations online is Bg-mamma.com, the leading online community for a wide variety of topics. Although activist websites have succeeded in having real-life effects, this is almost always due to their causes being taken up by legacy media.

The state has increasingly intervened in the media market through over-regulation (in the case of digital terrestrial broadcasting) and indirect funding (newspaper acquisitions by the New Bulgarian Media Group). New media legislation is long overdue in Bulgaria, in particular to address media ownership and concentration, along with state subsidies of public service broadcasting. Despite the existence of some already finalized drafts, all the signs suggest that this will not be adopted before 2014. Regulation of the digital dividend is also outside the current political agenda.

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1. Interactive Advertising Bureau (IAB) Bulgaria, "Media multi-tasking means more active consumers," September 2012, at [http://iabulgaria.bg/wp-content/uploads/2012/11/iab\\_europe\\_media\\_multi-tasking\\_means\\_more\\_active\\_consumers\\_bulletin.pdf](http://iabulgaria.bg/wp-content/uploads/2012/11/iab_europe_media_multi-tasking_means_more_active_consumers_bulletin.pdf) (accessed 21 December 2012).

Overall, digitization has increased the access to news content and information and has created opportunities for people to express their opinions on issues they care about. In a bid to raise ratings and circulation amidst a financial crisis and stalling advertising market, the media largely avoid adhering to their Code of Ethics. Therefore, increased diversity and improved quality of information are still not attainable.

The reporters note the growing international concern about media freedom in Bulgaria. In 2013, Marcie Ries, the incoming U.S. Ambassador to Bulgaria, stated in her inaugural interview that she had “heard reports of intimidation of journalists that leads to self-censorship.”<sup>2</sup> In early 2013, the Parliamentary Assembly of the Council of Europe announced that it would renew the monitoring of media freedom and media ownership transparency in Bulgaria because of persistent problems. Also in January 2013, however, EU Commissioner Neelie Kroes announced that the EU would not intervene to resolve media issues in Bulgaria. She urged the Bulgarian people to start a national discussion in which she would serve only as a mediator.<sup>3</sup>

Specifically, the report remarks on how media independence is limited by indirect state subsidies to the media through advertising, and by the lack of transparency of the New Bulgarian Media Group’s political and financial connections.<sup>4</sup>

The report calls for a radical overhaul of Bulgaria’s media legislation, in order to ensure the transparency of media ownership, which can currently be concealed behind obscure foreign companies; and to prohibit the widespread practice of offshore companies buying Bulgarian media, network, and multiplex operators.

There is also an urgent need to design mechanisms to ensure that the state does not provide indirect funding (via allocations to support advertisements for EU programs) to media outlets in exchange for positive coverage. (There is unfortunately no prospect that these issues can be resolved by media self-regulation.)

New media legislation should also clarify the revenue model of public service broadcasters, since in recent years BNT has consistently received state funding above its annual budget. All future media legal amendments should be prepared in consultation with civil society organizations. The government should allocate funds to secure the timely release of the military frequencies necessary for DTT. In view of the EU’s infringement action against Bulgaria because of anti-competitive tenders for multiplex operators, the government should either abolish the tenders and launch new procedures, or implement a mechanism to increase competition among the current players.

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2. Anthony Georgieff, “America’s new ambassador to Bulgaria,” Vagabond-bg.com, 21 February 2013, at [http://www.vagabond-bg.com/index.php?option=com\\_content&view=article&id=2207:marcie-ries&catid=48:frontpage#.UQwgrB12xKJ](http://www.vagabond-bg.com/index.php?option=com_content&view=article&id=2207:marcie-ries&catid=48:frontpage#.UQwgrB12xKJ) (accessed 1 February 2013).
  3. “Neelie Kroes left Bulgarian politicians and society to deal with media issues,” *Dnevnik* daily, 22 January 2013, at [http://www.dnevnik.bg/evropa/novini\\_ot\\_es/2013/01/22/1988482\\_neli\\_krus\\_ostavi\\_na\\_bulgarskite\\_politici\\_i\\_obshtestvo/?ref=miniurl](http://www.dnevnik.bg/evropa/novini_ot_es/2013/01/22/1988482_neli_krus_ostavi_na_bulgarskite_politici_i_obshtestvo/?ref=miniurl) (accessed 2 February 2013).
  4. Parliamentary Assembly of the Council of Europe, Luca Volontè, “Post-monitoring dialogue with Bulgaria,” 4 January 2013, at <http://assembly.coe.int/ASP/XRef/X2H-DW-XSL.asp?fileid=19244&lang=EN> (accessed 1 February 2013).

# Context

Bulgaria began its transformation to a market economy in 1989, after more than 40 years as one of the closest allies of the Soviet Union. The transition has been rocky. After suffering hyperinflation in the mid-1990s, Bulgaria managed to get a grip on its resources and started numerous economic policies. It privatized most of the state companies, tied its currency (leva, BGN) to the Deutschmark (replaced by the euro), and managed to maintain a reasonable fiscal discipline.<sup>5</sup> These factors, along with the rising global markets, led to a decade-long annual growth rate of 5.3 percent prior to 2009.

In 2004, Bulgaria became a member of the North Atlantic Treaty Organization (NATO) and three years later joined the European Union (EU). However, the economic reforms were not enough to pull the country out of the bottom of the EU rankings for both GDP per head<sup>6</sup> and household income.<sup>7</sup> On the positive side, Bulgaria's economy is performing relatively well in recovering from the global crisis on a macro level, and the three major credit agencies project a stable outlook.

By contrast, on a micro-economic level the population is still struggling with daily life. For instance, 34 percent of average households' expenditures in 2012 are still related to food and non-alcoholic beverages.<sup>8</sup> Intercompany indebtedness remains a major challenge to the economy. It amounted to BGN 104 billion (US\$69 billion) or 136 percent of GDP as of November 2012, according to the National Association of Small and Medium Businesses.<sup>9</sup>

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5. Eurostat, "Government deficit/surplus, debt and associated data," 27 November 2012, at [http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=gov\\_dd\\_edpt1&lang=en](http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=gov_dd_edpt1&lang=en) (accessed 1 December 2012).

6. Eurostat, "GDP per capita in PPS," 1 June 2012, at <http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table&init=1&plugin=1&language=en&pcode=tec00114> (accessed 1 December 2012).

7. Eurostat, "Mean and Median Income by Household Type," 30 November 2012, at [http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=ilc\\_di04&lang=en](http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=ilc_di04&lang=en) (accessed 1 December 2012).

8. National Statistical Institute (NSI), "Total Household Expenditure for Third Quarter of 2011 and 2012," 15 November 2012, at <http://www.nsi.bg/otrasalen.php?otr=44&a1=2080&a2=2081&a3=2245#cont> (accessed 1 December 2012).

9. "40,000 Small Businesses in Bulgaria to Go Bankrupt by End-2012," Novinite.com, 22 November 2012, at [http://www.novinite.com/view\\_news.php?id=145387](http://www.novinite.com/view_news.php?id=145387) (accessed 2 December 2012).

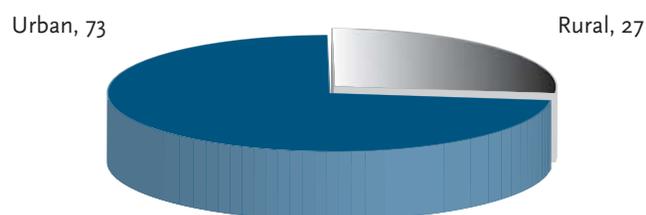
Another challenge for Bulgaria is the increasing number of people over the age of 65. According to the 2011 census, their share has increased by 1.7 percentage points to 18.5 percent for the decade after 2001. On the other hand, the number of people below 15 years of age has decreased by 2.1 percentage points to 13.2 percent for the same time period.

# Social Indicators

Population (number of inhabitants): 7.36 million (2011)

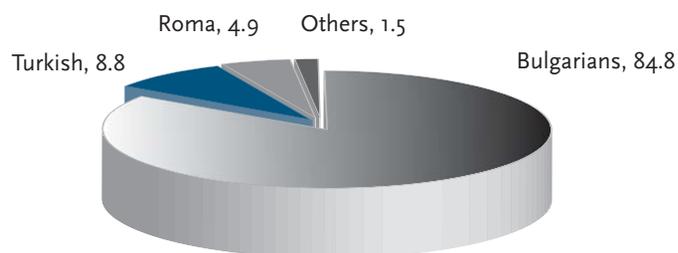
Number of households: 3.01 million (2011)

*Figure 1.*  
Rural–urban breakdown (% of total population), 2010



Source: National Statistical Institute, Census of Population, February 2011

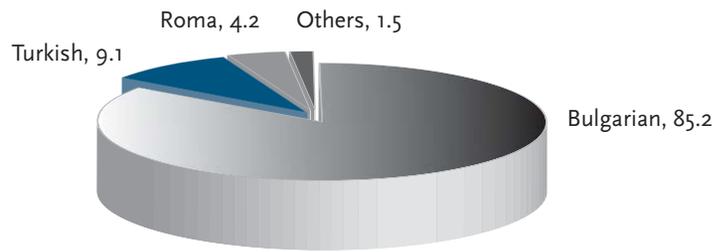
*Figure 2.*  
Ethnic composition (% of total population), 2010



Source: National Statistical Institute, Census of Population, February 2011

Figure 3.

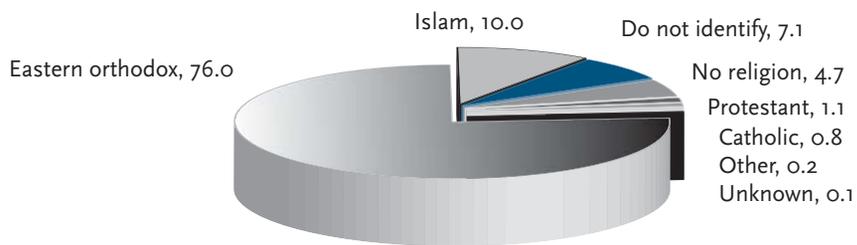
Linguistic composition (% of total population), 2010



Source: National Statistical Institute, Census of Population, February 2011

Figure 4.

Religious composition (% of total population), 2010



Source: National Statistical Institute, Census of Population, February 2011

# Economic Indicators

*Table 1.*  
Economic indicators

	2005	2006	2007	2008	2009	2010	2011	2012o	2013f
GDP (current prices, US\$ billion)	28.97	33.24	42.17	52.14	48.65	47.83	53.54	50.80	50.87
GDP (current prices, US\$), per head	3,753	4,329	5,520	6,854	6,432	6,374	7,307	6,973	7,022
Gross National Income (GNI), (current US\$), per head	9,840	10,800	11,420	13,230	13,250	13,510	13,980	n/a	n/a
Unemployment (% of total labor force)	10.1	9.0	6.9	5.6	6.8	10.3	11.3	11.5	11.0
Inflation (average annual rate, % against previous year)	7.3	6.0	11.5	7.1	1.6	4.4	2.0	2.1	2.5

*Notes:* o: outlook; f: forecast; n/a: not available

*Sources:* International Monetary Fund (IMF) (GDP, unemployment, and inflation figures); World Bank (GNI)

# 1. Media Consumption: The Digital Factor

## 1.1 Digital Take-up

### 1.1.1 Digital Equipment

Television remains the dominant platform for accessing news, with 99 percent penetration in 2011. Personal computer (PC) penetration grew massively between 2007 and 2011, more than doubling to 48 percent.

There was a tenfold increase in the number of internet users in Bulgaria between 2002 and 2011, according to data from the International Telecommunication Union (ITU). More than 50 percent of the population or 3.6 million people were connected to the internet by the end of 2011. A report from 2011 showed that the biggest age group among internet users is 15–35 years old.<sup>10</sup> A 2012 study by Gemius, a prominent online market research agency, states that the biggest share of web users lives in the capital city of Sofia: 28 percent.<sup>11</sup> The report concludes that average internet users spend more than 10 hours online every month. Online shopping is still not well developed, mainly due to people's preference to shop in person and take physical hold of a product (21.7 percent of respondents in a 2009 study) and lack of necessity (19.4 percent).<sup>12</sup> According to recent data, 9.2 percent of Bulgarians purchased products and services from the internet in 2012.<sup>13</sup>

An estimated 91 percent of internet users access the net at home, while 35.6 percent go online from work, and 10.5 percent from school.<sup>14</sup> According to data from 2010, the majority uses the internet to access email

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10. E-Consumers Report, June 2011, at <http://www.e-consumers.bg> (accessed 10 December 2012).

11. Gemius, "Do you CEE? 2011" report, p. 63, at [http://doyoucee.gemius.com/pl/doyoucee\\_news](http://doyoucee.gemius.com/pl/doyoucee_news) (accessed 3 February 2013).

12. NSI, "Reasons for not buying/ordering over the internet," 13 December 2012, at <http://www.nsi.bg/otrasalen.php?otr=48&a1=1751&a2=1761&a3=1766#cont> (accessed 8 February 2013).

13. NSI, "Individuals having ordered/bought goods or services for private user over the internet (last 12 months)," 13 December 2012, at <http://www.nsi.bg/otrasalen.php?otr=48&a1=1751&a2=1761&a3=1762#cont> (accessed 8 February 2013).

14. NSI, "Internet Usage of People Aged 16–74 According to Place of Access," 20 December 2011, at <http://www.nsi.bg/otrasal.php?otr=17&a1=2405&a2=2406&a3=2411#cont> (accessed 2 December 2012).

(80.8 percent), search for information and use online services (60.9 percent), read news (46.2 percent), watch online television, or listen to radio (41.3 percent).<sup>15</sup>

There are significant regional inequalities in internet penetration. Southwest Bulgaria has the highest share of internet access (57.3 percent), which is explained by the fact that this region is supplied with relatively good optic-fiber infrastructure, the largest number of internet service providers (ISPs), and the strongest consumer demand.

Table 2.  
Households owning equipment, 2007–2011

	2007		2008		2009		2010		2011	
	No. of HH ('000)	% of THH	No. of HH ('000)	% of THH	No. of HH ('000)	% of THH	No. of HH ('000)	% of THH	No. of HH ('000)	% of THH
TV set	2,849	98.3	2,837	98.6	2,828	98.9	2,900	99.0	2,975	99.0
PC	675	23.3	823	28.6	905	31.6	1,376	47.0	1,442	48.0

Notes: HH: Total number of households owning the equipment; THH: Total number of households in the country

Sources: Médiamétrie/Eurodata TV Worldwide, 2005–2010; World Bank and Open Society Institute, *Bulgaria: Wealth of Households during 2010 recession and the following recovery*, February 2012.<sup>16</sup>

### 1.1.2 Platforms

There are three terrestrial television channels with nationwide coverage in Bulgaria. Although the legislative process for the transition to Digital Video Broadcasting-Terrestrial (DVB-T) was set up in 2009, numerous challenges have delayed the launch of the simulcast until March 2013. The government has set September 2013 for the analog switch-off date. The challenges include lack of funds to clear frequencies used by the military and a lawsuit filed by the EU in 2013 over the tenders for multiplex operators held by the Bulgarian government.

The dominant way to watch television remains cable access. However, in the last two years it has been losing ground to satellite operators, the increasing popularity of bundled services, and to a lesser extent to IPTV. For the first time in 2011 more cable television subscribers had digital access instead of analog (54 percent compared with 46 percent).<sup>17</sup>

15. NSI, "Internet Usage for Specific Purposes," 20 December 2011, at <http://www.nsi.bg/otrasal.php?otr=17&a1=2405&a2=2406&a3=2412#-cont> (accessed 2 December 2012).

16. World Bank and Open Society Institute, *Bulgaria: Wealth of Households during 2010 recession and the following recovery*, February 2012, p. 11, at <http://siteresources.worldbank.org/BULGARIAEXTN/Resources/305438-1224088560466/5477317-1329829389066/CMSBGWEB.pdf> (accessed 12 December 2012).

17. Communications Regulation Commission (CRC), "Annual report for 2011," p. 45, at [http://crc.bg/files/\\_bg/II\\_GD2011.pdf](http://crc.bg/files/_bg/II_GD2011.pdf) (accessed 26 January 2013).

Since 2009 the number of satellite television users has almost doubled to 600,000. This might be traced to the decline in the number of cable subscribers in the same timeframe from 1.2 million in 2009 to 900,000 in 2011. The number of IPTV subscribers has grown steadily, but from a rather low base. In 2011, numbers were estimated at 26,000.

By and large, urban households use cable connections. There has been considerable consolidation in the cable market with local operators being swallowed up by major providers, most notably Blizoo. It is difficult to acquire reliable data regarding cable users as providers are not licensed as such, but are only required to register, and cable operators tend to understate their subscriber numbers in order to reduce their tax liabilities.

In the period 2008–2012, there was a marked increase in the number of users of Direct-To-Home (DTH), triple-play services, etc. There are two major DTH providers in the country: Bulsatcom and Satellite BG. Bulsatcom, which was the first DTH operator on the market, remains the market leader (especially among Bulgarian emigrant communities in Western Europe and North America). Vivacom, part of the incumbent Bulgarian Telecommunications Company (BTC), started its operations only in December 2009, but through aggressive marketing and competitive pricing managed to narrow the gap with the market leader. Since 2012, major cable (Blizoo) and satellite operators started to offer Bulgarian programs in high definition (HD) digital format, mainly sports programs such as the 2012 European Football Championships.

*Table 3.*

Platform for main TV reception and digital take-up, 2005–2010<sup>18</sup>

	2005		2006		2007		2008		2009		2010	
	No. of HH ('000)	% of THH	No. of HH ('000)	% of THH	No. of HH ('000)	% of THH	No. of HH ('000)	% of THH	No. of HH ('000)	% of THH	No. of HH ('000)	% of THH
Terrestrial reception	1,123	40.2	912	31.8	861	29.7	725	25.1	618	21.5	610	21.0
– of which digital	n/a	n/a										
Cable reception	1,553	55.6	1,764	61.5	1,792	61.8	1,734	60.0	1,627	56.6	1,498	51.6
– of which digital	n/a	n/a	n/a	n/a	n/a	n/a	147	5.1	236	8.2	363	12.5
Satellite reception	134	4.8	158	5.5	278	9.6	477	16.5	693	24.1	854	29.4
– of which digital	n/a	n/a	69	2.4	133	4.6	329	11.4	578	20.1	709	24.4
IPTV	n/a	n/a	15	0.5								
Total	2,793	100.0	2,869	100.0	2,899	100.0	2,890	100.0	2,875	100.0	2,904	100.0
– of which digital	n/a	n/a	69	2.4	133	4.6	477	16.5	814	28.3	1,087	37.4

*Notes:* HH: total number of households owning the equipment; TVHH: total number of TV households in the country; n/a: not available

*Source:* Mediamétrie/Eurodata TV Worldwide

18. The figures refer to the main TV set in multi-TV households ('000).

According to data from Market Links research agency, the share of households with DTH platforms increased from 13 percent in 2008 to 21 percent in 2010. This growth was at the expense of cable television, whose share in the total number of television households dropped between 2008 and 2010. Linear internet television access is still negligible, although the major channels do make content available on demand via the internet.

Bulgarians spend 23.2 hours watching television every week, according to a 2012 study by the local branch of the Interactive Advertising Bureau (IAB).<sup>19</sup> Between 2001 and 2006, the average daily time spent in front of a television set rose from 285.6 minutes to 307 minutes. In 2010, it rose further to 341 minutes. The most loyal viewers are over 55 years old and spend more than six hours every day watching television.<sup>20</sup> According to data from 2010, women watch television more often than men. Overall, television stations achieve the highest ratings during weekends. People aged 4–17 years old prefer bTV, followed by Disney Channel, Nova, and Cartoon Network. On an average daily basis they spend four hours watching television; bTV is also a leader in the category of people aged between 18 and 34 years of age. Nova's ratings in this group of viewers are two times smaller than bTV's, while BNT is in third place. This demographic group spends 4.5 hours in front of the television set every day. Again, bTV is most popular among people aged between 35 and 54, who spend 5.5 hours a day viewing television. People aged over 55 watch television more often than all the other demographic groups: between six and seven hours every day.

The average daily time spent listening to the radio has decreased slightly in recent years. Between 2009 and 2011 this indicator fell from 215 minutes to 195 minutes, according to the research agency Market Links.<sup>21</sup> Bulgarians spend 11.7 hours a week listening to radio compared with 16 hours surfing online, according to a study by the local branch of the IAB. An estimated 57 percent of internet users listen to radio online every month, while 17 percent listen to radio online daily. According to 2010 research, people aged 30–50 listen to radio most often while driving and at work. The younger and more educated prefer the radio not only for music but also for short news bulletins. Most often they listen to radio online or via mobile devices. Predominantly music tastes determine personal preferences for certain radio stations.

Mobile telephony is the dominant mode of communication and has reached universal levels of take-up. There are three mobile operators in Bulgaria, namely Mtel (owned by Telekom Austria Group), Globul (owned by Greek OTE), and Vivacom (controlled jointly by VTB Bank and Corporate Commercial Bank). By the end of 2011, SIM cards, provided by the three major mobile operators, had penetrated more than 140 percent of the population. Nearly two-thirds of these are post-paid users. At the end of 2011, Bulsatcom received a license for a fourth mobile network, aiming to add access to mobile internet to its current services of DTH and fixed-line internet access. Its network has yet to be launched. On the other hand, in 2010, Mtel, the biggest mobile network by number of subscribers, bought two fixed-line ISPs and in 2012 started a partnership with the DTH company Satellite BG.

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19. Interactive Association Bulgaria (IAB Branch), *MediaScope Europe 2012/Bulgaria*, July 2012, p. 12, at <http://iabulgaria.bg/wp-content/uploads/2012/07/Mediascope-Booklet.pdf> (accessed 12 December 2012).

20. V. Antonova, E. Vladkov, et al. (2010), "TV Environment 2001–2010," Faber, Veliko Tarnovo, at [http://www.newmedia21.eu/content/2011/10/tvsreda\\_izdaden.pdf](http://www.newmedia21.eu/content/2011/10/tvsreda_izdaden.pdf) (accessed 4 December 2012).

21. Market Links, "Radio stations' market in 2011," March 2012, at <http://www.mmlinks.net/links.php?ln=1&color=1&page=bulletin9&brand=1> (accessed 4 December 2012).

In contrast to Western Europe, where incumbents have large market shares, Bulgaria has a highly fragmented ISP market with more than 600 companies. This is a result of the inactive incumbent, BTC, at the end of the 1990s, when the emerging demand for internet access was met primarily by private ISPs building their networks from scratch. BTC prevented many private ISPs from using its last-mile network of copper cables, forcing more flexible ISPs to build their own last-mile infrastructure based on the Local Area Network (LAN) type.

In the early years, their unique selling point was bundling connectivity with fast access to pirated music and movies located on servers, maintained by the ISPs. So-called peering (fast access to local websites) encouraged the arrival of many local ISPs. According to Bulgarian law, by 2007 all ISPs should have placed their infrastructure underground. This is still not the case because, some ISPs argue, BTC has set its rent too high. Over the years, the limited access to BTC's nationwide infrastructure has hindered broadband penetration. As of January 2012, Bulgaria had the second lowest broadband penetration rate in the EU at 16 percent.<sup>22</sup> As a result, Bulgaria has a highly competitive market for ISPs, who provide quality access albeit at the cost of an overall low broadband penetration rate nationwide. However, low broadband penetration may be explained by the fact that the majority of ISPs operate on the grey market and declare fewer subscribers than they actually possess.

Internet subscriptions in Bulgaria rose steadily from under 1 million in 2003 to 1.6 million at the end of 2011. Of these, an estimated 315,000 access the internet through a mobile device. Recently, mobile internet subscriptions have been growing faster than the number of their fixed-line counterparts. Around 500,000 Bulgarians go online using a phone, or 6.7 percent of the population, compared with the EU average of 21 percent. At the same time, 90,000 people use tablets to log on to the internet, or 1.2 percent compared with an EU average of 8 percent. Between 2004 and 2012, the share of total internet users who consumed news online in the last three months rose from 32.6 percent to 68.7 percent.<sup>23</sup>

*Table 4.*  
Internet penetration (% of total number of households) and mobile penetration  
(% of inhabitants), 2005–2012

	2005	2006	2007	2008	2009	2010	2011	2012
Internet*	n/a	17.0	19.0	25.3	29.6	33.1	45.0	50.9
– of which broadband	n/a	10.1	15.4	20.7	26.1	26.0	39.8	50.8
Mobile telephony**	81	107	130.0	138	138.2	135.9	143.0	n/a
– of which 3G	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

*Note:* n/a: not available

\* Total internet subscriptions as a percentage of the population

\*\* Total active SIM cards as a percentage of the population

*Sources:* National Statistical Institute; Communications Regulation Commission (CRC)

22. European Commission, "Bulgaria 2011 Telecommunication Market and Regulatory Developments," 18 June 2012, at [https://ec.europa.eu/digital-agenda/sites/digital-agenda/files/BG\\_Country\\_Chapter\\_17th\\_Report\\_0.pdf](https://ec.europa.eu/digital-agenda/sites/digital-agenda/files/BG_Country_Chapter_17th_Report_0.pdf) (accessed 2 December 2012).

23. NSI, "Individuals using the internet for individual purposes," 13 December 2012, at <http://www.nsi.bg/otrasalen.php?otr=48&a1=1751&a2=1752&a3=1758#cont> (accessed 29 January 2013).

## 1.2 Media Preferences

### 1.2.1 Main Shifts in Media Consumption

The first decade of the 21st century in Bulgaria was marked by the rise of the internet and the corresponding decline in sales of print media. According to the NSI, the number of newspaper titles fell from 545 in 2000 to 369 in 2011 in the country. Moreover, the annual combined circulation of all newspapers in the country fell by 15 percent during the same time period. However, content produced by newspapers and magazines remain a vital source of information for the majority of news websites in Bulgaria.

As a rule, the earlier that newspapers set up dedicated websites with free access to news, the more problems they have experienced in trying to grow their revenues. Newspapers with a massive circulation of cheap copies but no websites thrive best. Bulgarians spend 4.1 hours every week reading newspapers, and 3.7 hours reading magazines.<sup>24</sup> In 2011, there were 62 daily newspapers in Bulgaria, two more than in 2005, according to the NSI. In terms of weekly newspapers, there were 157 in 2011, 14 percent fewer than in 2005. In 2011, some 181 newspaper titles were printed in Sofia, which is equal to the number in all other regions of Bulgaria combined.

*Table 5.*  
Newspaper reach (%),\* 2003–2010

	2003	2004	2005	2006	2007	2008	2009	2010
All adults	36.2	36.9	36.4	39.0	39.9	37.7	32.9	36.1
Men	38.0	39.8	38.8	42.0	45.5	39.8	37.1	38.0
Women	31.2	30.6	30.1	36.0	34.7	35.8	29.0	34.4

*Note:* \* Percentage of people who read a daily newspaper

*Source:* Market Links

The rise of new media has not had the same major influence on television, which remains the most powerful news platform. News is consistently the third most watched type of content after films and series, entertainment and reality shows. For instance, two news broadcasts from bTV rank among the top 25 television programs with the highest ratings for 2010. The total annual duration of news, sports, weather, and political talk programs has almost doubled between 2000 and 2011 from 25,288 hours to 44,391 hours. Moreover, there is a threefold increase in the duration of information broadcasts in the same time period, from 13,068 hours to 38,399 hours.<sup>25</sup>

24. IAB Bulgaria, “First independent data on media usage in Bulgaria,” June 2012, at <http://iabulgaria.bg/?p=844> (accessed 8 December 2012).

25. NSI, “Breakdown by Type of TV Broadcasts in 2011,” 21 May 2012, at <http://www.nsi.bg/otrasalen.php?otr=34&a1=1504&a2=1506#cont> (accessed 7 December 2012).

In terms of time spent, in the last decade radio has lost ground to the internet, albeit not as much as the press. The total duration of news, sports, weather, and political talk programs remained constant between 2006 and 2011: around 77,000 hours, according to the NSI.<sup>26</sup>

Mobile content services are still at an embryonic stage in Bulgaria. Since 2010, an increasing number of online news publishers have made mobile versions available in an attempt to capture more audience. In addition to this, some online publishers have struck deals with Mtel and Vivacom to make their content freely available when viewed by subscribers of their partnering telecoms. Mtel Live is a mobile portal that delivers television, music, and other content to its 300,000 unique visitors monthly as of 2011. In 2009, Vivacom launched 4fun, a music streaming service for mobile users with more than 100,000 songs, licensed by record labels such as Universal Music.

Radio and television are increasingly used as background media or to supplement simultaneous internet usage. For instance, 38 percent of Bulgarians are online while watching television. Much of the internet usage is assigned to watching online television. This activity is attributed to 85 percent of all Bulgarian internet users. Approximately 22 percent watch online television daily.

### **1.2.2 Availability of a Diverse Range of News Platforms**

The internet has brought forums, blogs, and citizen journalism platforms into existence. In most cases, however, few of the new digital entrants produce original content regularly. Naturally, there are some exceptions. Perhaps the first time the internet showed its agenda-setting power in Bulgaria was in 2007 when it was used to coordinate spontaneous street protests against construction work in natural reserves. Then, in 2008, a rumor with unknown origins about the financial troubles experienced by a local bank was widely disseminated by users of the most popular online community. It led to crowds of people lining up in front of local branches of the bank to claim their deposits. In 2010, Bivol.bg was launched by investigative journalists as a WikiLeaks partner. It started to release U.S. diplomatic cables about Bulgarian politicians and their connections to the underground world, but soon it also began to publish its own content. Recently, some news websites have assigned pages to stories sent in by readers.

Apart from this, digitization has had little effect in increasing the range of diverse opinions on television networks, for example. The yet to be finished transition to DVB-T has not let new players into the market. Digital terrestrial television has yet to show its full potential in this regard. This can be attributed to a slow legislative process and a small television market with powerful established players.

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26. NSI, "Breakdown by Type of Radio Broadcasts in 2011," 21 May 2012, at <http://www.nsi.bg/otrasalen.php?otr=34&a1=1499&a2=1501#cont> (accessed 7 December 2012).

## 1.3 News Providers

### 1.3.1 Leading Sources of News

#### 1.3.1.1 Print Media

There are no official data on the number of newspapers sold in Bulgaria. The reason is that publishers usually do not disclose such information. The work of the Audit Bureau of Circulations, established in 2001, has been practically blocked because only a handful of publishers were members. This has been pointed out on numerous occasions by advertisers as a critical issue for the industry. All the available data on Bulgaria's print media come via secondary sources such as research agencies.

Alternatively, *Capital* weekly has compiled data from its own audit of the circulation figures of the biggest daily newspapers. According to its June 2011 report, the *Telegraph* is the most popular title with a circulation of 115,000 copies. It belongs to the largest print media group in the country, the New Bulgarian Media Group. In the months prior to the 2009 parliamentary elections, all of this group's outlets were highly critical of Boyko Borisov. Immediately after the elections, however, New Bulgarian Media switched sides and started portraying Prime Minister Borisov in a positive light.

Next in the rankings are *Trud* and *24 chasa*, with circulations of 60,000 and 50,000, respectively. Their previous owner was the German media group Westdeutsche Allgemeine Zeitung (WAZ), but since 2011 they have been owned by a Bulgarian company, Media Group Bulgaria. In December 2012, Media Group Bulgaria transferred its ownership to Investbank, one of the few Bulgarian banks termed "bad apples" in a U.S. Embassy cable leaked by WikiLeaks. The quality of *Trud* and *24 chasa* has declined as they became increasingly sensationalist. They rarely undertake journalistic investigations except when the business interests of their owners have been threatened. This was the case in 2012 during an all-out war between the New Bulgarian Media Group (*Telegraph*, *Politika*, *Monitor*, etc.) and Media Group Bulgaria. This conflict ended when state prosecutors close to the New Bulgarian Media Group started investigating the owners of Media Group Bulgaria. As a result, the owners of the latter indicated in December 2012 that they would withdraw from the media sector, when they transferred operational control of the company to Venelina Gocheva, a former editor at *24 chasa*. Around the same time, Investbank, one of the "bad apples," became a creditor to Media Group Bulgaria. These latest developments, along with the alleged search for a new investor, make the publisher's position highly unstable only a few months before the parliamentary elections on 12 May 2013.

A recent development has been Economedija's struggle to stay independent after Alpha Bank's attempt for takeover in December 2012.<sup>27</sup> The Bank called Economedija's debt instantly due and immediately tried to impose management control over the publishing company. The hostile actions were temporarily halted in the court. Meanwhile, to prevent further takeover attempts the owners of the publisher of *Capital* and *Dnevnik*

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27. *Dnevnik* daily, "Economedija is no longer indebted to Alpha Bank," 21 December 2012, at [http://www.dnevnik.bg/bulgaria/2012/12/21/1974414\\_ikonomedija\\_veche\\_niama\\_finansovi\\_zaduljenia\\_kum\\_alfa](http://www.dnevnik.bg/bulgaria/2012/12/21/1974414_ikonomedija_veche_niama_finansovi_zaduljenia_kum_alfa) (accessed 25 January 2013).

preliminary repaid the loan. Unofficial information points out that bank's actions were induced by politically related interests that aimed to control the editorial policy of two of the few quality and objective publications remaining in the country.

The fourth largest daily newspaper by circulation, *Standart*, is stated to have a circulation of 40,000. It is owned by Todor Batkov, an influential lawyer and local businessman. Moreover, the shareholders in *Standart* include Georgi Georgiev, who also controls other newspapers with a total circulation of approximately 250,000 copies. Despite having signed the self-regulatory Bulgarian Media Code of Ethics, *Standart* often violates its provisions when reporting on socially disadvantaged people. In terms of political affiliation, *Standart* is widely considered to support whoever is currently in power.

Of the weekly newspapers, *Weekend* is the biggest with a circulation of 263,000. It is closely followed by *Treta vazrast* with roughly the same circulation. *Weekend* is part of the New Bulgarian Media Group, the same publishing house that owns *Telegraph* and a significant number of other newspapers. It also has a major influence on the newspaper distribution market.

Most Bulgarian newspapers are tabloids intended for broad audiences. They rarely engage in investigative journalism except when it suits their owners' interests. The only newspapers that usually offer analytic content and a balanced point of view are *Capital weekly*, *Capital daily*, and *Sega*. However, their audiences have either shrunk in recent years or stalled at the expense of cheaper tabloids with large circulations. There are, however, no reliable data to show which newspapers have lost and won most readers since 2007.

### 1.3.1.2 Television

Currently, there are four television networks with nationwide coverage. BNT is the public service broadcaster with four regional and one satellite television networks. bTV is the commercial television network with the highest ratings. It is owned by U.S.-based Central European Media Enterprises (CME). The second largest commercial network by audience is Nova, owned by Sweden's Modern Times Group (MTG). The fourth network, bTV Action, is also owned by CME.

There are eight stations affected by must-carry obligations for DTT: these are BNT, BNT Sofia, bTV, Nova, bTV Action, TV7, DRT, and Bulgaria On Air.

Between 2007 and 2010, bTV has achieved ratings three times higher than Nova (5.56–6.39 percent) and four times higher than BNT, according to TNS/TV Plan.<sup>28</sup> In terms of market share, in 2010, bTV clearly dominated with a 38.3 percent rating on an average day. It was followed by Nova (14.5 percent), BNT (9.7 percent), Diema Family (3.2 percent), Diema (2.8 percent), and bTV Action (2.4 percent).

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28. V. Antonova, E. Vladkov, et al. (2010), "TV Environment 2001–2010," Faber, Veliko Tarnovo, at [http://www.newmedia21.eu/content/2011/10/tvsreda\\_izdaden.pdf](http://www.newmedia21.eu/content/2011/10/tvsreda_izdaden.pdf) (accessed 4 December 2012).

A certain fragmentation in market shares has been observed during the same time period. In the years after 2000, when bTV was launched, the three nationwide television networks gathered a total combined market share of 70 percent, a figure that in 2010 was down to 62.5 percent. In 2006, there were six television stations with ratings above 1 percent each. In 2010, there were 12.

It is worth mentioning the deep distrust felt by advertisers and some broadcasters toward the primary television ratings agency, GARB (Gfk Audience Research Bulgaria). Some television stations dispute GARB's finding that TV7 rose from 45th place to 11th place in terms of audience size during a single year.<sup>29</sup> Also controversial is the fact that after GARB acquired its rival agency TV Plan in 2010, the latter was registered as co-managed by Svilen Popov. In 2011, Mr Popov was also hired as General Manager of NURTS Bulgaria (which, together with TV7, is controlled by media mogul Tsvetan Vasilev)—the largest network operator by coverage, which also operates two DVB-T multiplexes.<sup>30</sup> There is an ongoing audit of GARB's research panel, which includes replacing the participating households.

### 1.3.1.3 Radio

As the following data indicate, the public service broadcaster BNR has retained a large audience despite numerous competitors who rely primarily on music content. Despite the decrease in advertising revenue, radio stations still accounted for 7 percent of the total advertising spend in 2012.

The top 20 radio stations by reach are controlled by seven entities. Horizont, which is BNR's main channel, has the biggest monthly reach of any radio station in Bulgaria, with 23.0 percent.<sup>31</sup> In second place is Veselina commercial radio station, which forms part of a company that also owns Vitosha, Magic FM, and a radio and television station called The Voice. Since 2011, its proprietor has been a company related (according to media reports) to a shareholder in *Standart* newspaper, who is also an owner of the newspapers *Show* and *Doctor*, and the news website Blitz.bg.

Third by monthly reach is Darik, a polythematic commercial network, followed by NJOY, owned by bTV Media Group. It also owns Z Rock, Melody, Classic FM, and Jazz FM. Fourth by reach is Radio 1, owned by the Irish company Communicorp, which also controls Radio 1 Rock, BG Radio, Energy, City, Veronica, and Nova (not to be confused with the television broadcaster of the same name). Communicorp's stations are all in the top 10 by reach, with the exception of Nova.

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29. Vesislava Antonova, "Extremely valuable trust," *Capital* weekly, 1 February 2013, at [http://www.capital.bg/biznes/media\\_i\\_reklama/2013/02/01/1995165\\_skupo\\_struvashto\\_doverie](http://www.capital.bg/biznes/media_i_reklama/2013/02/01/1995165_skupo_struvashto_doverie) (accessed 2 February 2013) (hereafter Antonova, "Extremely valuable trust").

30. Antonova, "Extremely valuable trust."

31. According to a February 2012 report by Market Links, commissioned by BNR. See "Slideshare. Bulgarian radio stations' national audience—February 2012," Market Links, 30 January 2013, at <http://www.slideshare.net/andriangeorgiev/nr-feb-2012> (accessed 31 January 2013).

Another significant player is the owner of Radio Fresh, FM+, and Star FM. Prior to 2012 these were part of U.S.-based company Emmis. The buyer is Reflex media, a Bulgarian company, with no previous presence in the media market. The seventh major company owns Focus, a radio news station. In recent years, K2, a Sofia radio station, is often quoted by other media due to its consistent (albeit one-sided) low-cost coverage of politics. A particular case of cross-promotion is evident in radio stations owned by bTV Media Group, which are heavily promoted by the most popular television station, bTV. Overall, the departure of foreign investors from the local radio market implies that growth has stalled.

#### **1.3.1.4 Online**

In addition to news websites of the traditional print media and television broadcasters, there are a number of popular native websites that produce news content. For instance, Dir.bg is the most visited online news provider, with 1.189 million unique users in December 2012, according to Gemius. Next is Btv.bg, owned by bTV Media Group, with more than 868,857 unique visitors. Vesti.bg, owned by Sanoma Magazines International, is third with 775,007 unique visitors. These three are all in the top 10 most visited websites in Bulgaria (without including torrent trackers). 24chasa.bg (situated at number 20) is the largest news website produced by a print media company, VGB.

Despite the increased flow of competitors, Dir.bg has kept its place in the top 10 websites for more than a decade. In Bulgaria, as elsewhere, it is easier to start a new blog or a news website and attract a significant audience than to break into a saturated television market. Thanks to a heavy marketing campaign, Inews.bg went from start-up to become a top 10 website in terms of real users between January 2011 and August 2012. (Inews.bg is owned by 3bay.bg, a newcomer media group owned by an offshore company.)

Television stations provide other examples of building a massive online presence over a relatively short period. Most of them did not maintain rich media websites before the financial crisis of 2008. However, major television broadcasters currently provide live streams and offer in-development news coverage on a par with other news websites.

This having been said, the general quality of online news remains low. Most online news providers have not recruited significant numbers of reporters and continue to rely largely on content copied from established media and news agencies. This accounts for the lack of originality and distinctiveness of their news offers.

### **1.3.2 Television News Programs**

The prime time newscasts on the three main television channels in the country compete directly for audiences (the main evening news bulletins are at 7.00 p.m. on bTV and Nova TV and at 8.00 p.m. on BNT). The midweek bulletins tend to last approximately 40–45 minutes including sports and weather. At weekends, the commercial television channels have shortened bulletins followed by 15-minute documentaries on important issues.

The most popular television news program is bTV's bulletin at 7 p.m. Its rating has remained stable at 50 percent, according to a Piero97 report.<sup>32</sup> Second placed is bTV's later bulletin at 10 p.m. with up to 40 percent. They are followed by Nova TV's and BNT's bulletins.

Since at least 2010 there has been a strong interest in current affairs programs structured as weekend morning blocks. Recent examples of this sort of programming are "*Life and Other Things*" on BNT, "*This Saturday*" and "*This Sunday*" on bTV, "*New Station*" on Nova TV (moved to TV7 since 2013), and "*Koshlukov Factor*" on TV7. Of these, "*Life and Other Things*" is the highest quality Bulgarian television program of its genre. In contrast, its competitors focus not only on politics but also on sensational topics such as celebrities and the like.

In terms of news content, the late evening bulletins have been traditionally the most popular. However, since 2007, a new time slot (5.30 p.m. till 7.00 p.m.) dedicated to news broadcasts has emerged. Another popular time slot dedicated to news, political commentaries, and interviews is between 7.30 and 9.00 a.m. This slot has gained share against time spent listening to radio.

Since 2007, good-quality news has given way to entertainment, especially on television. Amid the fierce competition for ratings and advertising revenue, television channels have shown time and again that they prefer to provide mass production that responds to the needs and taste of mainstream audiences. Nikolay Barekov, a producer and anchor at TV7, still associated with the New Bulgarian Media Group, has been most consistent in blending entertainment with news content of questionable quality. For instance, in 2012 he ripped up a newspaper (*24 chasa*) on live television during the media war between Media Group Bulgaria (owner of *24 chasa*) and the New Bulgarian Media Group (associated with TV7).

In another case, Mr Barekov called wheat producers protesting in Sofia with their machinery "a bad lot from the province" and "unbridled peasants." Apart from Mr Barekov's outbursts on TV7, most commercial television networks have remained moderate in their news coverage over the years. They rarely engage in investigative reporting, due to their fear of a backlash from advertisers and to legal provisions that virtually prevent television networks from naming companies in their news reports. On a positive note, this situation gives BNT an opportunity to concentrate on its role as a public service broadcaster and to provide good-quality news content. Despite BNT's moderate and balanced news coverage, it still does not achieve high ratings.

### 1.3.3 Impact of Digital Media on Good-quality News

Bulgaria is a small market and in this sense there is no significant diversity in good-quality news sources. Therefore, it is impossible to claim that digitization has increased the amount of good-quality news. What is clear is that the speed of news, rather than its reliability, is becoming more important. Many journalists and media are tempted to be the first to present the news instead of spending more time on confirming it. In

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32. See <http://piero97.com/en/Media-market?map> (accessed 10 February 2013).

general, the observation is that regardless of the rapid spread of new sources of information (news websites, social networks, etc.) a significant proportion of the public still prefers traditional media when they want to find hard news.

## **1.4 Assessments**

Digital television switch-over has not yet been finalized. Thus, it is hard to predict its influence on content production and quality. Conversely, it can be safely stated that the expected abundance of space on DTT multiplexes will not result in offering significant new services and content. For instance, VOD or any other paid television services are not going to launch when full coverage of DVB-T has been achieved. Moreover, policymakers have yet to present a plan about the freed up radio spectrum previously used for analog broadcasting. Little seems to be going to change for television broadcasters who are already working in a saturated market. Most Bulgarians watch television via cable and satellite, so virtually nothing will change for them.

Digitization has made a positive difference in the sphere of online news. However, since new online content providers can as a rule only improve their positions by spending heavily on marketing, only big companies with established business interests have managed to build a substantial online presence in a short time (as with television stations and Inews.bg). Therefore, digitization has not yet brought significant diversity to the total news offers.

## 2. Digital Media and Public or State-administered Broadcasters

### 2.1 Public Service and State Institutions

#### 2.1.1 Overview of Public Service Media; News and Current Affairs Output

There are two state-funded broadcasters in Bulgaria: BNR and BNT. According to the existing media law (Radio and Television Act of 1998) they are charged with public interest functions but are funded by the state budget. Another relatively insignificant source of funding is the sale of advertising time, which is limited by the law to 15 minutes per 24 hours with up to 4 minutes per hour.

Both BNR and BNT broadcast around the clock, and their programs are approved by the broadcasting regulator, the Council for Electronic Media (CEM). Each of the outlets is awarded a program license by the CEM, which specifies programming quotas for news, current affairs, children's programs, programs for the disadvantaged, etc. Moreover, BNR and BNT are required by law to outsource 12 percent of their programs to independent producers. In the case of BNT, besides the main national channel BNT1, there are also four regional programs, grouped under BNT2, and a satellite program, BNT World. BNT insists on its right to be included in the first phase of the plan for the introduction of digital terrestrial television (DTT) and to be granted automatic access to a nationwide network. Its General Director, Vyara Ankova, has the ambition to regain public confidence and to turn BNT into "the television of the viewer" using the potential of digital broadcasting.<sup>33</sup> Following a plan for modernization, in 2012, BNT started broadcasting in 16:9 format.

However, BNT has yet to observe a reversal in ratings, which first started dropping after the start of commercial stations with national coverage in 2000. For instance, BNT1 averaged an all-day audience share of 6.2 percent in 2012, compared with 5.5 percent a year earlier, according to TNS/GARB.<sup>34</sup> In 2012, by contrast, bTV's audience share was 32.6 per cent, and Nova's was 15.3 percent.

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33. BNT, "Annual report 2011," at [http://static.bnt.bg/public/files/about\\_texts/831.pdf](http://static.bnt.bg/public/files/about_texts/831.pdf) (accessed 8 December 2012).

34. CME, "Audience share and ratings," at <http://www.cetv-net.com/en/investors/ratings-y-2012.shtml> (accessed 26 January 2013).

In terms of news content, BNT's main bulletin at 8 p.m. is still one of its most watched programs. In addition to news, it started the co-ordination of ecological campaigns targeted at a more active and younger audience. BNT has four main current affairs programs, including "*Openly*," an investigative journalism program, and "*Live: The World*," which reports on major events and broadcasts interviews with opinion leaders around the world.

In the search for new audiences, all video news content is uploaded on its website and some of the reports are available on YouTube. In 2010, BNT started a web-exclusive project, "News in 100 seconds," consisting of short video news reports for online audiences, updated four times a day, and syndicated by a few other news websites.

BNR has 10 channels in total. The main one is Horizont (Horizon), followed by the culture profile Hristo Botev channel, Sofia-oriented Radio Sofia, and six regional programs. The tenth channel, Radio Bulgaria, is the world service program of BNR and provides content in 10 foreign languages. In terms of news and current affairs programming, perhaps the only match for BNR is Darik Radio, which nonetheless trails behind Horizont in reach. Virtually all the other commercial radio networks rely heavily on music programming.

The Bulgarian Telegraph Agency (BTA) is the national news agency and until recently was the most preferred source of information for all media in the country. Its statutes were approved by Parliament in 1994. Since 2007, however, BTA has faced serious competition from emerging online news sites. The statutes of BTA should guarantee its independent editorial policy and should prevent any political or economic pressures. However, the fact that it is part financed by the state budget and that Parliament approves its director general has historically cast a shadow of doubt concerning its political independence.

### **2.1.2 Digitization and Services**

BNT is the only television channel providing a short daily news bulletin in Turkish aimed at the Turkish minority. The plan is that this news bulletin—together with other programs aimed at other ethnic groups: Roma, Armenians, Jews, and others—would move to another nationwide regional channel of BNT that will launch when digital switch-over is complete.

It is anticipated that BNT programs will be carried by a dedicated public service multiplex, and thus the digital future of public service broadcasting will be guaranteed. In recent years (2009–2012), both BNR and BNT have developed their websites as alternative platforms for additional program content and in order to attract urban and growing expat audiences.

The website of BNT (Bnt.bg) was started in 1999 and in the beginning provided only information about its two main channels, Channel 1 (now BNT1) and BNT Sat. Later on, information on individual programs was added and a year later the first brief news in English appeared. Several years later, the website started offering video news such as the program "*Around the World and at Home*," as well as "*Panorama*" and "*Voices*." Currently, users can watch television live at Bnt.bg and post comments. Moreover, certain television programs (such as "*Life and the Others*") urge viewers to put questions to guests on Facebook and Twitter. During

major sports events, people can also watch on their mobile phones. For instance, during the Euro Football Championship 2012, between 60,000 and 85,000 users watched the games online on a daily basis.<sup>35</sup> There were more than 60,000 views of the same event via tablets and other types of mobile devices. However, BNT's main news website has yet to be optimized for tablets and mobile devices.

The website of the Bulgarian National Radio (Bnr.bg) started in 1999 as an extension of Horizont's website. In 2012, in an attempt to capture new listeners BNR launched "*Binar*," an online radio program targeted at a younger audience, which broadcasts seven 24-hour music programs at once together with six hours of video content every day. BNR's main website has also yet to be optimized for tablets and mobile devices.

### 2.1.3 Government Support

The shape and the level of state support for the digital switch-over of public service media is still to be decided. On the one hand, the new media regulatory framework has yet to be developed, though it is repeatedly at the top of policymakers' agendas.

On the other hand, the provisional estimates of the size of the state subsidy for public broadcasting in Bulgaria for the next three years remain at the levels of 2010, which makes any technological and functional improvement questionable. At the end of 2010, BNT was close to bankruptcy because of a BGN13.5 million (US\$9.1 million) debt to the National Radio and Television Stations Management (NURTS), the largest terrestrial broadcasting network in terms of coverage. After emergency financial intervention by the state, the debt was cleared.<sup>36</sup>

In the summer of 2009, when the present political majority came to power, there was a clearly demonstrated will to introduce brand new media legislation to introduce support for the digitization of public service broadcasters (rather than to amend existing legislation for the 29th time), among other things. However, at the time of writing, new media legislation has yet to be approved.

### 2.1.4 Public Service Media and Digital Switch-over

According to a 2012 plan approved by the Council of Ministers, the company responsible for the digital terrestrial broadcasting of BNT and BNR's programs must provide coverage for 95 percent of the population until 1 March 2013. However, shortly after the plan was accepted Simeon Djankov, the Finance Minister, stated that it was not prudent to expect the state budget to support the transition to digital terrestrial broadcasting.<sup>37</sup>

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35. Evolink, "Evolink measures record audience size during Euro 2012's first round," 22 June 2012, at <http://evolink.com/?cid=5&NewsId=53> (accessed 9 December 2012).

36. Vesislava Antonova, "BNT is virtually bankrupt," *Capital weekly*, 15 October 2010, at [http://www.capital.bg/biznes/media\\_i\\_reklama/2010/10/15/977519\\_bnt\\_e\\_na\\_praktika\\_vuv\\_falit](http://www.capital.bg/biznes/media_i_reklama/2010/10/15/977519_bnt_e_na_praktika_vuv_falit) (accessed 8 December 2012).

37. Nelly Ognyanova, "Digital transition—plan accepted," 11 July 2012, at <http://nellyo.wordpress.com/2012/07/11/switchoff> (accessed 8 December 2012).

Another major issue for public broadcasting in Bulgaria, and especially for BNT, is that in recent years it completely lost its leading position to the other two national commercial channels. Both of these channels also include public interest content in their programs, but as they are not defined as public service enterprises such media adhere strictly only to commercial constraints. While BNR has managed to preserve its leading position in the radio market, BNT has remained the eternal third in the terrestrial television channels rankings.

Weekly audience shares for the top three television channels were 41.1 percent, 14.2 percent, and 7.9 percent for bTV, Nova TV, and BNT, respectively, according to 2011 data from TNS/TV Plan.<sup>38</sup> This is a telling example of the domination of bTV. For instance, in November 2012, the top 14 programs by audience share were produced by bTV. BNT programs appeared the same month just three times in the top 50 programs, with the crime series “*Under Cover*,” a sports event, and a live broadcast of a draw of the national lottery. Such figures demonstrate that BNT is not capable of fulfilling its public service functions as it reaches a very limited audience (concentrated within the 45–50 age group). In one of the available reports on radio and television activity in Bulgaria by the CEM, the authors talk about “capsulated program schedules of BNT1 and BNT World” and acknowledge a serious drop in the young audience of the public service broadcasters. Moreover, BNT has lost audience share mostly in Sofia and in the big cities.

## 2.2 Public Service Provision

### 2.2.1 Perception of Public Service Media

Approximately 72.5 percent of Bulgarians approve of BNT’s activity, according to a 2012 survey by the National Center for Public Opinion Research. The equivalent figure for BNR is 58.6 percent. BNT’s rating is the highest among public institutions including the police and the army.<sup>39</sup> On the whole, however, the overall perception (including that of some politicians and media) is that BNT and BNR are still state entities rather than independent broadcasters.

In the aforementioned report by the CEM, some of the challenges of digital switch-over for BNT are singled out, in particular, “the very complicated conditions related to heavy bureaucracy and insufficient funding as well as the over-expectations from BNT after Bulgaria’s joining the EU.”<sup>40</sup>

Since the adoption of the Radio and Television Act in 1998, BNR and BNT have faced significant public criticism. Though they are formally public service broadcasters, in practice they function as hybrid entities with state and commercial funding, lacking in both political independence and public service commitment. Ultimately, they are likely to evolve more into state broadcasters as alternative funding (e.g. from advertising)

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38. See <http://piero97.com/en/Media-market?map> (accessed 10 February 2013).

39. BNT, “BNT is a leader in terms of public approval,” at [http://bnt.bg/bg/news/view/70968/bnt\\_e\\_lider\\_po\\_obshtestveno\\_doverie](http://bnt.bg/bg/news/view/70968/bnt_e_lider_po_obshtestveno_doverie) (accessed 9 December 2012).

40. CEM, “Report on the radio and TV broadcasting in the Republic of Bulgaria (2001–2006),” 2 July 2009, at <http://www.cem.bg/download.php?id=67> (accessed 9 December 2012).

has steadily decreased. Now, on the verge of the transition from analog to digital broadcasting, a number of fundamental unsolved issues still remain related mainly to the funding of public service broadcasting and to the clear definition of the public service mission of these media. There are high expectations among the public at large vis-à-vis new media legislation that would follow EU best practices and would address all mentioned areas of concern.

According to Georgi Lozanov, chairperson of the CEM, “the anticipated new legislation is expected to offer a brand new model for public broadcasting.”<sup>41</sup> All interested actors in the media market are aware that the program activity of BNR and BNT should be based on their clearly formulated, well communicated, and publicly debated public service mission. Moreover, this mission should not be of the abstract and slogan type, but rather it should be practical and possible to implement through audiovisual products. Since Bulgaria’s EU membership in 2007, this should have been formulated in legislation, and in this way the state subsidy would be used only for program content responding to the public service mission. Otherwise, the state subsidy would be considered state aid, which is prohibited across the EU.

The remaining part of the programs of the public broadcasting services should be financed by sources other than the state budget (e.g. advertising). This would ensure that BNR and BNT, despite their dual public and commercial funding, would not be unfair competitors for the commercial operators: they would fulfill the public service task using state funding and would be fair participants in the advertising market. The *raison d’être* of public broadcasting in Bulgaria is still to be defined, as the public at large remains far from recognizing the concept as distinct from state broadcasting.

## 2.2.2 Public Service Provision in Commercial Media

General public service stipulations in commercial media include maintaining pluralism of opinions and promoting tolerance and Bulgarian content.

Commercial broadcasters were awarded licenses by the CEM following a competitive tender. Competing broadcasters had to present and defend a program concept and vision for the development of the respective channel. Unfortunately, the content of the license is confidential, according to their license holders. The CEM has rebuffed repeated journalistic inquiries to make the license information public, with the argument that license holders are commercial companies. BNT has also refused to publish its license conditions despite being a public service broadcaster. This makes the task of any researcher or journalist rather difficult when trying to establish, for example, specific license conditions such as program quotas. Even using the tools of the Access to Public Information legislation does not help much, as the government agencies and other state institutions continue to refuse to provide information. Therefore, it is hard to assess the public service performance of commercial media. Generally, they tend to replicate more or less the program schedule of

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41. Ekipnews, “Georgi Lozanov: The Anticipated New Legislation is Expected to Offer a Brand New Model For Public Broadcasting,” 3 February 2011, at [http://www.ekipnews.com/news/bulgaria/medii/georgi\\_lozanov\\_s\\_noviq\\_medien\\_zakon\\_obshtestvenite\\_medii\\_trqbva\\_da\\_poluchat\\_svoiq\\_evropejski\\_model/98960](http://www.ekipnews.com/news/bulgaria/medii/georgi_lozanov_s_noviq_medien_zakon_obshtestvenite_medii_trqbva_da_poluchat_svoiq_evropejski_model/98960) (accessed 9 December 2012).

BNT. Apart from news and current affairs, however, commercial outlets are also capable of including large-scale and expensive entertainment formats in their program offer.

With the practical aspects of digital switch-over still unclear, it is hard to anticipate the possible implications in terms of program quotas for commercial television providers.

## 2.3 Assessments

Apart from tests, digital terrestrial broadcasting in Bulgaria is still in its early stages. Therefore, it still has not affected the programming of BNT and BNR. However, it can be safely stated that BNT has already lost significant ground to commercial channels and will enter digital broadcasting weaker than its competitors. BNT provides multimedia content on the web; however, assessing this is difficult, since BNT does not provide data about the size of its website audience. According to Alexa.com, Bnt.bg is the 108th most visited website in Bulgaria, so there is a lot of room for growth.<sup>42</sup> On the other hand, BNR has retained its position as a leading radio broadcaster. Although BNT and BNR are trying to gain new audiences on the web, their sites are currently no match for native news websites and commercial television networks' digital properties.

BNT and BNR have no competition regarding less commercially attractive content (e.g. local news, and religious, documentary, and scientific programming). Therefore, they need to better formulate their mission as public service broadcasters and increase their independence from state funding if they want to retain (in the case of BNR) and increase (in the case of BNT) audience. None of the aforementioned measures can be achieved without amendments in legislation, which are long overdue.

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42. Alexa.com, "Statistics Summary for Bnt.bg," at <http://www.alexa.com/siteinfo/bnt.bg> (accessed 30 January 2013).

## 3. Digital Media and Society

### 3.1 User-Generated Content (UGC)

#### 3.1.1 UGC Overview

Three of the top 15 websites in Bulgaria rely on user-generated content (UGC). They are Vbox7.com, the Bulgarian copycat of YouTube; Bg-mamma.com, by far the largest Bulgarian community on the web; and Svejo.net, a Digg-copycat. Moreover, Prodalnik.com and Mobile.bg offer various possibilities for sharing UGC.

Of the top 10 websites by number of real users, three companies are operated by legacy media. bTV is owned by Central Media Enterprises, blitz.bg is owned by a sister company to *Standart* newspaper, and mobile.bg belongs to a publishing house. According to ratings from Alexa.com, Google, Facebook, YouTube, and Wikipedia are more popular than the top 10 national websites in Table 6.<sup>43</sup>

Table 6.  
Most popular websites,\* January 2013

Website	Publisher	No. of real users
Vbox7.com	Netinfo	1,986,344
Abv.bg	Netinfo	1,979,657
Dir.bg	Dir.bg	1,198,405
Bg-mamma.com	NEG	996,301
Btv.bg	bTV Media Group	930,019
Prodalnik.bg	Aukro Bulgaria	925,518
Mobile.bg	Rezon Media	834,157
Vesti.bg	Netinfo	833,924
iNews.bg	3bay.bg	796,775
Blitz.bg	Intermedia	724,024

Note: \* Excluding Google, Facebook, YouTube, Wikipedia, torrent trackers, etc.

Source: Gemius online research agency

43. Alexa.com, "Top sites in Bulgaria," at <http://www.alexa.com/topsites/countries/BG> (accessed 9 February 2013).

Blogging is not particularly popular in Bulgaria. Most of the outlets are centered on personal affairs (describing lifestyle, personal tastes, etc.). There are very few regularly updated news-oriented blogs and even fewer blogs by journalists. For instance, *Capital* weekly is the only one of the established media that set up blogs for their individual authors, although most of them have not taken up the opportunity. Despite the blogging community being small, it has managed to attract the public's interest on a few occasions (see section 3.2).

Most news websites invite people to leave comments under articles. Generally, they require registration, which still allows anonymous input. Additionally, users are encouraged to send news reports, video, and photos to the newsdesk. bTV's website has a dedicated section entitled "I, the Reporter," where registered users can post photos, videos, and news reports. There is no reward for them other than the possibility of having their content broadcast on the main television platform. In a similar fashion, Dnevnik.bg invites users to post content, optionally in the form of "beeps" (140-character messages, most often news), shown on the homepage. In 2012, Dnes.bg also added a dedicated section mainly for user-generated photos.

### 3.1.2 Social Networks

Facebook is the dominant social network in Bulgaria, with an estimated 2,569,120 users as of January 2013.<sup>44</sup> This represents more than a third of the population and more than two-thirds of total internet users. The 25–34 age group represents almost 30 percent of total Facebook users. However, the average age of users has been consistently increasing over recent years. For instance, in the three months prior to December 2012, the number of users aged 35–44 increased almost as much as the 25–34 age group, with more than 33,000 of the former joining the social network. As of June 2011, approximately 65.5 percent of Bulgarian users logged on to their Facebook accounts daily, while 17.8 percent were active two or three times per week, according to an E-Consumers report.<sup>45</sup>

Twitter users in Bulgaria still form a rather small audience. Around 6,000 users tweeted in Bulgaria during the first seven days of February 2013, according to Topbloglog.com.<sup>46</sup> Approximately 10.7 percent of total internet users have a registered Twitter account, according to a report from June 2011.<sup>47</sup> From this, it can be concluded that most Bulgarian users read tweets rather than post content. The increase in registrations of 0.4 percentage points since 2010, according to the same report, only strengthens the observation that Twitter is still not a popular social network among Bulgarians.

On the other hand, a case can be made that Twitter users are highly influential opinion leaders, mostly from urban areas. For instance, Foreign Minister Nikolay Mladenov has a Twitter profile and a blog, which he updates rather frequently.<sup>48</sup> Following the refusal of Bulgaria's First Lady to join the newly elected President

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44. Socialbakers, "Bulgaria Facebook Statistics," at <http://www.socialbakers.com/facebook-statistics/bulgaria> (accessed 30 January 2013).

45. "E-Consumers Report," June 2011, at <http://www.e-consumers.bg> (accessed 10 December 2012).

46. Topbloglog.com, "Bulgarian users on Twitter," at <http://topbloglog.com/twitter> (accessed 30 January 2012).

47. "E-Consumers Report," June 2011, at <http://www.e-consumers.bg> (accessed 10 December 2012).

48. Nikolay Mladenov Twitter profile, at <https://twitter.com/nmladenov> (accessed 10 December 2012).

in his protocol duties, tabloids turned to her Twitter profile in order to publish news about her.<sup>49</sup> In March 2012, Minister of the Economy Traicho Traikov registered a Twitter account shortly after he resigned. A journalist has conducted an interview with him on Twitter about government plans for a second nuclear power plant and Bulgarian energy dependence on Russia.<sup>50</sup> However, generally politicians in Bulgaria tweet primarily during election campaigns.<sup>51</sup>

Other social networks in Bulgaria worth mentioning include LinkedIn with 9.3 percent of total internet users having registered there as of June 2011, Flickr (4.1 percent), Vimeo (1.8 percent), Foursquare (1.4 percent), and Tumblr (0.7 percent).

While there is no domestic social network in Bulgaria, there are solid online forums, the largest and most influential being Bg-mamma.com. According to its proprietor, every second mother visits the website. An average user accumulates 31 page views per visit and spends 52 minutes monthly on the site.<sup>52</sup> Offroad-bulgaria.com (described as the male counterpart to Bg-mamma.com) is also very influential, with 254,316 real users who had more than 5 million page views for December 2012.

### 3.1.3 News in Social Media

Social networks are increasingly becoming a mediator and connecting tool between media and the public. For instance, television broadcasters have recently started asking viewers to submit questions for guests who appear on live television shows. Their popularity is related to people's requirement to receive information faster, to discuss and consult with other people, and to exchange views and share experiences. In light of this trend, there has been a legal precedent in Bulgaria. In October 2011, a local court imposed a suspended sentence on a 23-year-old man for creating a Facebook group which called for ethnic cleansing.<sup>53</sup>

Most Bulgarian newspapers—even those without a website as late as 2005—have set up pages on Facebook and Twitter. Currently, publishers use social media primarily as a traffic generator. For instance, one of the reasons for Inews.bg's recent rise is the huge flow of traffic from generic Facebook pages with populist purposes that urge to be “liked” by people (one of them is entitled “Let's prove that there are 500,000 Bulgarians that love Bulgaria!”).<sup>54</sup> Often publishers use social media as an easy way of measuring indicators of social preferences for certain issues. Most news websites have placed Facebook buttons next to their content,

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49. Sega.bg, “The President described his wife as a modern woman,” 25 January 2012, at <http://www.segabg.com/article.php?id=586365> (accessed 10 December 2012).

50. Dnevnik.bg, “Traicho Traikov: I feel sea-sick about politics,” 19 March 2012, at [http://www.dnevnik.bg/biznes/2012/03/19/1790565\\_traicho\\_traikov\\_izpitvam\\_morska\\_bolest\\_ot\\_politikata](http://www.dnevnik.bg/biznes/2012/03/19/1790565_traicho_traikov_izpitvam_morska_bolest_ot_politikata) (accessed 10 December 2012).

51. Julian Borisov, Media Democracy Foundation, “Pre-election usage of Twitter and Google Plus,” 22 October 2011, at <http://www.fmd.bg/?p=6231> (accessed 10 December 2012).

52. NEG, “Bg-mamma.com Audience,” at <http://www.neg.bg/bg/brands/bg-mamma> (accessed 11 December 2012).

53. bTV, “First sentence for an invocation on Facebook for racial intolerance,” 13 October 2011, at [http://www.btv.bg/story/574632853-Parviyat\\_osaden\\_za\\_rasova\\_omraza\\_vav\\_Feysbuk.html](http://www.btv.bg/story/574632853-Parviyat_osaden_za_rasova_omraza_vav_Feysbuk.html) (accessed 11 December 2012).

54. Stranici.bg, “Map of Bulgarian Facebook pages,” at <http://www.stranici.bg/map> (accessed 11 December 2012).

which facilitates sharing articles on the social network. Moreover, publishers organize games that encourage Facebook users to contribute content and therefore drive traffic to their sites.

In 2010, the business daily *Dnevnik* launched a Twitter-like section entitled “Dnevnik L!ve.”<sup>55</sup> It allows readers and reporters to share what is happening around them in up to 140 symbols. Apart from breaking news, “L!ve” provides a short-form outlet for readers to express their opinions on current affairs. In 2011, Economedia, the publisher of *Dnevnik*, launched a dedicated social network [id.capital.bg](http://id.capital.bg), or ID,<sup>56</sup> where readers can choose to follow input from other individual readers and journalists. For instance, in addition to comments, readers can follow each other’s recommendations of certain articles and send private messages. Despite its innovative features for the Bulgarian market, ID has not managed to attract a significant audience.

Apart from maintaining a strong community revolving around off-road driving, [Offroad-bulgaria.com](http://Offroad-bulgaria.com) has employed some journalists who regularly engage in investigative journalism. It has also become an important platform for citizen journalism. In February 2012, when a dam broke, [Offroad-bulgaria.com](http://Offroad-bulgaria.com)’s users were among the first to report the event online and provide food and clothes to people in distress, independent of the state authorities.<sup>57</sup>

## 3.2 Digital Activism

### 3.2.1 Digital Platforms and Civil Society Activism

In 2012, new legislation came under the spotlight relating to the relaxation of conditions for investors to build tourist facilities in the Bulgarian mountains. Thousands of protestors blocked the center of Sofia for days before the president imposed a veto on the amendments. During the protests, a cameraman from bTV was assaulted by some protestors. A few days later an anchorwoman from bTV aggressively urged her guest ecologist (and a participant in the protests) to take responsibility for the assault and admit that the demonstrations were organized by a politically motivated entity.<sup>58</sup> What followed was a flooding of social networks with posts against bTV. The journalist later apologized and the Bulgarian Helsinki Committee awarded participants in the protest the prize “Man of the year.” During the unrest, there were wildfires in Vitosha, the closest mountain to Sofia. Volunteers used Facebook to coordinate themselves and inform others of the situation.

After the protests, a new citizen journalism platform called “Angry” was set up by bloggers, journalists, and a sociologist to create video podcasts where they could discuss current affairs with journalists, magistrates, civil society advocates, and so forth. Each episode has 200 views on average. During one podcast, representatives

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55. See <http://dnevnik.bg/live> (accessed 12 December 2012).

56. See <http://id.capital.bg> (accessed 12 December 2012).

57. Luba Yordanova and Zornitsa Stoilova, “Knights on four tires,” *Capital* weekly, 29 June 2012, at [http://www.capital.bg/politika\\_i\\_ikonomika/obshtestvo/2012/06/29/1856318\\_ricari\\_na\\_chetiri\\_gumi](http://www.capital.bg/politika_i_ikonomika/obshtestvo/2012/06/29/1856318_ricari_na_chetiri_gumi) (accessed 11 December 2012).

58. YouTube, “Diana Naydenova, bTV, corrupt journalism,” 21 June 2012, at <http://www.youtube.com/watch?v=WdBQjmbB9F8> (accessed 12 December 2012).

of NGOs and the media announced that the state had put up some mountain pastures for sale in exchange for compensatory bonds (issued for the nationalization of private property by the Communist regime in the 1940s). Immediately after the podcast went online, the Minister of Agriculture called one of the NGO representatives to notify him that the pastures had been excluded from the tender.<sup>59</sup>

In early 2012, as in other countries, massive street protests were held against the Anti-Counterfeit Trade Agreement (ACTA), which protestors perceived as having the potential to limit freedom of expression online. They used Facebook to coordinate street gatherings and disseminate information about the implications of ACTA legislation in Bulgaria and worldwide. The government eventually backtracked on ACTA legislation. Similar actions against the government's plans to license shale gas extractors in 2012 succeeded in blocking legislation.

There are several domestic UGC websites dedicated to collecting signatures for causes, petitions, and open letters (e.g. Bgpetition.com, Podpiski.org). However, Facebook and Bg-mamma.com have proved to be most effective in pushing protests offline on some occasions. Started as a news website for pregnancy, birth, and motherhood in October 2002, Bg-mamma.com has since achieved several significant political successes. In 2007, under pressure from mothers protesting on the website, the government decided to keep the two-year term of maternity leave and legislated to ensure that a mother receives 90 percent of her original salary for the first nine months after giving birth.

Other areas for which public support is sought online include health (usually collecting money for treatment of people abroad, e.g. Save-darina.org);<sup>60</sup> the environment (e.g. Goricka.bg and Forthenature.org, which generate numerous campaigns for clean mountains and urban areas and for changes in environmental legislation); social causes (online campaigns for the support of Roma, sexual minorities, mental illness, against school bullying, etc.); and politics (such as the Get Out The Vote and Don't Sell Your Voice campaigns).<sup>61</sup>

### 3.2.2 The Importance of Digital Mobilizations

Civil society organizations such as the Bulgarian Helsinki Committee have already gained expertise in gaining thousands of signatures for online petitions and submitting them to state institutions. Overall, however, it can be argued that more often than not social networks play the role of a social safety valve, which ensures that dissatisfaction stays online.

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59. Stoilova, "We, the partisan," *Capital* weekly, 1 February 2013, at [http://www.capital.bg/politika\\_i\\_ikonomika/obshtestvo/2013/02/01/1995406\\_nie\\_pristrastnite](http://www.capital.bg/politika_i_ikonomika/obshtestvo/2013/02/01/1995406_nie_pristrastnite) (accessed 3 February 2013).

60. According to 2010 data by the Bulgarian Donors' Forum, there were 160 campaigns organized on the internet for donations, with 90 percent of them dedicated to raising money for medical treatment of people with serious illnesses. In most cases, such campaigns are organized by relatives and friends.

61. Summaries are based on interviews with NGO activists conducted by the Media Development Center.

Yet the difference between success and failure is not always clear-cut. Although online activism has usually collapsed when it tried to move offline, digital initiatives can have a significant potential when they manage to stay consistent. Consider the seeming failure of a campaign for a public smoking ban. A civil coalition named Bez Dim (“Without Smoke,” Bezdin.org) managed to win support from over 170,000 people online. Despite the huge number of signatures on Facebook in support of the protest in front of the Parliament, fewer than 100 people turned up on the day. However, in June 2012 the Parliament introduced a public smoking ban—a step that may be attributed at least partly to the persistence of Bezdin.org and other civil society organizations.

### **3.3 Assessments**

Social networks are almost single-handedly enough for successful activism, when the issue at stake appeals to basic needs (e.g. clean nature, unfiltered access to the internet). On most other occasions it is highly desirable to strive for a mix between a powerful presence on social networks and support from mainstream media.

Publishers view social networks as traffic generators, but also as barometers for society’s almost real-time inclinations toward current issues. Social networks can be utilized by the media to boost their reach, but they can also be used to counter media messages, as bTV experienced in 2012. On a few occasions, social networks have truly managed to engage most segments of society and as a result shake up the political agenda. However, more often than not, protests on social media do not spill offline. There is a lack of continuity in new media activism that results in one-off events, but fails to keep politicians accountable in the long term.

Politicians’ use of social networks is still relatively low. Apart from pre-election meetings with bloggers, politicians do not reveal any sustainable interest in online communication with their followers.

## 4. Digital Media and Journalism

### 4.1 Impact on Journalists and Newsrooms

#### 4.1.1 Journalists

Totka Monova, former dean of the Faculty of Journalism at Sofia University, best described the state of Bulgarian journalism in 2010:

The most appropriate word to describe Bulgarian journalism is “recording.” It mentions everything significant that is happening in society but does not go further—it does not bother to unravel the causative and consequence relations. It shows (when they are being revealed by the state) the crime does but never shows the strategists and the perpetrators of these crimes.<sup>62</sup>

The development of traditional media approaches to digital platforms has evolved in two stages. Originally, in the 1990s, content from conventional platforms was merely reproduced online as text. With the growth of internet usage, some outlets such as bTV and *Capital* weekly realized relatively early on that traditional media should have a separate internet life in order to maximize brand value. In this second stage, traditional media started publishing online video reports, engaged in getting more input from UGC, and optimized their websites for mobile devices and tablets.

The most acute implication of digital media has been the growing pressure on traditional media to provide more content, quicker, faster, and cheaper. Journalists today must be more multifunctional than previously and certainly more technology-savvy than ever before.

The majority of print publishers in Bulgaria were, however, slow to recognize and respond to this trend. This was partly because many print outlets are regionally focussed, resulting in a lack of knowledge, understanding, or interest. Initially, only a few papers created websites that published news together with their paper editions—*Capital*, *Dnevnik*, and *Standart*. Others followed much later and some newspapers still

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62. Georgi Lozanov and Orlin Spassov (eds), *Media and Politics*, Media Democracy Foundation and Konrad Adenauer Stiftung, Sofia, 2011.

have no web presence. Some of the highest circulated mainstream print dailies—*Trud* and *24 chasa*—were the last to surrender to the new digital reality and have only very recently begun to include interactive features on their websites.

Among the television channels, bTV has been the pioneer in embracing digital technology, developing its web presence, and including interactive features. It was the first television channel with its own dedicated and exclusive online news service. Gradually, all the main television players—including BNT—developed their own interactive websites with which they have been able to enhance and prolong the liveness of news, reach new audiences, broaden their content base, and receive viewer feedback.

In addition to delayed in-depth reporting, digitization provides opportunities for live broadcasting of key events in development. Thus, more people get the opportunity to observe current affairs and form an opinion by themselves before media interpretation. The cable channel Kanal 3 has specialized in live television and online broadcasting of events that are not covered live by other stations. In 2012, it provided live broadcasts of two major events: the meeting between EU Commissioner Neelie Kroes and representatives of the Bulgarian media, and the failed inauguration of the constitutional judge Veneta Markovska.<sup>63</sup>

Falls in advertising revenues and newspaper circulations since 2007 have led to intensifying competition for audiences and readers. This, however, has also encouraged a degree of tabloidization of the media. The variety of voices and sources of news precipitated by digital media has not necessarily led to higher quality. This is the result of a growing premium within newsrooms being placed on quantity, speed, and sensationalism over quality, in-depth research, and fact verification. For many digital media outlets (and more lately some traditional media), the number of clicks has become the ultimate goal and many journalists are forced to redirect their work at the level of mass culture.

The mainstream media's principal failure in 2011 was not taking proper advantage of the information released by WikiLeaks. Most outlets offered no extensive analysis of the materials made available on the whistleblowing website and they mostly rewrote stories from the international press or Bivol.bg which mentioned Bulgaria.<sup>64</sup>

Online media have increasingly become sources of information for journalists themselves. Although they say they are somewhat reluctant to put their trust fully in online sources, journalists claim to rely on their own judgment regarding online sources, just as they do with offline sources. Some say they follow colleagues' blogs as they write more openly there than for their employers. Only a few (15–20 percent of interviewees) admit that a considerable proportion of their content is drawn from online sources, while the majority defends the position that all news is self-generated content by professional journalists.<sup>65</sup>

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63. The inauguration failed because the president refused to attend the formal oath-taking ceremony of Veneta Markovska as required by law. He made this decision because of mounting evidence that Veneta Markovska was involved in a conflict of interest.

64. Media Democracy Foundation, "2011 Media Development Report," at <http://www.fmd.bg>.

65. Survey among journalists initiated in 2011 by the Media Development Center.

A more in-depth study, however, showed that most news in Bulgaria is generated by press releases and press conferences, and serious analytical and investigative journalism lacks time and resources.<sup>66</sup> The increased workload leads to less time for fact checking and, therefore, most often tabloid media but also higher-quality outlets publish stories without seeking confirmation first. Some reporters even stated that in the case of pre-scheduled news events, experienced journalists in particular often collaborate informally to share reports, resources, and source material, despite being from competitors' outlets.

#### 4.1.2 Ethics

Few media comply with the Code of Ethics, and of 100 outlets who have signed it only three are online-only media.<sup>67</sup> In 2010, the National Council for Journalism Ethics (the media self-regulatory body in Bulgaria) attempted to update the existing Code of Ethics to take account of the growing influence of new media. However, in 2012, the polarization of media owners into two groups—the incumbent Bulgarian Publishers Union (consisting of primarily *24 chasa*, *Trud*, *Capital* weekly, etc.) and the Bulgarian Media Union (mainly including outlets controlled by Irena Krasteva and her son Delyan Peevski)—relegated the question of amending the Code of Ethics to one of lower priority.<sup>68</sup>

In 2012, Matthias Höpfner, Germany's ambassador to Bulgaria, protested that his interview in *Monitor* newspaper had been greatly altered before publication.<sup>69</sup> According to him, his comments on media freedom in Bulgaria had been censored. This included his view that media concentration in Bulgaria is very problematic. Moreover, according to him, many journalists would censor their own work in order to comply with the interests of their employers. Another major issue is hidden advertising in media content together with paid articles.

In 2010, Sasho Donchev, owner of *Sega* daily, won a lawsuit against the New Bulgarian Media Group, which had to pay compensation of € 25,000 (approx. US\$ 32,000).<sup>70</sup> The charge was an organized three-month campaign of hostile articles in outlets controlled by Ms Krasteva, accusing Mr Donchev of being a monopolist in the Bulgarian market with his company Overgas, the biggest private natural gas company in the country.

Because of the tabloidization of the news media, there are instances of racial and other types of discrimination. For example, *Sedem Dni Sport* newspaper and sport websites have consistently referred to colored athletes as “niggers,” despite the newspaper having signed the Code of Ethics. In 2012, *Sedem Dni Sport's* editor-in-

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66. Focus group with 10 Bulgarian journalists and editors from mainstream print, TV, radio, and internet media, organized by the Media Development Center.

67. See <http://www.mediaethics-bg.org/index.php?do=18&lang=bg> (accessed 22 December 2012).

68. Vesislava Antonova, “Two is less than one,” *Capital* weekly, 17 February 2012, at [http://www.capital.bg/biznes/media\\_i\\_reklama/2012/02/17/1768969\\_dve\\_e\\_po-malko\\_ot\\_edno](http://www.capital.bg/biznes/media_i_reklama/2012/02/17/1768969_dve_e_po-malko_ot_edno) (accessed 13 December 2012).

69. Vesislava Antonova, “Some sort of freedom,” *Capital* weekly, 30 October 2012, at [http://www.capital.bg/biznes/media\\_i\\_reklama/2012/10/30/1936778\\_kakvo\\_tuk\\_znachi\\_niakakva\\_si\\_svoboda](http://www.capital.bg/biznes/media_i_reklama/2012/10/30/1936778_kakvo_tuk_znachi_niakakva_si_svoboda) (accessed 13 December 2012).

70. *Capital* weekly, “Sasho Donchev won a lawsuit against *Telegraph* newspaper which has to pay BGN 50,000,” 17 August 2010, at [http://www.capital.bg/blogove/pravo/2010/08/17/947734\\_sasho\\_donchev\\_osudi\\_vestnik\\_telegraf\\_za\\_50\\_000\\_lv](http://www.capital.bg/blogove/pravo/2010/08/17/947734_sasho_donchev_osudi_vestnik_telegraf_za_50_000_lv) (accessed 1 February 2013).

chief explained that the word is used because it has imposed itself as a slang term, but it did not contain any insult.<sup>71</sup> Despite the Ethics Commission on Print Media's criticism of *Sedem Dni Sport*, there has been no formal sanction for the publishing of racial insults to date.

There are strong consumer expectations regarding provision of free online news services. As a result of this demand, there are many news websites with a limited number of or even no reporters at all. They do not generate original content but aggregate content from other sites amounting to a news digest. With this practice, the content of news agencies and broadcasters, television or radio, becomes easy prey for the new media. More often than not, interviews with politicians and celebrities are transcribed onto the internet without proper attribution.

Proper bylining of texts and images is also often avoided, especially in connection with editorial bias. In 2007, the blogger Elenko Elenkov sued *24 chasa* newspaper for publishing a photo from his blog with the attribution "The Internet." The newspaper had already signed the Code of Ethics, which prohibits publishing photos without proper attribution. Two years later, the court sentenced *24 chasa* to pay damages to Mr Elenkov.<sup>72</sup> In its ruling, the court showed its ignorance of digital media by stating that "watching the internet for proper use of copyrighted works is not a high priority."<sup>73</sup> In other words, the court viewed the internet as an insignificant environment where copyright infringement was widespread. Despite the legal precedent, some newspapers and websites still cite the internet as the source of images found online.

## 4.2 Investigative Journalism

### 4.2.1 Opportunities

A major tool enabling investigative journalism is the Access to Public Information Act, adopted in 2000. Bulgaria has also established a fairly liberal regime for disclosing data about companies. For example, the central business registry provides free access to all its data online. The real-estate registry, registry of public debtors, and the registry on real-estate relations between spouses are also available on the web. Although this creates a lot of opportunities for investigative journalists, few have taken advantage of it except for reporters from publications including *Capital* weekly, *Dnevnik* daily, *Mediapool.bg*, *E-vestnik.com*, *Bivol.bg*, and *Investor.bg*.

An important factor that facilitates some investigative journalism on the web is a specific text in the Radio and Television Act containing very strict content regulation regarding the mentioning of company names and brands on air, which has inhibited in-depth coverage of economic issues. However, when it comes to

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71. *Dnevnik* daily, "Sedem Dni Sport's editor-in-chief: I do not see any racial insult in the headline containing 'nigger'," 20 January 2012, at [http://www.dnevnik.bg/sport/2012/01/20/1749773\\_glavniat\\_redaktor\\_na\\_7\\_dni\\_sport\\_ne\\_vijdam\\_nishto](http://www.dnevnik.bg/sport/2012/01/20/1749773_glavniat_redaktor_na_7_dni_sport_ne_vijdam_nishto) (accessed 12 December 2012).

72. Elenko Elenkov, "Elenko v. *24 chasa*—the decision," *Eenk.com*, 3 June 2009, at <http://eenk.com/elenko-vs-24-chasa-resheniето> (accessed 13 December 2012) (hereafter Elenkov, "The decision").

73. Elenkov, "The decision."

mentioning company names and brands, journalists have more freedom online when compared with the restrictive legislation applied to broadcasters.

#### 4.2.2 Threats

Digitization has not created any particular threats for investigative journalists in Bulgaria, if one leaves aside the concentration that is encouraged by the decline in print revenue. Despite the empowering potential of the Access to Public Information Act, its benefit to the media in future may be decreasing under the pressure from falling advertising budgets, while the dwindling number of journalists in the newsrooms may deter them from risking lengthy actions in court and correspondence for obtaining the necessary information. Information is often leaked to the media by political headquarters, state institutions, or political opponents, and this is often presented to the public as journalistic investigations.<sup>74</sup> In reality, they serve specific goals of political and/or business groups.

A threat that predates digital media includes an article in the Law for Credit Institutions that virtually prohibits financial investigative journalism on all platforms. It states that if a mass media outlet spreads false information about a bank or information that harms its reputation, it should be fined. This legal provision makes journalists from all media avoid investigating banks. The fear of repercussions is so widespread that Dnevnik.bg once closed comments under its article on a WikiLeaks cable, in which U.S. Ambassador John Beyrle described four Bulgarian banks as “bad apples.”<sup>75</sup>

Assaults on Bulgarian journalists, albeit infrequent and unconnected with digitization, are one reason why the country occupies last place in the Reporters without Borders’ ranking of EU countries in terms of free speech (87th among 179 countries worldwide, down from 35th place in 2006).<sup>76</sup> In 2008, Ognyan Stefanov, editor-in-chief of Frognews.bg, was severely beaten with metal rods and hammers. His attackers have not been brought to justice. Frognews.bg published critical reports of the then coalition government. Mr Stefanov was linked through reports to the tabloid-style website Opasnite.com, which was shut down by the state agency for national security.

#### 4.2.3 New Platforms

Most blogs do not engage in investigative journalism. It is usually reporters from print media such as *Capital* weekly, *Dnevnik* daily, and *Sega* who employ resources for in-depth reporting. On behalf of the digital media, journalists from Mediapool.bg and E-vestnik.com also engage in investigations.

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74. During the first half of 2012, the Bulgarian government was the biggest advertiser in newspapers with budgets three times bigger than the second advertiser. See [http://www.dnevnik.bg/analizi/2012/12/03/1960585\\_iljuziia\\_e\\_che\\_medien\\_monopol\\_moje\\_da\\_reshi\\_problemite](http://www.dnevnik.bg/analizi/2012/12/03/1960585_iljuziia_e_che_medien_monopol_moje_da_reshi_problemite) (accessed 13 December 2012).

75. *Dnevnik* daily, “U.S. Ambassador John Beyrle in WikiLeaks: There are some ‘bad apples’ in Bulgarian banking system,” 30 June 2011, at [http://www.dnevnik.bg/biznes/2011/06/30/1115544\\_poslanik\\_baiurli\\_v\\_wikileaks\\_v\\_bulgarskata\\_bankova](http://www.dnevnik.bg/biznes/2011/06/30/1115544_poslanik_baiurli_v_wikileaks_v_bulgarskata_bankova) (accessed 13 December 2012).

76. Reporters Without Borders, “Press Freedom Index 2013,” at <http://en.rsf.org/press-freedom-index-2013,1054.html> (accessed 30 January 2013).

In 2011, WikiLeaks became very popular in Bulgaria. It published a number of classified cables sent to the State Department by the U.S. ambassadors to Bulgaria between 2005 and 2010—James Pardew, John Beyrle, Nancy McEldowney, and James Warlick. The Bulgarian media drew heavily on the analyses and reports of U.S. diplomats in Sofia released by WikiLeaks. Soon, Bulgarian journalists Atanas Tchobanov and Assen Yordanov started BalkanLeaks.com, a WikiLeaks partner. They also launched Bivol.bg, where U.S. embassy cables are exclusively translated into Bulgarian together with the original investigations.

According to *Forbes*' journalist Andy Greenberg, “[BalkanLeaks is] really the only copycat site to successfully use the same tools—most fundamentally the use of a Tor Hidden Service as a submissions platform that requires its sources to be anonymous—to obtain secret files. Even before its partnership with WikiLeaks, BalkanLeaks seemed to be publishing a small but steady stream of leaks, whereas most other WikiLeaks copycat sites received nothing.”<sup>77</sup>

He also noted that, except for Bivol.bg and Balkanleaks.com, “investigative journalism in Bulgaria is stunted.” Some WikiLeaks cables, translated by the two journalists, were hushed up by most mainstream media. These included a text on the former Prime Minister Boyko Borisov's alleged ties with the underworld and another on four Bulgarian banks being described as “bad apples”<sup>78</sup> (see above). Andy Greenberg also said that he was worried about the safety of Mr Tchobanov and Mr Yordanov. The latter has already survived an assassination attempt.

#### 4.2.4 Dissemination and Impact

As mentioned above, digitization has made much data available online and it has made it easier to publish content. To a certain extent, investigative journalism online benefitted the most from this development since only a handful of print media have the resources for in-depth reporting.

### 4.3 Social and Cultural Diversity

#### 4.3.1 Sensitive Issues

In the analog era, issues of social and cultural diversity were somewhat elitist topics, discussed among certain NGOs and think-tank circles. But gradually they have become topics of public interest and discussions, sometimes leading to confrontation and conflict but also a greater awareness of different views, interests, and cultures. Stereotypes and prejudices nevertheless persist in the mainstream media.

The most common triggers of media attention toward topics of cultural diversity are political decisions or legislative acts (e.g. those aimed at the socially disadvantaged or people with disabilities), community

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77. Maria Guineva, “*Forbes* Writer Andy Greenberg on WikiLeaks, ‘The Secrets-Killing Machine,’ and the Bulgarian Contribution,” Novinite.com, 29 November 2012, at [http://www.novinite.com/view\\_news.php?id=145592](http://www.novinite.com/view_news.php?id=145592) (accessed 12 December 2012) (hereafter Guineva, “*Forbes* Writer Andy Greenberg on WikiLeaks”).

78. Guineva, “*Forbes* Writer Andy Greenberg on WikiLeaks.”

action NGO projects, and research on minorities (including ethnic, religious, and sexual), or international community pressure through, for instance, the Global Fund of AIDS, Tuberculosis, and Malaria (GFATM). In recent years, there have been a couple of international donor campaigns focussing on these issues as well as many large businesses that have started to look at the social sector in particular to find causes for their charity work or projects aimed at corporate social responsibility. This has had the effect of boosting media coverage on such issues, but it has also rendered it campaign-driven and with a shelf life limited to the duration of the campaign.

A 2008 report of the Open Society Institute confirmed serious racial and religious stereotypes in Bulgaria, which are the basis of significant segregation to the detriment of ethnic minorities and immigrant communities.<sup>79</sup> The most sensitive issues for the Bulgarian media remain the Roma, followed by Turkish and religious minorities, homosexuality and transgender issues, and immigrants (namely Chinese, Arab, and Vietnamese).<sup>80</sup> The dominant negative media focus on Roma issues reflects the lack of political will to integrate Roma people into mainstream society.

Issues regarding people with disabilities and the socially disadvantaged are generally attracting better and more objective coverage, although certain stereotypes continue to exist. For instance, disability is often associated just with a wheelchair or in terms of the problems such people face as reflected in political debates rather than from the viewpoint of the disabled themselves. Despite numerous projects aimed at the training of journalists with regards to diversity, the general level of knowledge and information remains unsatisfactory and is in need of improvement. For instance, a study from 2011 showed that implicit and explicit negative appraisals of vulnerable social groups in the media outnumber the positive ones.<sup>81</sup>

Hate speech is particularly extreme regarding Roma minorities and homosexual and transgendered communities, and is mainly visible on the internet and some marginalized media. The appeal of the internet to those with extreme and extremist views derives in part from its broad accessibility, the high level of anonymity, and the fairly low level of investment required to launch a website.

One area in which hate speech is flourishing online is through the conflict between Bulgarians and Macedonians. This feud is ongoing and decentralized, and is played out on several fronts (blogs, Facebook, YouTube, and even some pornography websites).<sup>82</sup>

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79. Alexey Pamporov, "Social Distances and Ethnic Stereotypes in Bulgaria," Open Society Institute, Sofia, 2008.

80. Focus group of the Media Development Center with journalists, bloggers, and NGOs.

81. Valeri Lekov et al., "Monitoring media coverage of equality and discrimination based on gender, race, ethnicity, religion, impairment, age, and sexual orientation," Bulgarian Helsinki Committee, 28 January 2012, at [http://www.bghelsinki.org/media/uploads/obektiv/24\\_ilko.pdf](http://www.bghelsinki.org/media/uploads/obektiv/24_ilko.pdf) (accessed 9 February 2013).

82. Anastas Vangeli, "Hate speech between Macedonians and Bulgarians in the new media," MA in Nationalism Studies, Research Analyst at the Center for Research and Policy Making, Open Society Institute, Skopje, 2011.

### 4.3.2 Coverage of Sensitive Issues

As has been mentioned earlier, the Bulgarian Media Code of Ethics is largely ignored by news outlets. Public broadcasters are obligated to cover sensitive issues of social and cultural diversity, and do so. But often the struggle to maintain political correctness makes some of the coverage either sterile or implicitly biased. Commercial television channels have gradually shown an increasing interest in social and cultural diversity coverage, but they have often submitted to tabloidization with an over-emphasis on scandal and violent crime.

In 2010, a complaint was filed with the Ethics Commission for the Print Media after the newspaper *24 chasa* published an article about people with psychiatric issues, entitled “Full Madhouse.”<sup>83</sup> After this case, the Ethics Commission issued a recommendation for covering topics related to people with psychiatric and physical issues. However, newspapers, including *24 chasa*, still use words like “mad” and “psycho” when referring to people with psychological issues. Unfortunately, this is also very often the case for coverage of other sensitive issues.

Bulgarian journalists fail spectacularly at producing moderate coverage of domestic violence.<sup>84</sup> They often breach privacy, publishing graphic images—including of child victims—and attempting to obtain intimate information from relatives while the victims are still in shock. In a sense, newspapers and television stations apply extensive in-depth reporting more often for domestic homicide than for political and business issues. In 2011, following the murder of a woman in a Sofia city park, *Telegraph*, *Monitor*, and *24 chasa* all published stories based on no evidence at all.<sup>85</sup> According to these stories, the victim was a hippie drifter and a hobo, who was often drunk and eventually was murdered as part of a ritual. Relatives of the victim protested at these baseless allegations and *24 chasa* offered an apology.

In recent years there has been a minor improvement in the coverage of Roma issues. This is the conclusion of a study by the Open Society Institute and the Commission for Protection from Discrimination, which monitored mainstream dailies between 1994 and 2011 for coverage of Roma issues.<sup>86</sup> According to the study, print media have become a vent for public prejudices against the minority with articles generally emphasizing that Roma people want, consume, do not contribute, but at the same time get things through charity. In an estimated 14 percent of all mentions of Roma people in newspapers they are characterized as doers of good deeds. People of Turkish minority are displayed in a positive light in one-third of all their mentions, while people with physical disabilities are displayed in a positive light in 43 percent of mentions.

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83. *24 chasa*, “Full Madhouse,” 2 April 2012, at <http://www.24chasa.bg/Article.asp?ArticleId=434966> (accessed 13 December 2012).

84. Zornitsa Stoilova, “Deadlock’s playbook,” *Capital* weekly, 25 January 2013, at [http://www.capital.bg/politika\\_i\\_ikonomika/obshtestvo/2013/01/25/1991040\\_naruchnik\\_na\\_bezizhodicata](http://www.capital.bg/politika_i_ikonomika/obshtestvo/2013/01/25/1991040_naruchnik_na_bezizhodicata) (accessed 31 January 2013).

85. Dimitar Peev, “Hobo journalism,” *Capital* weekly, 15 July 2011, at [http://www.capital.bg/politika\\_i\\_ikonomika/sedmicata/mediina\\_serjia/2011/07/15/1124076\\_klosharska\\_jurnalistika](http://www.capital.bg/politika_i_ikonomika/sedmicata/mediina_serjia/2011/07/15/1124076_klosharska_jurnalistika) (accessed 2 February 2013).

86. Union of Bulgarian Journalists, “Deutsche Welle: Journalists watch Roma people with contempt,” 18 February 2012, at <http://sbj-bg.eu/index.php?t=14196> (accessed 13 December 2012).

The print media rarely criticize occurrences of discrimination against Roma people. In every third article about them, there is also a mention of a police person. In recent years, there has been an improvement in the print media's reduced use of the word "gypsy;" it is reported to be published five times less often than the word "Roma," according to the study. The absence of Roma people from the labor market was not reflected in all 743 studied articles.<sup>87</sup>

Lesbian, gay, bisexual, and transgender organizations have been most successful in bringing media to justice for insults offending gay and transgendered groups. For instance, in 2011, activists filed a complaint with the Commission for Protection from Discrimination for insults to gay people by the television anchor Julian Vuchkov. A year later he was fined € 125 (approx. US\$ 160).<sup>88</sup> In 2012, the Commission fined *Maritza* newspaper € 1,000 (approx. US\$ 1,300) for insults in an article on gay people.<sup>89</sup> It is notable that although similar complaints have been filed with the Council for Electronic Media, it has not acted on them, despite being obliged to do so by the Law on Radio and Television.<sup>90</sup>

### 4.3.3 Space for Public Expression

Data from the Open Society Institute show that the majority of the Roma population has little if any interest in the national news agenda.<sup>91</sup> Reasons for this indifference include a relatively low level of literacy, and limited access to media platforms within the Roma community, as well as a lack of Roma community speakers and/or media professionals who can participate in mainstream media.

However, many NGOs work continuously and devotedly for the inclusion of Roma-related topics in mainstream media and facilitating Roma journalism generally. One typical example is the project Colorful but Colorblind, which seeks to counter age-old prejudices with 25 stories featuring personal insights into the daily lives of Roma people. Colorful but Colorblind uses multimedia storytelling to promote social integration of Roma in Bulgaria, the Czech Republic, Hungary, Romania, and Slovakia.<sup>92</sup>

Although still considered exceptional, there are already blogs run by Roma activists, some of them in English.<sup>93</sup> According to the Roma blogger Bisser Petkov, "the internet assisted us to have our media and blogs, but the differences remain. Few Bulgarians read Roma blogs."

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87. *Sofia Echo*, "Bulgarian press coverage of Roma overwhelmingly negative, study finds," 4 April 2012, at [http://sofiaecho.com/2012/04/04/1801460\\_bulgarian-press-coverage-of-roma-overwhelmingly-negative-study-finds](http://sofiaecho.com/2012/04/04/1801460_bulgarian-press-coverage-of-roma-overwhelmingly-negative-study-finds) (accessed 13 December 2012).

88. Decision No. 56/02.03.2012 by the Commission for Protection from Discrimination, at [http://stalik.files.wordpress.com/2012/03/kzd\\_reshenie\\_56-02-03-2012\\_.pdf](http://stalik.files.wordpress.com/2012/03/kzd_reshenie_56-02-03-2012_.pdf) (accessed 13 December 2012).

89. Decision No. 58/02.03.2012 by the Commission for Protection from Discrimination, at [http://stalik.files.wordpress.com/2012/03/kzd\\_reshenie\\_58-02-03-2012\\_.pdf](http://stalik.files.wordpress.com/2012/03/kzd_reshenie_58-02-03-2012_.pdf) (accessed 13 December 2012).

90. "Julian Vuchkov is fined for homophobia" (Stalik's blog), 13 March 2012, at <http://stalik.wordpress.com/2012/03/13/iulian-vuchkov-osydenza-homofobia/#more-5036> (accessed 13 December 2012).

91. Open Society Institute, "Roma in Bulgaria, Information guide to media," 2008, at <http://www.osi.bg/downloads/File/RomaGuideFinal.pdf> (accessed 9 February 2013).

92. "Colorful but Colorblind," at <http://roma.glocalstories.org> (accessed 13 December 2012).

93. "Roma Directions," at <http://romskiposoki.blogspot.com> (accessed 13 December 2012); see also <http://ognyanisaev.blogspot.com> (Ognyan Isaev's blog) (accessed 13 December 2012).

## 4.4 Political Diversity

### 4.4.1 Elections and Political Coverage

An attempt to regulate election coverage online emerged for the first time in 2006, when the Act on Elections of the president and vice-president introduced a special provision that applied the general rules for electronic media to online outlets. These rules included the prohibition of any promotion or advertisement of candidates on the day preceding the election and the prohibition of announcing the results of elections on the very day until the official closure of the election sections.

The elections for Members of the European Parliament in 2007 were the first to involve complaints against online media for illegal agitation. Complaints against Bgphoto.net, Focus-news.net, and Express.bg were filed with the Central Election Commission by NGOs monitoring the elections, stating that all three websites had used banners promoting certain candidates less than 24 hours before election day. The Central Election Commission ordered the Ministry of the Interior to remove advertising banners from Bgphoto.net and Express.bg,<sup>94</sup> with Focus-news.net managing to prove that it had removed these banners within the legal terms. Also for the first time in 2007, the Central Election Commission received complaints against agitation by SMS, but due to a lack of legal regulations no action was taken.

For years, internet websites have found their way around the legal prohibition of providing information about the election results before the end of election day by publishing special “charts.” In practice, these are fake rankings of literary works or films, in which users can recognize the current standings of the parties or candidates. This only proved that analog election laws are insufficient to regulate election campaigns in the digital era.

The latest parliamentary elections, on 5 July 2009, which brought to power the Government of the Citizens for European Development of Bulgaria (GERB), only reinforced the importance and benefits of internet communication with voters. Online party forums are now commonplace and almost all MPs and MEPs are now talking to people using their personal Facebook and Twitter profiles. However, after elections most of their profiles suddenly become inactive.

The Electoral Code adopted in 2010 (and readopted in January 2011 after a presidential veto) was controversial among media, PR, and advertising professionals, especially for including regulation of political advertising and content online. The original intention—to prohibit broadcasting and publishing of unattributed facts related to election campaigning online—was rejected by experts and civil society organizations. According to the proposed law, all online media (news websites, bloggers, Facebook, and forums users, etc.) that published anonymous content found to be offensive to political candidates would be fined as if they were print media. Because of its vague language, this legislative amendment was strongly contested by the online community and eventually not approved by Parliament.

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94. Decision of the Central Election Commission for Election of Members of the European Parliament No. 257, 20 May 2007, at <http://ep2007.cik.bg/?resh=257> (accessed 9 February 2013).

Currently, the Code defines media service as the creation and distribution of information and contents envisaged for a considerable part of the audience and with clear influence over it, independent of the tools and technology used for their transmission. As for the law, media services are defined as: print media (newspapers, magazines, and other periodic editions); and broadcasts by electronic communications networks such as radio, television and other analog audio-visual services, and online news service providers (online newspapers and magazines, information bulletins). After a heated debate and vociferous criticism from the internet community, politicians did not list social media (Facebook, Twitter, among others) and blogs under media services in the Electoral Code. Editorial liability also excludes non-moderated forums and platforms for UGC. Another decision welcomed by politicians and their PR strategists, but not by journalists, was that all rights of reply must be broadcast by radio or television with no comment by the media. Media analysts state that this specific text in the Electoral Code needs further analysis, as it seems to limit public discussion and freedom of speech.

The Electoral Code stipulates that all campaign broadcasts on the public service broadcasters, BNT and BNR, are to be paid for by parties, coalitions, and nomination committees, according to a predetermined tariff. Since Article 139 of the Electoral Code prohibits election campaign coverage outside the formats defined by paragraph 4, the law *per se* excludes campaign coverage from newscasts. This undermines the responsibility of public broadcasters to ensure a fair, balanced, and thorough coverage of elections in their news and current affairs programs. Media experts and journalists noted a *de facto* absence of journalism in public broadcasting during the campaign period since journalists, while obliged to produce paid formats for candidates, were not able to ask critical questions or report on the campaign in other editorial programs.<sup>95</sup>

#### 4.4.2 Digital Political Communications

The general perception of journalists, public communication specialists, and civil society is that the internet is becoming a more influential factor in election campaigns, especially at the national level.<sup>96</sup> But it is difficult to assess the impact of digital media on political communication objectively, as the internet and social media are still not extensively monitored. What seems certain is that both are increasingly used by the political establishment and communication strategists, mostly during pre-election and election campaigns.

Despite the fact that there is more politics on the web in comparison with previous years, very few politicians are really active themselves online. Most of them rely on associates or PR agencies, which do not contribute to the public sphere of deliberation and debate, but rather propagandize on behalf of their employers. Digital media, however, provide more opportunities for a diversity of voices in political life. According to one television journalist, “traditional media tend to follow the expected winner and cover only some of the central party figures and just the headquarters in the capital Sofia. Many of the reporters covering political parties are assimilated by the politicians to the extent that they behave like relatives.”<sup>97</sup> The overall opinion of

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95. Presidential and Municipal Elections, 23 and 30 October 2011, “OSCE/ODIHR Limited Election Observation Mission Final Report,” at <http://www.osce.org/odihr/elections/86893> (accessed 13 December 2012).

96. Focus groups with journalists, editors, PR specialists, and NGOs at the Media Development Center.

97. Focus group with 10 Bulgarian journalists and editors from mainstream print, TV, radio, and internet media, organized by the Media Development Center.

NGO activists and PR specialists on the coverage of political news in Bulgaria is that there is a “petty-minded approach, monotony and boredom in the palette of political commentators, there is a lack of fresh ideas and problems are often marginalized.”<sup>98</sup>

It may be argued that since digitization, there has been increased pressure on legacy media to offer more sensational material, by enabling online media outlets to flourish by making “tabloid” content more widely available than ever before. Journalists interviewed for this report linked this pressure with the increase of apathy toward scandals or political controversies, relative to the period following Bulgaria’s transition to democracy.

As a positive example, journalists pointed to the political campaign of Martin Zaimov, who ran for the position of mayor of Sofia in 2007. He was second in the running, but by primarily focussing on internet communication managed to increase his support from 4 percent to 18 percent in 45 days. The blog by Mincho Spassov, former chair of the Parliamentary Commission on Home Affairs and Public Order, Spassovm.blog.bg, is notable for its success in attracting comments and discussion and its use as a source of information by journalists themselves (some of his posts generated over 1,500 comments). Nikolay Mladenov, formerly an MEP and Minister of Defense, and currently Minister of Foreign Affairs, is labeled the internet minister, as he is among the few senior politicians who personally and regularly uses social media (Facebook and Twitter) to inform followers about recent decisions or opinions on hot issues in political life and foreign policy. Another example is the innovative political website Otgovori.eu, which presented a personal video blog by former prime minister Ivan Kostov. The website allowed visitors to submit questions, which were categorized by topic. Each received a video as well as a written answer. When the website stopped processing questions in October 2009, a total of 574 questions had been answered and significant interest generated.

However, online political communication is concentrated in election years and consists more in traditional one-way communication rather than active engagement and interaction with users. According to data from the Media Democracy Foundation, during 2009 (a year with parliamentary elections) there were 32 active blogs by Bulgarian politicians with a total of 912 posts. The following year saw politicians’ blogging drop to only 331 posts between 1 January and 15 November 2010.<sup>99</sup>

## 4.5 Assessments

Digitization’s effect on the coverage of sensitive issues is twofold. More people have the opportunity to publicize the issues that concern their communities; at the same time, almost nothing in the mainstream media outlets’ prevalently negative coverage of socially disadvantaged groups and individuals has improved.

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98. Focus group with Bulgarian NGO activists and PR specialists, organized by the Media Development Center.

99. Marina Kirova, *Bulgarian blogosphere: political (non) use, Media and Politics*, eds Georgi Lozanov and Orlin Spassov, Media Democracy Foundation and Konrad Adenauer Stiftung, Sofia, 2011.

Nevertheless, the internet has produced some new mechanisms for civil society organizations to mobilize public discontent against negative articles about socially disadvantaged people. However, digitization has not yet led to the emergence of new spokespeople for minority groups.

Rather than take more responsibility for an accurate representation of Bulgaria's cultural, ethnic, and political diversity, the media prefer to breach people's privacy and publish graphic sensational content. Also relevant in this context is the prevalent impression that the Bulgarian media—especially their owners and editors-in-chief—are not fond of investigative journalism, which requires time, professionalism, independence, and financial resources.<sup>100</sup> Exceptions are made when in-depth reporting complies with the interests of publishers against rival entities. Many media owners (visible or concealed) have business interests in other sectors of the economy. For them, media make their businesses come full circle. The fall in print circulations due to digitization results in an increasing number of media becoming dependent on government advertising.

Together with the concentration of media ownership, this factor keeps the level of investigative journalism low despite digitization providing access to huge amounts of data. Contrary to this opening up of access to information, many owners of Bulgarian media prefer to stay out of the spotlight. Polarization among media owners has practically made the self-regulatory Ethics Commission useless. Thus, the audience becomes a captive in wars between publishers with entrenched positions. However, there is a positive trend in the growing number of activists who bring controversial media content to the attention of their respective regulatory authorities.

Despite the WikiLeaks model facing challenges worldwide, in Bulgaria it has found a solid partner—Bivol.bg. This new platform is the best example of digitization's potential to advance the cause of open media. Bivol.bg's work circumvents the restrictive legal provisions that constrain journalistic investigations on conventional platforms.

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100. Focus group with 10 Bulgarian journalists and editors from mainstream print, TV, radio, and internet media, organized by the Media Development Center.

# 5. Digital Media and Technology

## 5.1 Broadcasting Spectrum

### 5.1.1 Spectrum Allocation Policy

A specially formed commission, the Communications Regulation Commission (CRC), is responsible for the distribution of broadcasting spectrum in Bulgaria. It prepares the National Plan for Distribution of Broadcasting Spectrum for public purposes, for the needs of national defense and security, and for the combined use between them.<sup>101</sup> This document determines how the frequencies should be used. The CRC also implements government policy in the field of telecommunications and postal services more broadly. Three of its members are appointed by Parliament and two are nominated by the President. According to its mission statement, “in the context of equality and transparency and in compliance with the Bulgarian legislation, CRC strives to promote competition within telecommunications markets in the country; sector investments in new communications technology development; and the protection of end-users.”<sup>102</sup>

The CRC’s activities are regulated by several acts: the Electronic Communications Act (2007),<sup>103</sup> the Radio and Television Act (1998),<sup>104</sup> Act on Electronic Documents and Electronic Signature (2001),<sup>105</sup> the Telecommunications Act (2003),<sup>106</sup> and the Act on Postal Services (2000).<sup>107</sup>

The CRC is in charge of licensing both the digital terrestrial television (DTT) network/multiplex operators and, together with the Council for Electronic Media, the television channels. To date, the regulator has awarded licenses for two operators of six multiplexes in three tenders. It controversially did not accept bids by companies that are simultaneously network operators or content producers, based on legislative amendments

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101. See <http://www.crc.bg/index.php?lang=en> (accessed 14 December 2012).

102. See <http://www.crc.bg/index.php?lang=en> (accessed 14 December 2012).

103. An English version of the act is available at [http://www.crc.bg/files/\\_en/ZES\\_ENG.pdf](http://www.crc.bg/files/_en/ZES_ENG.pdf) (accessed 14 December 2012).

104. An English version of the act is available at [http://www.crc.bg/files/\\_en/LAW\\_FOR\\_THE\\_RADIO\\_AND\\_TELEVISION.htm](http://www.crc.bg/files/_en/LAW_FOR_THE_RADIO_AND_TELEVISION.htm) (accessed 14 December 2012).

105. An English version of the act is available at [http://www.crc.bg/files/\\_en/ZED\\_ENG\\_15.01.2008.htm](http://www.crc.bg/files/_en/ZED_ENG_15.01.2008.htm) (accessed 14 December 2012).

106. An English version of the act is available at [http://www.crc.bg/files/\\_en/LAW\\_OF\\_THE\\_TELECOMMUNICATIONS.htm](http://www.crc.bg/files/_en/LAW_OF_THE_TELECOMMUNICATIONS.htm) (accessed 14 December 2012).

107. An English version of the act is available at [http://www.crc.bg/files/\\_en/Postal\\_Services\\_220110.pdf](http://www.crc.bg/files/_en/Postal_Services_220110.pdf) (accessed 14 December 2012).

by the then coalition government in 2009, just months before the parliamentary elections won by GERB. The official argument for this amendment was the wish to avoid vertical integration. In practice, this development has blocked participation by established companies in the EU's digital terrestrial market such as the Austrian network operator ORS, which expressed a strong interest in digital television broadcasting in Bulgaria (ORS is part-owned by the Austrian public service broadcaster, Österreichischer Rundfunk, ÖRF).

In April 2009, Parliament adopted legislative amendments that gave the rights of digital broadcasting to television channels with 50 percent coverage of the population.<sup>108</sup> According to media reports at the time, this was a last-minute legal provision designed to benefit TV7—which was to win the bulk of the upcoming tenders for the analog frequencies licensed until 2012, when digital switch-over was expected.<sup>109</sup> Weeks before the tenders actually occurred, it was clear that TV7 would acquire most of the analog frequencies and thus achieve 50 percent coverage of the population.<sup>110</sup> In fact, a total of 16 companies submitted over 400 applications in the competition (there was more than one frequency allocation per city). When winners were announced in June 2009, it became clear that TV7 (then owned by Ms Krasteva) had indeed acquired frequencies for all the cities it had applied for. Four other channels also received frequencies but, unlike TV7, they were not able to secure national coverage.<sup>111</sup>

Initially, the CRC announced two frequencies for Sofia (the capital city, with the highest interest for prospective applicants) but halfway through the tender the CRC decided to withdraw one of them after BNT announced its willingness to use one of the frequencies. Its argument was that this particular frequency would be used in the process of digital switch-over, so it should not be offered for tender. In practice, this development left TV7 as the dominant player in the most lucrative Sofia market. Since TV7 had acquired the most licenses, it secured its future status as a must-carry DTT station. Subsequently, the European Commission launched an inquiry into the conditions under which the tender took place, as well as the way the aforementioned legislative amendments were introduced in order to benefit certain broadcasters.<sup>112</sup> Comments deriving from this inquiry were merged with the infringement proceeding that the European Commission had started against Bulgaria in May 2011 for breaching two EU directives in awarding licenses to only two multiplex operators (see sections 7.2 and 7.3).

The combination of disproportionate application requirements and the general lack of transparency continued all through 2009 and 2010. In 2009, the CRC swiftly put together a single tender for the operator of two multiplexes for the initial stage of digitization (won by Slovakia-based Towercom), another tender for the operator of three multiplexes at the second stage (won by Latvia-based Hannu Pro), and a final one in 2010

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108. Vesislava Antonova, "Some TV stations are more equal than others," *Capital* weekly, 17 April 2012, at [http://www.capital.bg/biznes/media\\_i\\_reklama/2009/04/17/706978\\_niakoi\\_televizii\\_sa\\_po-ravni\\_ot\\_drugite](http://www.capital.bg/biznes/media_i_reklama/2009/04/17/706978_niakoi_televizii_sa_po-ravni_ot_drugite) (accessed 15 December 2012) (hereafter Antonova, "Some TV stations").

109. Antonova, "Some TV stations."

110. Vesislava Antonova, "Terrestrial broadcasting—distributed," *Capital* weekly, 10 April 2012, at [http://www.capital.bg/biznes/media\\_i\\_reklama/2009/04/10/703489\\_efi\\_r\\_daden](http://www.capital.bg/biznes/media_i_reklama/2009/04/10/703489_efi_r_daden) (accessed 15 December 2012).

111. Vesislava Antonova, "CRC delivered the order," *Capital* weekly, 5 June 2009, at [http://www.capital.bg/biznes/media\\_i\\_reklama/2009/06/05/730727\\_krs\\_izpulni\\_poruchkata](http://www.capital.bg/biznes/media_i_reklama/2009/06/05/730727_krs_izpulni_poruchkata) (accessed 14 December 2012).

112. Alexei Lazarov, "Noise in the air," *Capital* weekly, 10 September 2010, at [http://www.capital.bg/biznes/media\\_i\\_reklama/2010/09/10/958643\\_shum\\_v\\_efi\\_ra](http://www.capital.bg/biznes/media_i_reklama/2010/09/10/958643_shum_v_efi_ra) (accessed 15 December 2012).

for the operator of the multiplex allocated for public service broadcasters (won by Hannu Pro). In June 2009, following a complaint by more than 20 percent of all MPs, the Constitutional Court has abolished the legislative amendments that forbade network operators from running multiplexes. However, just days earlier the CRC selected Towercom to operate both multiplexes in the first stage.<sup>113</sup> The other five candidates were disqualified on formal grounds (insufficient documentation). Since the Constitutional Court's decision was to come into force after its publication in June 2009, no changes followed for the CRC's application requirements for the tenders, which started in April.

According to its 15-year license, Towercom was to start digital broadcasting for 95 percent of the Bulgarian population before the end of 2011. Hannu Pro was also obliged by a 15-year license to set up three multiplexes for commercial television networks in the second stage of digitization (2010–2012). All multiplex operators were to use the MPEG-4 standards and deliver up to eight television channels per multiplex. In the first stage of digitization (2009–2010) Towercom would have to set up two multiplexes for commercial television channels together with Hannu Pro, also starting digital broadcasting on behalf of public service broadcasters.

Between 2009 and 2011, the Council for Electronic Media licensed 20 companies for digital terrestrial broadcasting out of 27 applications in total. Each channel is licensed for 15 years. So far, bTV Media Group has received three licenses (bTV, bTV Action, and bTV Sport). Owners of TV7 have acquired a permit for TV7 and Super 7, and MTG received a license for Nova. After March 2013, Bulgarians will have access to at least six DTT stations: BNT, bTV, Nova, Bulgaria On Air, BBT, and TV7, with bTV Action and Darik Radio and Television due to join soon afterwards.

The CRC has also played a crucial role in granting the sale of NURTS, the biggest network operator, which for decades has controlled virtually all terrestrial broadcasting. In 2010, the incumbent BTC sold 50 percent of NURTS to the Cyprus-based offshore company Mancelord Limited, officially brokered by Tsvetan Vasilev, whose bank provides financing to media tycoons Ms Krasteva and Mr Peevski.<sup>114</sup> Towercom and Hannu Pro would rely heavily on NURTS' ubiquitous infrastructure for digital broadcasting. In 2010, the new owner of NURTS acquired Towercom (the company is now named NURTS Digital), which was granted formal approval by both the CRC and the Competition Protection Commission. This resulted in vertical integration, despite the CRC's claims that its unequal grouping of tenders for multiplex operators was targeted at preventing exactly that. In 2011, BTC sold its share of NURTS to Bluesat Partners, an offshore company based in United Arab Emirates.

At the time of the legislative amendments and tenders in 2009, Bulgaria committed to a digital switch-off at the end of 2012. Subsequently, however, in 2010, the new government extended this deadline to 2015 because of a lack of funds needed to clear frequencies used by the military. According to a 2012 interview with

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113. Constitutional Court of the Republic of Bulgaria, Decision No. 3/2009, at <http://www.constcourt.bg/Pages/Document/default.aspx?ID=1285> (accessed 14 December 2012).

114. Vesislava Antonova, "CRC has approved the sale of NURTS," *Capital* weekly, 15 June 2010, at [http://www.capital.bg/biznes/media\\_i\\_rekla-ma/2010/06/15/917578\\_krs\\_odobri\\_sdelkata\\_za\\_nurts](http://www.capital.bg/biznes/media_i_rekla-ma/2010/06/15/917578_krs_odobri_sdelkata_za_nurts) (accessed 14 December 2012).

the Deputy Minister of Transportation, Information Technologies, and Communications, an estimated €65 million (approx. US\$85 million) is necessary to clear frequencies occupied by the military.<sup>115</sup> The executive director of one of the multiplex operators has attributed the delay to “wrong regulation” on behalf of the CRC.<sup>116</sup>

In 2012, the government revised its digital switch-over timeline and set March 2013 for the start of the simulcast period and September 2013 as the deadline for analog switch-off. In October 2012, Vladimir Angelov, Executive Director of NURTS Digital, the multiplex/network operator, stated that his company had already signed contracts with three television stations and was negotiating with six more.<sup>117</sup>

Regarding digital radio, there is virtually no progress toward switch-over. Apart from the public service broadcaster BNR, no radio group has expressed an interest in digital broadcasting yet. The FM part of radio spectrum is expected to be used long after digital television switch-over. There have also been no plans for establishing local multiplex operators. So far, the CEM has awarded regional DTT licenses to six television stations, of which only NRG Vision (Targovishte County) is not a subsidiary of BNT.

As far as the digital dividend is concerned, the situation in Bulgaria resembles that in many other European countries: it is still at the discussion stage. The CRC considers that the frequencies destined to be cleared (790–862 MHz) will be accessible for new technologies in 2013–2015.

### 5.1.2 Transparency

As mentioned above, there is little or no transparency in regulating the transition to digital television in Bulgaria. The CRC has not published a detailed explanation of its criteria for selecting Towercom and Hannu Pro. The regulator acted fast to license both multiplex operators before the parliamentary elections and specifically before the Constitutional Court had any chance to abolish controversial legal provisions and therefore tenders. The CRC managed to allocate five multiplexes to two companies in just two months (April 2009–June 2009), while at the same time conducting a tender for analog frequencies for television stations prior to digital switch-over.

What is more alarming is that state regulators have allowed an offshore company with an unknown owner to practically control digital television broadcasting in Bulgaria. The whole point of digital switch-over is that it should provide a much greater number of programs (over 50 channels depending on quality) to be broadcast nationwide. Its benefits should have involved the public receiving diverse viewpoints, while encouraging competition between television stations. Unfortunately, the hasty legal amendments in the last days of the

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115. Vesislava Antonova, “Valeri Borisov: Putting off digitization is only possible through legal amendments,” *Capital weekly*, 24 July 2012, at [http://www.capital.bg/biznes/media\\_i\\_reklama/2012/07/24/1872763\\_valeri\\_borisov\\_otlagane\\_na\\_cifrovizaciata\\_moje\\_da\\_ima](http://www.capital.bg/biznes/media_i_reklama/2012/07/24/1872763_valeri_borisov_otlagane_na_cifrovizaciata_moje_da_ima) (accessed 15 December 2012).

116. Andrian Georgiev and Vesislava Antonova, “Everybody wins except viewers,” *Capital weekly*, 19 November 2010, at [http://www.capital.bg/biznes/media\\_i\\_reklama/2010/11/19/996553\\_vsichki\\_pecheliat\\_osven\\_zritelija](http://www.capital.bg/biznes/media_i_reklama/2010/11/19/996553_vsichki_pecheliat_osven_zritelija) (accessed 15 December 2012).

117. Paola Hussein, “Next year there would be at least nine TV programs distributed by multiplex operators,” *24 chasa*, 4 October 2011, at <http://www.24chasa.bg/Article.asp?ArticleId=1571694> (accessed 15 December 2012).

previous government generated only two owners of all the multiplexes, with the strong suspicion that only a single proprietor is actually involved. Potentially, this could limit competition between them and serve to reduce content variety.

In 2012, the two largest television stations, bTV and Nova, complained that the government had not consulted them about the adoption of September 2013 as the deadline for digital switch-over. The executive director of Nova, the second largest commercial television network, explains the government's decision with reference to the infringement procedure started by the European Commission; namely, the government acted fast in order to create the impression that the eventual abolition of tenders under pressure from the EU, and the organization of new ones, would be an expensive and time-consuming process.<sup>118</sup>

In December 2012, Hannu Pro sold its license to operate the multiplex for public service broadcasters to another obscure company: First Digital, registered in Switzerland. This prompted media reports that Tsvetan Vasilev is trying to hide his indirect ownership of all the multiplex operators by distributing them among three companies.<sup>119</sup> Ivaylo Moskovski, currently the Minister of Transport, Information Technology, and Communications, has admitted in a television interview that he does not know who the owners of the multiplex operators in Bulgaria are.<sup>120</sup> In January 2013, the European Commission initiated an action against Bulgaria at the European Court of Justice for anti-competitive application requirements of tenders for multiplex operators in 2009 and 2010. According to the European Commission, application requirements prohibited foreign network operators and television stations from becoming multiplex operators in Bulgaria.

### 5.1.3 Competition for Spectrum

Currently, competition for digital frequencies is highly questionable based on the fact that the identities of the owners of the multiplex operators remain concealed. First, legislative amendments attempted to prevent vertical integration by not allowing network operators or television stations to become multiplex operators. Then the Constitutional Court abolished the provisions stating that network operators cannot become multiplex operators. This allowed the company that owned NURTS to also buy the multiplex operator Towercom. In 2010, there was heavy speculation that NURTS Digital (Towercom merged with NURTS) is also the concealed owner of Hannu Pro.

Andreas Maierhofer, CEO of the largest mobile operator Mtel and a failed candidate for the multiplex operator of public service broadcasting, said that, "most evaluation criteria in procedural documents do not allow an objective inquiry on behalf of applicants. Final assessments depend wholly on the subjective appraisal of the tender's commission. I think this shows the tender for a multiplex operator [for public

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118. Vesislava Antonova, "Misunderstood digitization," *Capital* weekly, 9 March 2012, at [http://www.capital.bg/politika\\_i\\_ikonomika/bulgaria/2012/03/09/1784512\\_krivorazbranata\\_cifrovizaciaia?sp=1#storystart](http://www.capital.bg/politika_i_ikonomika/bulgaria/2012/03/09/1784512_krivorazbranata_cifrovizaciaia?sp=1#storystart) (accessed 15 December 2012).

119. Vesislava Antonova and Poli Mihaylova, "Lost in the air," *Capital* weekly, 1 February 2013, at [http://www.capital.bg/biznes/media\\_i\\_reklama/2013/02/01/1995199\\_izgubeni\\_v\\_efi\\_ra](http://www.capital.bg/biznes/media_i_reklama/2013/02/01/1995199_izgubeni_v_efi_ra) (accessed 2 February 2013).

120. *Dnevnik* daily, "Transportation minister Ivaylo Moskovski stated that he does not know the owners of multiplex operators," 26 January 2013, at [http://www.dnevnik.bg/biznes/2013/01/26/1991388\\_ministur\\_moskovski\\_obiavi\\_che\\_ne\\_znae\\_koi\\_sa](http://www.dnevnik.bg/biznes/2013/01/26/1991388_ministur_moskovski_obiavi_che_ne_znae_koi_sa) (accessed 2 February 2013).

service broadcasting] serves certain business interests.”<sup>121</sup> In June 2012, the CRC approved Hannu Pro’s sale of its licenses for three commercial multiplexes to HD Media Services, another company providing no information about its ownership.<sup>122</sup> Thus Hannu Pro would operate only the multiplex allocated to public service broadcasting.

## 5.2 Digital Gatekeeping

### 5.2.1 Technical Standards

The transition to digital television started in Bulgaria in 2003, when the incumbent BTC was licensed to start DVB-T trials in MPEG-2 mode over the capital city of Sofia, which began a year later. In 2009, the CRC launched a public consultation about the use of technical standards in digital television broadcasting. Following this, the CRC selected MPEG-4 as the recommended codec. In 2010, the Council of Ministers published its agenda for digital television transition, which stated that broadcasting would be based on MPEG-4.<sup>123</sup>

The requirement for using standards DVB-T and MPEG-4 was later stipulated in the licenses for the multiplex operators. There were no public appeals by the CRC advising people to buy television sets with the MPEG-4 codec instead of older MPEG-2 supporting devices. In 2009, MPEG-4 set-top boxes (STBs) were still very expensive at an average price of €80 (approx. US\$ 105), while MPEG-2 STBs cost around €30 (approx. US\$40), according to data from the CRC. By 2012, there were already MPEG-4-supporting STBs for €25 (approx. US\$33). Despite the delay in digitization, there were no discussions on whether Bulgaria should leapfrog to DVB-T2.

In 2010, NURTS Digital started trials of its two multiplexes in the largest Bulgarian cities. In September 2011, Hannu Pro launched test trials of the multiplex allocated to public service broadcasting.<sup>124</sup>

### 5.2.2 Gatekeepers

During analog terrestrial broadcasting, all television stations and some radio stations used the infrastructure rented by NURTS. For decades it was part of the incumbent BTC. During the privatization of the state telecoms operator and its subsequent changes in ownership, NURTS was also included in the deals.

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121. Andrian Georgiev, “Royal Flush,” *Capital* weekly, 16 July 2010, at [http://www.capital.bg/politika\\_i\\_ikonomika/bulgaria/2010/07/16/933797\\_kent\\_fl\\_osh\\_roial](http://www.capital.bg/politika_i_ikonomika/bulgaria/2010/07/16/933797_kent_fl_osh_roial) (accessed 15 December 2012).

122. Vesislava Antonova, “Digital changes,” *Capital* weekly, 6 July 2012, at [http://www.capital.bg/biznes/media\\_i\\_reklama/2012/07/06/1861088\\_cifrovi\\_rokadi](http://www.capital.bg/biznes/media_i_reklama/2012/07/06/1861088_cifrovi_rokadi) (accessed 15 December 2012).

123. See [https://www.google.bg/url?sa=t&rct=j&q=&esrc=s&source=web&cd=9&ved=0CHAQFjAI&url=http%3A%2F%2Fwww.mtitc.government.bg%2Fupload%2Fdocs%2FPrograma\\_\\_DVB\\_T.doc&ei=5WrMUILiF8vcsGb-koDAAg&usg=AFQjCNEWpsXPmCmRVZuYMi54hpKe-cbFbQ&sig2=mL5OiPSK8E2lpBxMmx2HNng&bvvm=bv.1355325884.d.Yms](https://www.google.bg/url?sa=t&rct=j&q=&esrc=s&source=web&cd=9&ved=0CHAQFjAI&url=http%3A%2F%2Fwww.mtitc.government.bg%2Fupload%2Fdocs%2FPrograma__DVB_T.doc&ei=5WrMUILiF8vcsGb-koDAAg&usg=AFQjCNEWpsXPmCmRVZuYMi54hpKe-cbFbQ&sig2=mL5OiPSK8E2lpBxMmx2HNng&bvvm=bv.1355325884.d.Yms) (accessed 15 December 2012).

124. See <http://www.predavatel.com/bg/digital/channels#mux1> (accessed 15 December 2012).

NURTS is currently merged with a company that also engages in operating multiplexes and is alleged to have close ties to Tsvetan Vasilev, a banker with strong interests in media (newspapers, print distributors, radio stations, and television stations). The allegation rests on a number of observations. For instance, the Corporate Commercial Bank (CCB), owned by Mr Vasilev, is a major creditor to Balkan Media Company, through which Ms Krasteva controls the New Bulgarian Media Group. Moreover, the CCB and its constellation of subsidiaries advertise heavily in New Bulgarian Media Group outlets. Additionally, the CCB has provided Ms Krasteva's companies with loans for acquisitions over many years.

NURTS Digital is also a CCB borrower with a loan of BGN78 million (approximately US\$53 million). The same can be said for the National Distribution Agency, which distributes newspapers. Outlets belonging to the New Bulgarian Media Group also often attack third parties who might threaten the business interests of the CCB (see section 6.1.3). This creates potential opportunities for NURTS Digital to challenge television stations' access to digital terrestrial broadcasting. The complete lack of data on the ownership of HD Media Services (there is not even a website) is also worrying, since this operator could carry up to 24 television channels in the future. However, media owners have as yet voiced no concerns regarding their access to digital broadcasting. In 2010, Mr Angelov (from NURTS Digital) stated that the cost of digital broadcasting via the first multiplex would be half of what analog television channels pay.

### 5.2.3 Transmission Networks

There have been no reported cases of transmission network operators intervening in the distribution of spectrum resources.

## 5.3 Telecommunications

### 5.3.1 Telecoms and News

Cable and DTH companies play a dominant role in the distribution of television channels. Despite an increase in IPTV deployment, its share is still rather small.

In 2008, 11 regional cable companies in southwestern Bulgaria temporarily stopped carrying bTV on their networks. The reason was a demand by bTV to impose a fee on cable operators for every subscriber.<sup>125</sup> According to telecoms operators, this fee would increase subscriptions for end-users by 15 percent. As a result, bTV struck compromise deals with telecoms companies on an individual basis. Another requirement by bTV was for cable operators to package their programs with television stations owned by their then common proprietor, News Corp. A year earlier, there was a similar issue with the television station Diema requiring cable operators to sell bundle subscriptions to its programs. The cable operators again refused, arguing that this would increase subscriptions for end-users.

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125. Vesislava Antonova, "Disturbance in the system," *Capital* weekly, 8 August 2008, at [http://www.capital.bg/biznes/media\\_i\\_reklama/2008/08/08/535795\\_smut\\_v\\_sistemata](http://www.capital.bg/biznes/media_i_reklama/2008/08/08/535795_smut_v_sistemata) (accessed 15 December 2012).

In 2010, Blizoo, Bulgaria's largest cable company by subscribers and revenue, added bTV Cinema to its list of provided channels after bTV Media Group filed a complaint with the Competition Protection Commission for Blizoo's alleged refusal to include bTV Cinema.<sup>126</sup>

In 2012, Blizoo removed the Discovery Channel's programs from its package because the media group had attempted to impose a higher fee for its content.<sup>127</sup> Discovery dismissed Blizoo's allegations. As of February 2013, both sides have not yet reached a compromise and Blizoo's subscribers cannot watch Discovery programs.

By far the most significant feud between a television station and a telecoms or cable operator started in December 2012, when the satellite telecoms company Bulsatcom and bTV Media Group commenced a public dispute over the fee that the carrier pays for the six television channels under the umbrella of bTV. According to Bulsatcom, bTV had demanded a triple increase in the carrier fee, while according to bTV representatives Bulsatcom already pays larger fees to other television channels.

As a result of this dispute, Bulsatcom, which controls 35 percent of the television distribution market, stopped broadcasting bTV Media Group's six channels for several weeks. Simultaneously TV7, which was officially said to have been sold to Alegro Capital (the deal is still not registered) but according to media reports is still controlled by Mr Vasilev, also claimed that Bulsatcom should pay more. According to some journalists, this represented an attack on Bulsatcom for its recent push to become a fourth mobile operator. In addition to controlling TV7, Mr Vasilev is also a major shareholder in Vivacom, the third mobile operator, which also has a foothold in the DTH market, dominated by Bulsatcom.

Another aspect of the story was related to the transition to digital terrestrial broadcasting, starting in March 2013. In this new environment, television networks will pay multiplex operators instead of the other way around. Thus bTV probably wishes to accumulate further financial resources before starting to pay the multiplex operators.

At the same time, bTV's owner—CME—had a similar feud with the DTH and IPTV divisions of Romtelecom in Romania.<sup>128</sup> Again, CME's 11 channels demanded a tripling of payments by Romtelecom. In the midst of the dispute, as in Bulgaria, the operator stopped broadcasting CME's channels. In January 2013, with bTV followed by TV7 both not broadcast by Bulsatcom, surprisingly the state prosecutor's office started pre-trial proceedings against TV+ on a charge of double accounting. (TV+ may be owned by Bulsatcom because it is not carried by any other operator; officially, however, it is listed as an independent company, since Bulgarian

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126. *Dnevnik* daily, "Competition Protection Commission launched an inquiry into purported monopoly abuse of Eurocom and Cabletel," 17 March 2010, at [http://www.dnevnik.bg/biznes/2010/03/17/874877\\_kzk\\_proveriava\\_evrokom\\_i\\_keibultel\\_za\\_zloupotreba\\_s](http://www.dnevnik.bg/biznes/2010/03/17/874877_kzk_proveriava_evrokom_i_keibultel_za_zloupotreba_s) (accessed 15 December 2012).

127. Vesislava Antonova, "Game of nerves," *Capital* weekly, 9 July 2012, at [http://www.capital.bg/biznes/media\\_i\\_reklama/2012/07/09/1862624\\_igra\\_na\\_nervi](http://www.capital.bg/biznes/media_i_reklama/2012/07/09/1862624_igra_na_nervi) (accessed 16 December 2012).

128. Chris Dziadul, "Romtelecom pulls PRO TV's services," *BroadbandTVNews.com*, 7 January 2013, at <http://www.broadbandtvnews.com/2013/01/07/romtelecom-pulls-pro-tv-services> (accessed 2 February 2013).

law prohibits carriers from owning media companies; they also share a single address.) This was widely seen as another stage in the attack on Bulsatcom for trying to become a fourth mobile operator. Since bTV could not reach Bulsatcom subscribers and therefore could not achieve the ratings promised to its advertisers, it slashed its tariffs by 15 percent.<sup>129</sup> The intervention of the state in the commercial dispute continued when Prime Minister Borisov urged the CRC, the Ministry of the Interior, and the National Revenue Agency to mediate. Shortly after the Prime Minister's statement, bTV, TV7, and Bulsatcom agreed terms.

Shortly before this agreement was signed, TV+ lost its license to broadcast Bulgarian football matches to TV7 and BBT, both controlled by Mr Vasilev.<sup>130</sup> The reason for this was that Football Pro Media (which owns all the television rights and first signed a deal with TV+) had backtracked under pressure from TV7. After Botev Football Club (owned by Mr Vasilev) lost a match with Ludogorec (owned by the co-founder of Football Pro Media, Kiril Domuschiev), TV7's main anchor urged the state prosecutor to investigate as to how Football Pro Media had won the television rights in the first place. Newspapers owned by the New Bulgarian Media Group attacked referees who had allegedly been bought by Ludogorec, and Football Pro Media decided to break the deal with TV+ and sell its rights to TV7 and BBT instead.

There are a few partnerships between telecoms companies and digital outlets; however, there are no data on their users. For instance, the horizontal portal Dir.bg and the largest community Bg-mamma.com both make their content freely available when viewed on mobile devices by Vivacom and Mtel, respectively. Despite such projects in a sense challenging network neutrality, there has not been any action by regulators or civil society groups. In addition to these services, print newspapers *24 chasa* and *Trud* struck a similar deal with Mtel for a package to give users free access to the newspapers' content in a prepaid service for mobile phones.

### 5.3.2 Pressure of Telecoms on News Providers

There have not been to our knowledge any cases where cable and telecoms operators (including mobile operators) have exerted pressure on news providers.

## 5.4 Assessments

The transition to DTT has been marked by a lack of transparency and tailor-made legislative amendments that have drawn the attention of the European Commission. As of 2013, the outcomes of the transition are still not clear. There has been a series of conflicting actions by politicians that have led to certain provisions being abolished by the Constitutional Court. Participation in policy debates was largely limited to groups of insiders, namely from media circles.

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129. Vesislava Antonova, "bTV has decreased the price of advertising," *Capital* weekly, 18 January 2013, at [http://www.capital.bg/biznes/media\\_i\\_reklama/2013/01/18/1986562\\_btv\\_namali\\_cenite\\_na\\_reklamata](http://www.capital.bg/biznes/media_i_reklama/2013/01/18/1986562_btv_namali_cenite_na_reklamata) (accessed 2 February 2013).

130. *Dnevnik* daily, "TV7 expectedly won the rights for Championship A," 21 January 2013, at [http://www.dnevnik.bg/sport/2013/01/21/1987879\\_tv7\\_ochakvano\\_poluchi\\_pravata\\_za\\_a\\_grupa\\_vze\\_purviia](http://www.dnevnik.bg/sport/2013/01/21/1987879_tv7_ochakvano_poluchi_pravata_za_a_grupa_vze_purviia) (accessed 2 February 2013).

Legislative amendments and the execution of tenders were carried out simultaneously in a very short timeframe prior to elections, which did not ensure protection of the public interest. By allocating six multiplexes initially to just two companies (now three, with the strong suspicion that there only is a single proprietor), the CRC has failed to secure a healthy level of competition. Especially worrying is the state's unwillingness to shed light on the ownership of multiplex/network operators. It implies that certain television broadcasters (TV7) and network operators (NURTS Digital) have been favored in the licensing process in exchange for positive coverage of the government by outlets controlled by the New Bulgarian Media Group. Currently, the European Commission is the only entity that has the capacity (albeit limited) to introduce changes and increase the level of competition. What makes the situation even more complex is that simply conducting new tenders for multiplex operators would give grounds to current license holders to sue the state for missed opportunities.

The shady legal context in which the transition to digital terrestrial television is being conducted does not make observers expect any different outcomes from the upcoming allocation and regulation of white space and digital dividends.

## 6. Digital Business

### 6.1 Ownership

#### 6.1.1 Legal Developments in Media Ownership

Since 2007, there has been a consensus among legislators, regulators, and business interests that media legislation in Bulgaria is far from perfect, with shortcomings that need to be adjusted in line with EU legislation. The 28 amendments to the Radio and Television Act, since its adoption in 1998, indicate the scale of fundamental change needed to the legal framework. All governments since 2001 have brought the issue of new media legislation to the top of policy agendas (although usually toward the end of their terms).

Digitization disrupted newspaper circulation by allowing more people to set up news websites and build an audience. In addition to the flow of news websites whose ownership is not transparent, there are major issues around newspaper ownership. The swift acquisition of newspapers by the New Bulgarian Media Group after 2008 made the Union of Publishers lobby for legal amendments that required media owners to disclose their holdings (see section 6.1.5).

#### 6.1.2 New Entrants in the News Market

There has been a significant restructuring of the Bulgarian media industry as a result of a marked growth in foreign investment. This began in 2006 when SBS Broadcasting Europe BV took over Radio Veselina (which at the time had broadcasting licenses for seven cities) as well as cable television operator Veselina. The company went on to acquire additional radio stations.

However, after 2010, an increasing number of foreign investors have left the Bulgarian media market, particularly newspapers and radio. In 2010, Germany's Westdeutsche Allgemeine Zeitung (WAZ) sold its Bulgarian newspapers (most notably, *24 chasa* and *Trud*) to local investors. In 2011, SBS Broadcasting sold its Bulgarian radio network because its owner ProSieben was looking to sell non-German assets in order to reduce debt.<sup>131</sup> The same year, Bonnier sold its *Pari* daily to Economedia.

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131. See <http://www.ft.com/cms/s/0/a54e9898-6b42-11e0-9be1-00144feab49a.html#axzz2KWkBnFj> (accessed 2 February 2013).

In the television market, the first major transaction in this period was the acquisition by the UK company, Apace Media Group, of MM TV and the Diema cable television channels Diema+, Diema 2, Diema Family, and Diema Extra. The penetration of international media companies with extensive experience and significant financial resources catalyzed the development of the Bulgarian media market, providing much needed financial and infrastructural support to domestic companies. The trend continued in 2008 with the decision by News Corporation to sell some of its operations in Eastern Europe, including bTV. At the same time, the owners of the other nationwide commercial television channel Nova started to search for a buyer.

In August 2008, CME announced the acquisition of 80 percent of TV2, a nationwide television channel rapidly assembled from 27 regional licenses by media mogul Krassimir Gergov, along with the cable station Ring TV and radio station Mila for € 110 (approx. US\$ 145) million.

While the news about this acquisition was still being digested by the professional community and media industry, a second major acquisition was announced: the Swedish media giant MTG took over the company holding the second largest private nationwide television station by audience, Nova, and other assets for €620 million (approx. US\$ 810 million), a price that exceeded market expectations. The sale of bTV was delayed primarily because of the global financial crisis and the contraction of the television advertising market. In 2010, CME officially announced the acquisition of bTV together with radio stations Classic FM, Jazz FM, Z-Rock, and radio chain NJoy for € 295 million (approx. US\$ 385 million).

In contrast to the television market, digital media are still owned primarily by local investors—even though the largest online media group is foreign-owned, as is part of another of the top three group, Investor.bg. Exceptions include Sanoma Magazines International acquiring in 2008 a majority share of Netinfo, the largest online media group in Bulgaria, for an undisclosed sum. In 2009, 3TS Capital bought 16.7 percent of Investor.bg for €1.25 million (approx. US\$1.63 million), and later increased its share to 21.3 percent.

### **6.1.3 Ownership Consolidation**

What is really critical and dangerous is not the lack of different views but the fact that the major international companies that own the two most watched television channels in Bulgaria have almost completely destroyed the tradition of analytical and investigative journalism. Instead, they invested heavily in reality formats and soap operas with mass audience appeal. Unfortunately, the initial expectations that renowned international media investors would enhance the quality of the programs were not met. Investors, pressed by the global crisis and shrinking advertising market, reduced the program budget and focussed heavily on programming that promised short-term returns.

A report by the South East Europe Media Organization (SEEMO) in April 2012 stated that:

The Bulgarian media scene has been profoundly transformed during the past three years, since the German-based media group Westdeutsche Allgemeine Zeitung (WAZ) left the country in 2010. Then Media Group Bulgaria Holding bought WAZ publications. On the

other hand, New Bulgarian Media Group began acquiring numerous publications from 2007 onwards. Both groups essentially maintain an oligopoly by controlling a large share of newspapers market.<sup>132</sup>

According to news reports, the coalition government (2005–2009) helped Mr Vasilev to build a media empire in order to gain support before the 2009 parliamentary elections.<sup>133</sup> This was achieved by the CCB accumulating a major share of deposits of state companies under the umbrella of the Ministry of the Economy (70 percent as of 2011). It is worth mentioning that state money is deposited at a low interest, and as of 2010 CCB is the only bank that awarded dividends to its shareholders during the financial crisis.

The name of this media empire is New Bulgarian Media Group. It is owned by Ms Krasteva, whose son, Mr Peevski, is a Member of Parliament. In 2001, at the age of 21 and with the help of the National Movement Simeon II—the then ruling party—Mr Peevski became chairman of the board of the state port located near Varna.<sup>134</sup> Since he was then only a sophomore law student, he was not qualified educationally and was later dismissed. In 2005, Mr Peevski became Deputy Minister of the Ministry for Emergency Situations in the coalition government consisting of the Bulgarian Socialist Party, the National Movement Simeon II, and the Movement for Rights and Freedoms. Nevertheless, Mr Peevski has been seen taking editorial decisions in the offices of the New Bulgarian Media Group, such as selecting photographs that portray Prime Minister Borisov in a positive light.<sup>135</sup>

Until 2012, the company also owned TV7, BBT, and Super 7. However, in November 2012 Alegro Capital announced the purchase of the three television stations.<sup>136</sup> The media purchases by Ms Krasteva have been paid by loans from the CCB, owned by Mr Vasilev, whose interests are in insurance, property, energy, tobacco, telecoms, finance, and port business. As of February 2011, this bank was responsible for 70 percent of all bank deposits by state companies (controlled by the Ministry of the Economy). This has raised questions by journalists as to whether the state indirectly tries to control a significant portion of the Bulgarian media.<sup>137</sup>

When it all started in 2008, Mr Vasilev appeared as a shareholder in the dailies *Monitor* and *Telegraph* and in the weekly *Politika*. Subsequently, in partnership with Ms Krasteva, former Director of the State Lottery, he bought the majority of shares in the biggest printing house in Bulgaria, IPK Rodina. Thus in the span

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132. See <http://www.seemo.org/activities/pressreleases/presreleases1205.html> (accessed 15 December 2012).

133. Dimitar Peev, “Corporate Commercial – the government’s favorite bank,” *Capital* weekly, 16 May 2010, at [http://www.capital.bg/politika\\_i\\_ikonomika/bulgaria/2010/05/16/901600\\_korporativna\\_-\\_bankata\\_i\\_na\\_tazi\\_vlast](http://www.capital.bg/politika_i_ikonomika/bulgaria/2010/05/16/901600_korporativna_-_bankata_i_na_tazi_vlast) (accessed 9 February 2013).

134. *24 chasa*, “Career of Delyan Peevski—MP and media mogul,” 8 April 2011, at <http://www.24chasa.bg/Article.asp?ArticleId=849290> (accessed 26 January 2013).

135. *Capital* weekly, “Media betrayal,” 9 October 2009, at [http://www.capital.bg/biznes/media\\_i\\_reklama/2009/10/09/797531\\_predateltstvoto\\_na\\_mediite](http://www.capital.bg/biznes/media_i_reklama/2009/10/09/797531_predateltstvoto_na_mediite) (accessed 10 February 2013).

136. Vesislava Antonova, “TV7, BBT, and Super 7 are bought by a new company,” *Capital* weekly, 20 November 2012, at [http://www.capital.bg/biznes/media\\_i\\_reklama/2012/11/20/1951562\\_nova\\_kompaniia\\_vliza\\_v\\_tv7\\_super7\\_i\\_bbt](http://www.capital.bg/biznes/media_i_reklama/2012/11/20/1951562_nova_kompaniia_vliza_v_tv7_super7_i_bbt) (accessed 8 December 2012).

137. Nikolay Stoyanov, “Increase in concentration of deposits by state companies at Corporate Commercial Bank,” *Capital* weekly, 1 December 2011, at [http://www.capital.bg/biznes/fi\\_nansi/2011/02/01/1035292\\_koncentraciata\\_na\\_parite\\_na\\_durjavni\\_kompanii\\_v](http://www.capital.bg/biznes/fi_nansi/2011/02/01/1035292_koncentraciata_na_parite_na_durjavni_kompanii_v) (accessed 8 December 2012).

of 1.5 years Mr Vasilev and Ms Krasteva invested BGN63.3 million (US\$42.2 million) in an acquisition of newspapers, a printing house, and distribution companies. New assets were acquired at incredibly high prices. According to official data from the Business Registry, 50 percent of *Borba* daily in Veliko Turnovo, Central Bulgaria was bought for €1 million (approx. US\$1.3 million); this despite the fact that the profit of the company for that year was only BGN 220,000 (US\$ 146,700) and the overall assets value was BGN 700,000 (US\$ 467,000).

Mr Vasilev later sold all his shares in the New Bulgarian Media Group to Ms Krasteva, so now she appears as sole owner. However, all the acquisitions have been carried out with loans from the CCB. She is actively joined in management by Mr Peevski (her son), an MP in the current Parliament. During the mandate of the previous tri-party government, Mr Peevski was Deputy Minister of the Ministry for Emergency Situations and Disasters. Mr Vasilev is currently a consultant for NURTS Digital, the multiplex/network operator that would play a crucial role in digital television broadcasting. In 2012, his bank, together with VTB Capital, bought the majority shares of BTC, the largest fixed-line operator and the third largest mobile telecoms company in Bulgaria.<sup>138</sup>

The newspapers associated with the New Bulgarian Media Group possess all the features of government media outlets: they adhere to the ruling party and its policies, they make no profit, and would collapse without regular financial “injections.” According to a study of six major newspapers’ coverage of politicians, *Telegraph* is most positive toward Prime Minister Borisov, followed by *Standart*. *Trud* and *24 chasa* are also consistently positive toward Mr Borisov despite a fluctuation in 2012, perhaps attributable to the brief conflict with the New Bulgarian Media Group.<sup>139</sup>

According to written statements by Ms Krasteva, all the newspapers in the New Bulgarian Media Group are financially independent. Official company reports for 2008 show that all their outlets with the exception of the television channel BBT are losing money. Nonetheless, a consolidated financial report of the group shows a profit of BGN13 million (US\$8.7 million), which cannot be explained (in the report it comes under “other income”). The main source of advertising for the newspapers in the group is the CCB and its affiliates. In the first four months of 2010, according to TNS/TV Plan monitoring, the CCB invested nearly BGN6 million (US\$4 million) in the New Bulgarian Media Group, which is roughly 70 percent of all the advertising income of the group. Such figures demonstrate that the publisher is far from financially independent.

In 2010, Media Group Bulgaria Holding, publisher of *Trud* and *24 chasa*, filed a case with the Competition Protection Commission against the New Bulgarian Media Group for dumping the selling price of the

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138. Tatyana Puncheva, “Taking control of BTC,” *Capital* weekly, 16 November 2012, at [http://www.capital.bg/biznes/kompanii/2012/11/16/1948971\\_ovladiavaneto\\_na\\_btk](http://www.capital.bg/biznes/kompanii/2012/11/16/1948971_ovladiavaneto_na_btk) (accessed 9 February 2013).

139. Media Democracy Foundation, “The other duel: The conflict between old and new media. Bulgarian media monitoring 2012,” 17 January 2013, at <http://www.fmd.bg/?p=7454> (accessed 1 January 2013).

papers.<sup>140</sup> *Telegraph*, for instance, costs BGN0.40 (US\$0.27) and *Monitor* BGN0.60 (US\$0.4) vis-à-vis BGN0.90 (US\$0.6) for each of *Trud* and *24 chasa*. The Competition Protection Commission dismissed the complaint.

The concentration of ownership in the newspaper market has had a vastly politicizing effect on media output. In 2010, newspapers owned by the New Bulgarian Media Group slammed in numerous articles the insurer Allianz for stealing more than € 100 million (approx. US\$ 130 million) by insuring state energy companies' assets.<sup>141</sup> These articles were published just two weeks before the state announced the company that would insure the assets of the largest state thermal power station. Consequently, Allianz lost the public procurement to Victoria, whose supervisory board is headed by Mr Vasilev. A year earlier, again after articles critical of Allianz, Victoria managed to secure the insurance of the state company for railway infrastructure.<sup>142</sup>

The New Bulgarian Media Group also often engages in unconfirmed accusations against other publishers, most notably Media Group Bulgaria Holding (*Trud* and *24 chasa*) and Economedia (*Capital*).<sup>143</sup> In 2011, the Media Democracy Foundation published the results of an 18-month media monitoring study. Among the most striking observations was the fact that in the course of the monitoring, the papers of the New Bulgarian Media Group (especially *Monitor*) dramatically changed their attitude toward prime minister Borisov (from very negative to very positive), which coincides with the change of power after the elections in July 2009.<sup>144</sup>

#### 6.1.4 Telecoms Business and the Media

Telecoms operators are not significantly involved in the Bulgarian media sector. One exception is the 2010 acquisition of 49 percent of Economedia, the largest business media group, by Theodore Zahov, owner of half of Spectrum Net, an ISP with a strong business subscriber base.<sup>145</sup> The other half of Spectrum Net was owned by a company belonging to Ivo Prokopiev, the major shareholder in Economedia. The entry of a tech-savvy investor was expected to help Economedia with the digitization of the media: in the following two years, Economedia launched Kindle editions, paid online subscriptions, and other such platforms. Months after the deal, Mtel, the largest mobile operator by subscribers and revenue, bought Spectrum Net and Megalan. The latter is another ISP with a strong subscriber base exercising a bid to increase its share of the fixed-line market.

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140. Zornitsa Stoilova, "Competition Protection Commission fined Express BG for price dumping," *Capital* weekly, 28 June 2010, at [http://www.capital.bg/biznes/media\\_i\\_reklama/2010/06/28/924707\\_kzk\\_sankcionira\\_ekspres\\_bg\\_ead\\_za\\_dumping\\_na\\_ceni](http://www.capital.bg/biznes/media_i_reklama/2010/06/28/924707_kzk_sankcionira_ekspres_bg_ead_za_dumping_na_ceni) (accessed 16 December 2012).

141. Dimitar Peev, "Fifth power: Racketeering," *Capital* weekly, 16 April 2010, at [http://www.capital.bg/politika\\_i\\_ikonomika/bulgaria/2010/04/16/888290\\_petata\\_vlast\\_reke](http://www.capital.bg/politika_i_ikonomika/bulgaria/2010/04/16/888290_petata_vlast_reke) (accessed 15 December 2012) (hereafter Peev, "Fifth power").

142. Peev, "Fifth power."

143. Dimitar Peev, "The game got rough," *Capital* weekly, 29 June 2012, at [http://www.capital.bg/politika\\_i\\_ikonomika/bulgaria/2012/06/29/1856555\\_igrata\\_zagrubia](http://www.capital.bg/politika_i_ikonomika/bulgaria/2012/06/29/1856555_igrata_zagrubia) (accessed 15 December 2012).

144. Georgi Marchev, "Media monitoring: Boyko Borisov is the good hero in the press and the villain on the internet," *Dnevnik* daily, 17 January 2011, at [http://www.dnevnik.bg/bulgaria/2011/01/17/1026684\\_mediiniiat\\_monitoring\\_boiko\\_borisov\\_e\\_dobur\\_geroi\\_vuv/?ref=rss](http://www.dnevnik.bg/bulgaria/2011/01/17/1026684_mediiniiat_monitoring_boiko_borisov_e_dobur_geroi_vuv/?ref=rss) (accessed 15 December 2012).

145. *Capital* weekly, "Changes in management and ownership of Economedia," 4 August 2010, at [http://www.capital.bg/biznes/media\\_i\\_reklama/2010/08/04/942325\\_promeni\\_v\\_upravlenieto\\_i\\_sobstvenostta\\_na\\_ikonomedia\\_ad](http://www.capital.bg/biznes/media_i_reklama/2010/08/04/942325_promeni_v_upravlenieto_i_sobstvenostta_na_ikonomedia_ad) (accessed 15 December 2012).

## 6.1.5 Transparency of Media Ownership

Transparency of ownership has been a fundamental issue for the media market since the country's transition to democracy started in 1989.

Professional, community, and media organizations have since been building public pressure to set rules for transparency of media ownership. In September 2009, the Union of Publishers in Bulgaria, then the only association of print media publishers in the country, appealed to the prime minister for action regarding the transparency of media ownership, media concentration, and related issues in view of the broad expansion of the New Bulgarian Media Group.<sup>146</sup> A working group comprising representatives of the government, the Ministry of Culture, the National Association of Municipalities, and the Union of Publishers was commissioned to prepare amendments to the Act for Obligatory Deposits of Printed and Other Works, adopted in 2010.

Among the arguments for legal amendments on newspaper ownership (available on the Bulgarian Ministry of Culture website),<sup>147</sup> it is stated that, “unfortunately, there are still cases of distribution of publications which are published anonymously or by non-existent legal subjects.” In the Bulgarian context, the category of anonymous and non-existent legal subjects could be expanded to include:

- unknown publishers (i.e. about whom there is no information);
- known publishers with unknown ownership structures (i.e. a legal subject is known but the chain of partners/shareholders, frequently including offshore companies, is non-transparent);
- non-existent publishers (i.e. about whom the data refer to a non-existent person);
- existing and known publishers who act (on a non-transparent basis such as a contract or by power of attorney) on behalf of another subject (a consultant, a “person with financial interest,” etc.).

Interestingly enough, even before these amendments, there were legal provisions that addressed the transparency of media ownership:

- the existing Act for Obligatory Deposits of Printed and Other Works required publishers to be named (i.e. it was possible to sanction an anonymous and non-existent publisher);
- the Access to Public Information Act obliged media outlets to provide information about the persons who manage, control, or participate in the formation of editorial policy, as well as about the financial results of the publisher and about distribution (circulation, ratings);
- the Radio and Television Act had a special provision prohibiting physical or legal subjects from applying for a license if they could not prove ownership of their capital. A further provision prohibited a license candidate from engaging in advertising activities or holding shares in advertising companies.

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146. See <http://sib.bg> (accessed 16 December 2012).

147. See [http://mc.government.bg/files/839\\_motivi\\_peatni%20.doc](http://mc.government.bg/files/839_motivi_peatni%20.doc) (accessed 16 December 2012).

These requirements existed for over 12 years, but there was no means of implementation or enforcement. Moreover, in 2010 the Radio and Television Act waived the provision prohibiting media owners from also owning equity in advertising agencies. Six months after the legal amendments were adopted, Krasimir Guergov revealed that he had for years owned shares in bTV while he also held equity in a number of advertising agencies.<sup>148</sup>

The media expert and academic Professor Nelly Ognyanova argues that if “the provisions in all above laws had been efficiently observed,” then offshore companies, front men, or “consultants” would not be able to obfuscate the law. “It is hypocrisy and double standards to add further legal norms to existing legislation if there will be subjects who are over and beyond the rules.”<sup>149</sup>

However, an analysis of the amendments to the Act for Obligatory Deposits of Printed and Other Works reveals two positive ideas:

- a requirement to disclose the real owner of publishing houses;
- if there is no information about the real owner, the responsibility for the accuracy of information about actual ownership lies with the publisher/producer and distributor.

According to these amendments, each print publication is obliged to publish, in its first issue, a box with detailed information about the real owner. These boxes should be published at least once a year. The same applies if there is a change in the ownership structure, and there is a five-day deadline to inform the Ministry of Culture, which is supposed to publish this information on its website. In January 2011, many publishers followed this new requirement, but the number of those who did not do so was also significant. The penalty for not respecting this regulation is BGN 1,000 (US\$ 667) per issue until the publication of the box, and the fines go to the municipal administration (for it is the municipality’s obligation to check the accuracy of the information).

As of 2012, less than one-third of all newspapers filed documents regarding their ownership with the Ministry of Culture.<sup>150</sup> Not one of Ms Krasteva’s newspapers disclosed their owner, although they filed documents for 2010. Despite the penalties prescribed in law, there is virtually no strict control of the process of imposing fines. The law does not describe how information about violations should reach the administration of the local community. According to the Ministry of Culture, 60 penal provisions have been issued, although it is not clear how many of these have been imposed by district mayors.

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148. Vesislava Antonova, “Krasimir Guergov: I was and continue to be a shareholder in bTV,” *Capital* weekly, 1 June 2010, at [http://www.capital.bg/blogove/za\\_medii/2010/06/01/909928\\_krasimir\\_gergov\\_biah\\_i\\_sum\\_sudrujnik\\_v\\_btv](http://www.capital.bg/blogove/za_medii/2010/06/01/909928_krasimir_gergov_biah_i_sum_sudrujnik_v_btv) (accessed 10 February 2013) (hereafter Antonova, “Krasimir Guergov”).

149. Antonova, “Krasimir Guergov.”

150. Vesislava Antonova, “Difficult transparency,” *Capital* weekly, 14 September 2012, at [http://www.capital.bg/biznes/media\\_i\\_reklama/2012/09/14/1906325\\_trudna\\_prozrachnost](http://www.capital.bg/biznes/media_i_reklama/2012/09/14/1906325_trudna_prozrachnost) (accessed 15 December 2012).

It is believed that a similar text concerning transparency of ownership is due for inclusion in the new law that will regulate the broadcast media. The expert group working on new media legislation comprised representatives from all the stakeholder groups: media, legislators, government, civil society, and so forth. Early in 2011, the group presented its conclusions and recommendations for the new law. It remains to be seen, however, whether the recommendations will be ratified as new legislation before the end of the current Parliament.

## 6.2 Media Funding

### 6.2.1 Public and Private Funding

BNT and BNR are financed primarily through the state budget. Both of them are obliged by law to prepare, implement, and report on individual budgets. The existing Radio and Television Act stipulates that the individual budgets of BNT and BNR must constitute:

- funding from the “Radio and Television Fund” (which refers to a license fee that is still non-existent 13 years after the law was approved by Parliament; this is mainly due to a lack of agreement on the way the license fee should be collected);
- a state budget subsidy;
- advertising revenue (subject to restrictions based on total advertising air time and proportion of prime time viewing given over to adverts);
- income from supplementary activities, related to radio and television broadcasting;
- private donations;
- interest and other income related to radio and television broadcasting.

*Table 7.*

Annual state subsidy for public service broadcasting (BGN million), 2005–2013

	2005	2006	2007	2008	2009	2010	2011	2012	2013*
BNT	52.523	58.992	60.665	66.731	76.803	60.088	60.1	67.114	70.128
BNR	32.279	36.179	37.793	47.421	58.025	48.053	49.065	42.079	42.093

*Note:* \* Projected figures

*Source:* Ministry of Finance<sup>151</sup>

151. See <http://www.minfin.bg/bg/page/247> (accessed 16 December 2012).

Since August 2009, BNT has failed to pay on a regular basis its rent for the network operator NURTS' transmitters. At its last meeting for 2010, the government assigned an additional subsidy of BGN10 million for BNT to help the station pay back its debt to NURTS.<sup>152</sup> The same scenario repeated itself twice in 2011<sup>153</sup> and twice in 2012, when the government decided to allocate additional funds for BNT to help the station pay for the broadcasting rights of the local football championship and cover its debt to NURTS.<sup>154</sup>

When preparing the 2011 budget, Parliament allocated another BGN7 million to BNT and decreased BNR's subsidy by the same amount. For 2012, Parliament left BNR's budget at the same level despite a protest letter from Ingrid Deltenre, General Director of the European Broadcasting Union (EBU). "The BNR has managed to reach biggest part of the Bulgarian audience in a highly competitive media environment. Besides it has managed to reach huge technical improvement over the last two years, including its web-site and internet radio ... The Director General of EBU has asked the Bulgarian authorities to provide sufficient funds to the BNR so it can continue to do its excellent job," the letter stated.<sup>155</sup>

When it was originally adopted in 1998, the Radio and Television Act envisaged that by 2007, subsidies from the state budget would cease and all funding would come from the specially established Radio and Television Fund. The idea was that this fund would be accumulated by license fee collection, fines imposed by the CEM on broadcasters for violating the Radio and Television Act, and so forth. This fund has not been created to date. Time and again, ever since the adoption of the Radio and Television Act, there have been debates on the mechanism for the collection of license fees, but in the end none of the political majorities in power demonstrated a strong determination to impose yet another tax (as it was considered to be by the public).

The state subsidy is intended for the preparation, creation, and distribution of national and regional programs, as well as for staff salaries. The subsidy is calculated on the cost per hour for programming (regardless of the type of program) approved by the government. There is also a dedicated budget for fixed costs, which are approved by the Ministry of Finance. This mechanism is meant to ensure that the funding of public broadcasters is subject to purely administrative rather than political control. However, although it takes into consideration the cost per hour of the program, it disregards the kind of program that requires additional mechanisms for accountability and control, as well as the necessity to correlate financing with programs that demonstrate the public service function and value of BNT. In addition, this method of financing has not eliminated political influence. As long as the government has a major say in the budgets of public service broadcasters and their general directors are appointed by the Council of Electronic Media (whose members are appointed by Parliament and the president), there will always be a shadow over the appointed leaders of public service broadcasters.

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152. Mishel Gutsuzyan, "The government has assigned 10 mln. BGN to BNT," *Dnevnik* daily, 28 December 2010, at [http://www.dnevnik.bg/bulgaria/2010/12/28/1017690\\_pravitelstvoto\\_dade\\_oshte\\_10\\_mln\\_lv\\_na\\_bnt](http://www.dnevnik.bg/bulgaria/2010/12/28/1017690_pravitelstvoto_dade_oshte_10_mln_lv_na_bnt) (accessed 15 December 2012).

153. Nellyo. wordpress.com (Nelly Ognyanova's blog), "BNT: Additional funding in 2011," 22 December 2011, at <http://nellyo.wordpress.com/2011/12/22/bnt2011> (accessed 16 December 2012).

154. "Pre-Christmas expenditures of BGN 90 million," *Capital* weekly, 12 December 2012, at [http://www.capital.bg/politika\\_i\\_ikonomika/bulgaria/2012/12/12/1967429\\_predkoledni\\_90\\_mln\\_lv\\_razhodi?sp=1#storystart](http://www.capital.bg/politika_i_ikonomika/bulgaria/2012/12/12/1967429_predkoledni_90_mln_lv_razhodi?sp=1#storystart) (accessed 16 December 2012).

155. European Broadcasting Union letter to the Bulgarian Prime Minister and President of the National Assembly, 24 September 2012, at <http://www.binar.bg/assets/files/DG-MBorisov-Prime-Minister24sept12final.pdf> (accessed 10 February 2013).

In 2011, the working group appointed to gather ideas for new media legislation underlined two important principles in relation to funding:<sup>156</sup>

- Funding of the public broadcaster should be sufficient, sustainable, and targeted—for the production and distribution of programs serving the public interest, no matter whether this is funded by license fees or state subsidy.
- There should be transparent and accountable spending of public funds. This could be done by regular publication of reports as well as by appointing a “public council”—an independent body that could foster the relationship between the public broadcaster and wider society and guarantee the fulfillment of its public mission and tasks.

The commercial media in Bulgaria are financed entirely by income from advertising, sponsorship, and sales of their own productions. According to existing legislation, commercial television channels are allowed 12 minutes per hour advertising time.

*Table 8.*  
Advertising expenditures, gross values, 2009–2011

Media segment	Spending (€ million)			Share of total spending (%)		
	2009	2010	2011	2009	2010	2011
Television	330.97	331.40	359.32	63.0	65.2	67.7
Print media	90.04	80.54	77.32	17.2	15.9	14.5
Radio	44.18	39.50	36.63	8.4	7.7	6.9
Outdoor	42.97	37.88	35.98	8.2	7.5	6.8
Online	17.10	18.96	21.80	3.2	3.7	4.1
Total	525.26	508.28	531.14	100.0	100.0	100.0

Source: Piero97, March 2012<sup>157</sup>

The most evident trend in the post-2008 advertising market is the pressure on the media to offer discounts. Despite television stations increasing their gross advertising revenue by 8.4 percent year on year in 2011, there was a decrease in total net investments of 4.7 percent, as a result of discounts that advertisers received from television stations on an individual basis. This trend has also been observed among radio networks, where the decrease in net advertising expenditures for 2011 was 7.2 percent. Outdoor advertising has also experienced a drop in net investments in the range of 21 percent. The discrepancy is also evident in online advertising, albeit not that steep: an annual gross increase of 16 percent is coupled with an increase of 11 percent in net expenditures.

156. *Capital* weekly, “Ideas for media regulation,” 28 January 2012, at [http://www.capital.bg/biznes/media\\_i\\_reklama/2011/01/28/1033335\\_ideite\\_zamediinata\\_regulaciia](http://www.capital.bg/biznes/media_i_reklama/2011/01/28/1033335_ideite_zamediinata_regulaciia) (accessed 16 December 2012).

157. See <http://www.piero97.com/Medien-pazar> (accessed 16 December 2012).

## 6.2.2 Other Sources of Funding

Since 2010, simultaneously with legislative amendments allowing product placement, there have been increased investments in Bulgarian-made series by television stations.<sup>158</sup> Bulgarian media law legalized product placement following the provisions of the Audiovisual Media Services (AVMS) Directive. Commercial television channels and independent producers are successfully using this opportunity to generate additional income. According to existing media legislation, however, BNT and BNR are not allowed to use product placement except in films, series, sports, and entertainment programs. This is one of the discussion points within the working group on the new media legislation: on the one hand, the representatives of BNT, BNR, and the Association of Television Producers (ATP) insist that product placement should also be allowed in public broadcasting.

On the other hand, representatives of the Association of Bulgarian Broadcasters (ABBRO) are seeking to maintain the current prohibitive regime. And some of the legal experts in the working group consider that if product placement is allowed in public broadcasting, then the amount of state subsidy should be proportionally reduced.

## 6.3 Media Business Models

### 6.3.1 Changes in Media Business Models

The financial crisis and general expectations of an ever-growing advertising market have made most media consider or impose journalist redundancies as a cost-cutting measure. For instance, in 2009 *Cash* newspaper defaulted and Economedia started integrating all its journalists in a single newsroom that would publish content for all its products. Despite their heavy reliance on aggregating content instead of publishing original reporting, some online media groups have also engaged in cost cutting. In 2010, there were continued layoffs and *Klasa* daily has continued as an online-only edition. At this time, a lot of advertising budgets were redirected from print to television because of the latter's aggressive discounts to entice advertisers, with the result that some of them now allocate most of their budget (sometimes up to 90 percent) to television.<sup>159</sup>

Despite the drop in newspaper advertising, there were no major launches of online pay walls by publishers. The reason is that Bulgarians are wary of paying for content online because of the huge popularity of torrent trackers. According to the most recent data, in 2008, just 4.3 percent of Bulgarian internet users paid for audiovisual content on the web.<sup>160</sup> In July 2011, the largest media groups—Media Group Bulgaria Holding and New Bulgarian Media Group—both launched daily tabloid newspapers, *Bulgaria Dnes* and *Vseki Den*,

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158. See <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2010:095:0001:0024:EN:PDF> (accessed 16 December 2012).

159. *Capital* weekly, "Raise the curtains," 19 August 2011, at [http://www.capital.bg/biznes/media\\_i\\_reklama/2011/08/19/1141936\\_povdignete\\_zavesata](http://www.capital.bg/biznes/media_i_reklama/2011/08/19/1141936_povdignete_zavesata) (accessed 16 December 2012).

160. See <http://www.nsi.bg/otrasalen.php?otr=48&a1=1751&a2=1752&a3=2792#cont> (accessed 16 December 2012).

respectively.<sup>161</sup> Until then, the tabloid press label was attributed only to weekly newspapers. This segment of the market remained stable during the financial crisis because of its relative independence on advertising. Both *Bulgaria Dnes* and *Vseki Den* offer sensational content on the cheap. A single issue of both newspapers costs BGN0.40 (US\$0.27). *Bulgaria Dnes* was designed as an attempt to fight the *Telegraph*, owned by the New Bulgarian Media Group, which has the largest circulation among the dailies. On the other hand, *Vseki Den* was quickly set up and based on the website of the same name as a response to the challenge of *Bulgaria Dnes*. The latter does not have a website in order to avoid cannibalization of its main print circulation revenue.

The reigning business model of digital Bulgarian media is advertising. Media publishers have attributed the low share of online advertising (4.1 percent of the total media mix in 2011) to the general lack of in-depth understanding about digital marketing among Bulgarian advertisers. The concerns of the latter have been mostly related to the lack of a common methodology for measuring returns on online advertising expenditures similar to gross rating point values. What is worrying for local publishers is the stalling growth in online advertising expenditure: just 4 percent between 2010 and 2011, according to the IAB.<sup>162</sup> This might be attributed to the excess of available pageviews online, the intense competition from foreign companies such as Facebook and Google, and the lack of original features among Bulgarian online publishers.

Therefore, the failure to attract significant investments prevents publishers from building innovative products and services, which in turn does not help to grow revenue and so on. A major threat to local online publishers is the massive (though unknown) amount of local advertising expenditure going to Facebook, Google, torrent trackers, and other foreign companies. Kristin Stoyanov from the Ogilvy & Mather Sofia advertising agency elaborates: “Facebook has made more improvements in their advertising products during the last year and a half, than most Bulgarian websites have done in the last five years.”<sup>163</sup> Among other reasons, the small online advertising market made Nielsen Online shut down its Bulgarian operations in 2012, thus making Gemius the unchallenged audience measurement system.<sup>164</sup> Moreover, as of 2012, Netinfo, the largest digital media group in terms of audience size, was up for sale.<sup>165</sup>

Contrary to the lack of innovative business models on the web and in the print market, the largest television networks, bTV Media Group and MTG, have made bold steps online. In 2010, Nova started its free online VOD service entitled Play, whose business model is advertising-based. During June 2011, users watched 60,000 videos daily on Play.novatv.bg. Approximately 61 percent of viewers logged in to the website every day. Most watched content including series, talk, and reality shows. In 2012, CME followed suit with Voyo.

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161. Vesislava Antonova, “War on the stall,” *Capital* weekly, 29 June 2011, at [http://www.capital.bg/biznes/media\\_i\\_reklama/2012/06/29/1856303\\_voina\\_na\\_sergiata](http://www.capital.bg/biznes/media_i_reklama/2012/06/29/1856303_voina_na_sergiata) (accessed 16 December 2012).

162. Maria Manolova, “His majesty—the banner,” *Capital* weekly, 16 March 2012, at [http://www.capital.bg/biznes/media\\_i\\_reklama/2012/03/16/1789455\\_negovo\\_velichestvo\\_banerut](http://www.capital.bg/biznes/media_i_reklama/2012/03/16/1789455_negovo_velichestvo_banerut) (accessed 16 December 2012) (hereafter Manolova, “His majesty”).

163. Manolova, “His majesty.”

164. Maria Manolova, “One audience measurement system less,” *Capital* weekly, 12 November 2012, at [http://www.capital.bg/biznes/media\\_i\\_reklama/2012/11/12/1945291\\_edna\\_metrika\\_po-malko](http://www.capital.bg/biznes/media_i_reklama/2012/11/12/1945291_edna_metrika_po-malko) (accessed 16 December 2012).

165. Asen Georgiev and Maria Manolova, “Netinfo: Resale,” *Capital* weekly, 23 November 2012, at [http://www.capital.bg/biznes/kompanii/2012/11/23/1953985\\_net\\_infobg\\_preprodavane](http://www.capital.bg/biznes/kompanii/2012/11/23/1953985_net_infobg_preprodavane) (accessed 16 December 2012).

For the monthly subscription of BGN8 (US\$5.48), it allows users to watch episodes of Bulgarian series seven days before they are aired on television, together with video content on demand. Currently, there are no data on the number of subscribers.

## 6.4 Assessments

Despite digitization decreasing costs of production and multiplying distribution opportunities, it has not affected monopolies and dominant positions in the media market. On the contrary, before the ubiquitous popularity of the internet, newspapers were quite a fragmented market. The drop in advertising income and the rise of the tabloid press, based on revenues from circulation, has decreased the value of all publishers' assets. Thus, the New Bulgarian Media Group managed to buy numerous media outlets, ignore revenue targets, and focus on pushing political influence through them. Radio also experienced a massive drop in advertising revenue, which induced one foreign investor to leave the market.

The lack of trusted data on listeners makes it hard for radio stations to sell their air time. The transition to digital television is yet to start in Bulgaria; however, it is safe to assume that the current market leaders bTV Media Group and MTG will maintain their market leading positions. So far, the former is the only one that has attempted to diversify its revenue through online subscriptions. There are lots of news websites in Bulgaria; however, the abundance of unused online advertising makes it hard for sites to acquire sustainable revenue from advertising. Paid online subscriptions are still a novelty and have not yet proved successful.

Advertising is currently the dominant business model for producing news content. Apart from the tabloid press relying wholly on circulation revenue, newspapers struggle to make their online audiences pay for content.

On the whole, foreign media ownership in Bulgaria is perceived as being advantageous for media outlets and journalists. Foreign owners are perceived as credible, long term in their thinking, and generally absent from day-to-day editorial decisions. Despite digitization and legal amendments to encourage more transparent ownership information, there are a significant number of newspapers with hidden proprietors. Since they ignore profits from media, they only engage in serving their other business interests through their journalistic output.

# 7. Policies, Laws, and Regulators

## 7.1 Policies and Laws

### 7.1.1 Digital Switch-over of Terrestrial Transmission

#### 7.1.1.1 Access and Affordability

The Bulgarian media sector is regulated by two acts: the Radio and Television Act and the Electronic Communications Act. The main provisions and the framework for the digital switch-over are embedded in them. However, neither of these acts includes provisions protecting the television viewer. Only in the supplementary texts of the Electronic Communications Act is there a text defining the so-called protection of public interest, as follows: “protection of the dignity of citizens, justice, civil rights, and freedoms, acknowledged by the rule of law as well as guaranteeing the security, defense and public order in the country, and ensuring conditions for effective use of scarce resources and stimulating effective competition.”

Approximately 14 percent of Bulgarians know what the “transition to digital terrestrial television” means, according to a statement by President Rosen Plevneliev in October 2012, just five months before the start of the simulcast period.<sup>166</sup>

In October 2012, a consortium of advertising agencies won the tender held by the Ministry of Transportation, Information Technologies, and Communications to conduct the information campaign on digital television transition. Despite complaints filed by the two failed candidates, the court decided that the campaign, which the state would fund to the tune of €4.3 million (approx. US\$5.6 million), could start immediately. Because of court appeals, it started in December 2012 instead of September as planned.

In the latest version of the Plan for the Introduction of Digital Terrestrial Broadcasting (DVB-T) in Bulgaria, implemented in 2012, the government has made some statements that aim to protect the public interest. For instance, the number of free digital television programs during the first stage of digitization should be as high as possible. In the first stage, two multiplexes for commercial networks and one multiplex for public service

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166. *Dnevnik* daily, “Plevneliev urged institutions to join forces for the transition to digital terrestrial television,” 3 October 2012, at [http://www.dnevnik.bg/bulgaria/2012/10/03/1919089\\_plevneliev\\_prizova\\_instituciite\\_da\\_obediniat\\_usiliia](http://www.dnevnik.bg/bulgaria/2012/10/03/1919089_plevneliev_prizova_instituciite_da_obediniat_usiliia) (accessed 17 December 2012).

broadcasting are planned. By March 2013, the first commercial multiplex should cover 95 percent of the population, the other 85 percent. The multiplex operator for public service broadcasting also has to cover 95 percent of the population by the same date.

After the European Commission started an infringement procedure against Bulgaria in 2011, the government took the surprising step of opening a tender for a seventh multiplex operator in a bid to increase competition (see section 7.2.2). Under pressure from the European Commission, application requirements for this tender are less restrictive. For the first time, applicants can be foreign network operators and television stations. Even so, only one company has yet applied for this tender: DVB-T, a consortium of Bulgarian IT companies. The tender for the seventh multiplex operator is scheduled to be opened on 15 March 2013. The winner is due to launch in the second stage of digitization, which is due to start after 2016. The reason for this late launch is the fact that frequencies occupied by analog television stations and the military must be cleared first. In this sense, it is questionable whether there is room for another multiplex operator, given that Bulgaria's market is small, and that—by 2016—there will already be 48 channels on the other multiplexes.

The entity that oversees digital transition is the Body on Digital Television, which is attached to the Council of Ministers. The committee consists of representatives from the Ministry of Transport, Information Technology, and Communication, the CRC, representatives of television stations, and multiplex/network operators. Its tasks include coordinating and monitoring the execution of the government's plan to introduce DTT.

#### 7.1.1.2 Subsidies for Equipment

Three years after the CRC awarded licenses to multiplex operators and a year before the analog switch-off, the Ministry of Transportation, Information Technologies, and Communications started a public tender to select retailers that would supply socially disadvantaged citizens with MPEG-4 decoders.<sup>167</sup> In the first batch of tenders, three retailers applied for four regional tenders. Of these, one company—Technomarket, whose major shareholder is Mr Vasilev's Corporate Commercial Bank—applied for all four regional tenders. An additional round of regional tenders is scheduled for 2013.

As of November 2012, there were 260,000 households that were eligible for energy benefits.<sup>168</sup> According to the agenda of the ministry, households with a television set without an existent access to cable or satellite television could also apply for vouchers with a nominal value of €30.70 (approx. US\$40) each. They could then exchange the vouchers for STBs at selected retailers. As of December 2012, no considerations had been made for consultants who would visit households and help with setting up decoders. During the first stage, all vouchers would be valid until the end of May 2013 or two months into the simulcast period.

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167. Vesislava Antonova, "Who will receive a free set top box," *Capital weekly*, 26 November 2012, at [http://www.capital.bg/biznes/media\\_i\\_rekla-ma/2012/11/26/1955954\\_koi\\_shte\\_poluchi\\_bezplaten\\_cifrov\\_dekoder](http://www.capital.bg/biznes/media_i_rekla-ma/2012/11/26/1955954_koi_shte_poluchi_bezplaten_cifrov_dekoder) (accessed 15 December 2012).

168. See <http://www.mtic.government.bg/page.php?category=503&id=5996> (accessed 17 December 2012).

According to the procurement documentation, decoding devices should receive not only a DTT signal, but also satellite and cable television. However, cable and satellite operators in Bulgaria generally subsidize the price of STBs to new subscribers, who receive a device without paying upfront. An allocation of €3.8 million (approx. US\$5 million) was made for vouchers from the state budget, which would be enough for just half of the 260,000 households classified as socially disadvantaged. However, in December 2012 the Ministry of Transportation, Information Technologies, and Communications decided that the procedure for supplying households with STBs needed more refining.<sup>169</sup> Since the winner of the public procurement was not clear by the end of 2012, the ministry decided to redirect the €3.8 million (approx. US\$5 million) allocated for subsidizing STBs to run a second information campaign. There are few details available at the time of writing, but the ministry will probably hold another public tender for a consortium of advertising agencies that will conduct a supplemental information campaign.

#### 7.1.1.3 Legal Provisions on Public Interest

Existing legislation does not pay much attention to public interest during the digital switch-over of terrestrial platforms. There were no consistent messages to the public before the information campaign started just two months ahead of the start of the simulcast period. So far, successive governments have deliberately kept the whole year-long debate about digital switch-over within closed circles, leaving the general public uninformed.

#### 7.1.1.4 Public Consultation

The government adopted the Plan for the Introduction of Digital Terrestrial Broadcasting (DVB-T) on 31 January 2008. It was subsequently amended in the following years because of the impending delay in digitization. The voice of commercial interests eclipsed civil society participants during the debate for the adoption of this law. During discussions on amendments to the Law on Electronic Communications in 2009, Prime Minister Sergey Stanishev met with Tom Mockridge, then CEO of News Corp Europe (which at the time owned bTV Media Group).<sup>170</sup> Despite lobbying, broadcasters were barred by Bulgarian legislation from acquiring more power for television stations, including the right to operate multiplexes.

On the whole, industry organizations such as ABBRO participated most often in discussions on drafts for media laws. Such stakeholders have excellent resources and contacts with decision makers in power, but they protect the interests of commercial media, not those of consumers.

The legislative process on the transition to DTT has been very murky and highly chaotic. In May 2009, just two months before the parliamentary elections, during five-hour long parliamentary discussions on the Law for Public Broadcasting, there were only 166 MPs present out of 240. bTV Media Group and MTG (owner

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169. Vesislava Antonova, "Digitization after the end of the world," *Capital* weekly, 19 December 2012, at [http://www.capital.bg/biznes/media\\_i\\_reklama/2012/12/19/1972679\\_cifrovizacia\\_sled\\_kraia\\_na\\_sveta](http://www.capital.bg/biznes/media_i_reklama/2012/12/19/1972679_cifrovizacia_sled_kraia_na_sveta) (accessed 19 December 2012).

170. Vesislava Antonova, "Nobody likes the Act on Electronic Communications (AEC)," *Capital* weekly, 13 March 2009, at [http://www.capital.bg/biznes/media\\_i\\_reklama/2009/03/13/689138\\_nikoi\\_ne\\_haresva\\_zes](http://www.capital.bg/biznes/media_i_reklama/2009/03/13/689138_nikoi_ne_haresva_zes) (accessed 17 December 2012).

of Nova) successfully lobbied for legal provisions that guaranteed them an equal number of slots (six channels each) across all five commercial multiplexes.<sup>171</sup>

Between the first and second reading of the law, a controversial legal provision that would enhance MTG's position was proposed by an MP. It stated that no media group could upload more than six television programs on all multiplexes after the end of the second stage of digitization. This was against the interests of bTV Media Group, which was later merged with TV2, and in the future would have the opportunity to upload more than six television programs on all multiplexes. During the parliamentary discussions, an MP opposed the aforementioned suggestion with arguments literally copied from letters of protest from bTV, TV2, and BBT. Parliament adopted the law without the controversial provision suggested indirectly by MTG.

There was an even more controversial clause in the law that stated that the government would start a company based on a public-private partnership (PPP), which would build and maintain the network dedicated only to public service broadcasters. However, just months later, after the rise of GERB to power, the new government abolished the Law for Public Broadcasting. The argument went that a PPP would oblige the state to invest heavily in a new network. Thus, the government decided that a future tender would be held to select a private company to operate the PSB multiplex on its own.

At the end of December 2011, to the surprise of television broadcasters, the government set September 2013 as the date for analog switch-off. "This date has not been discussed with the industry and nobody asked of our opinion about the consequences of this deadline on our audience," said Anna Goranova, head of bTV's legal department.<sup>172</sup> At the same time, Ms Silva Zurleva, member of the board of Nova, announced that her company would fight to upload at least one more channel on the first multiplex, despite the government's current agenda of providing MTG with only one slot. bTV Media Group, for instance, will have two channels on the first multiplex.

## 7.1.2 The Internet

### 7.1.2.1 Regulation of News on the Internet

The Bulgarian legislation has no specific provisions governing news delivery on the internet. There are general legal provisions in the Law on Radio and Television and the Penal Code that prohibit incitement to hatred or discrimination by all media outlets. Moreover, internet-specific texts do not exist in the Bulgarian Media Code of Ethics (amendments in this respect are long overdue). The National Council for Journalistic Ethics is responsible for monitoring whether the Code of Ethics is observed among signed parties. Since it can only publicly reprimand a purported violator without any monetary sanctions, citizens prefer to use civil or

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171. Vesislava Antonova, "Remote control," *Capital weekly*, 15 May 2009, at [http://www.capital.bg/biznes/media\\_i\\_reklama/2009/05/15/719664\\_distancionno\\_upravljenie](http://www.capital.bg/biznes/media_i_reklama/2009/05/15/719664_distancionno_upravljenie) (accessed 17 December 2012).

172. Vesislava Antonova, "Digital buzz in the air," *Capital weekly*, 6 March 2012, at [http://www.capital.bg/biznes/media\\_i\\_reklama/2012/03/06/1781886\\_digitalno\\_jujene\\_v\\_efi\\_ra](http://www.capital.bg/biznes/media_i_reklama/2012/03/06/1781886_digitalno_jujene_v_efi_ra) (accessed 20 December 2012).

penalty procedures when they claim violation of their rights.<sup>173</sup> Internal guidelines and quality standards on online news delivery are very rare in Bulgaria.

### 7.1.2.2 Legal Liability for Internet Content

The Bulgarian constitution does not distinguish between “speaking” offline and online (Art. 39).<sup>174</sup> Generally, legal liability for online content rests with the author or poster. In 2011, legal amendments to the Penal Code added imprisonment for up to four years and sanctions from BGN 5,000 (US\$ 3,334) to BGN 10,000 (US\$ 6,668) for incitement to various types of discrimination, in addition to violence and hatred on “electronic information systems” based on race, nationality, ethnic group, and religion. Bulgarian law defines discrimination as unequal treatment based on social and marital status, education, political belonging, and such like.

The Organization for Security and Cooperation in Europe (OSCE) criticized these provisions in the Bulgarian Law on Discrimination, after Parliament had adopted them, arguing that they threatened media freedom.<sup>175</sup> In the same year, a Bulgarian court imposed a suspended sentence on a 23-year-old man for creating a Facebook page that called for ethnic cleansing.<sup>176</sup> The lawyer for the accused stated during the trial that he was incompetent in matters of social networking, which he viewed as a blackboard for everyone to write on.<sup>177</sup>

An article in the Law for Credit Institutions virtually prohibits financial investigative journalism on all platforms. It states that if the mass media disseminate false information about a bank or information that derogates its reputation, they should be fined. This legal provision makes journalists from all media avoid venturing into investigations of banks. The fear of repercussions is so widespread that Dnevnik.bg once closed comments under its article on a WikiLeaks cable, in which U.S. Ambassador John Beyrle described some Bulgarian banks as “bad apples.”<sup>178</sup>

Currently, there is no competent authority for monitoring online-only content. The Council for Electronic Media is responsible only for the content of television and radio broadcasters on all platforms. With regard to commercial messages, there is self-regulation, but as with the case of the Code of Ethics, this is not efficient.

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173. Beate Martin, Alexander Scheuer, and Christian Bron (eds), “The Media in South East Europe,” Friedrich Ebert Foundation, 2011, at <http://www.fes.bg/files/custom/library/2011/The%20Media%20in%20South-East%20Europe.pdf> (accessed 18 December 2012).

174. See <http://www.parliament.bg/en/const> (accessed 18 December 2012).

175. Organization for Security and Cooperation in Europe (OSCE), “Amendments to Bulgaria’s criminal code can curb media freedom, warns OSCE media freedom representative,” at <http://www.osce.org/fom/77125> (accessed 18 December 2012).

176. bTV, “First sentence for calling for racial intolerance on Facebook,” 13 October 2011, at [http://www.btv.bg/story/574632853-Parviyat\\_osaden\\_za\\_rasova\\_omraza\\_vav\\_Feysbuk.html](http://www.btv.bg/story/574632853-Parviyat_osaden_za_rasova_omraza_vav_Feysbuk.html) (accessed 11 December 2012).

177. Spas Spasov, “A Varna court has sentenced a local resident for incitement to hate on Facebook,” *Dnevnik* daily, 13 October 2011, at [http://www.dnevnik.bg/bulgaria/2011/10/13/1176273\\_jitel\\_na\\_varna\\_beshe\\_osuden\\_zaradi\\_nasajdane\\_na\\_omraza](http://www.dnevnik.bg/bulgaria/2011/10/13/1176273_jitel_na_varna_beshe_osuden_zaradi_nasajdane_na_omraza) (accessed 18 December 2012).

178. *Dnevnik* daily, “U.S. Ambassador John Beyrle in WikiLeaks: There are some ‘bad apples’ in Bulgarian banking system,” 30 June 2011, at [http://www.dnevnik.bg/biznes/2011/06/30/1115544\\_poslanik\\_baiurli\\_v\\_wikileaks\\_v\\_bulgarskata\\_bankova](http://www.dnevnik.bg/biznes/2011/06/30/1115544_poslanik_baiurli_v_wikileaks_v_bulgarskata_bankova) (accessed 13 December 2012).

## 7.2 Regulators

### 7.2.1 Changes in Content Regulation

Media regulation in Bulgaria is based on two laws: the Law on Radio and Television (LRT) and the Law on Electronic Communications (LEC). As a result of digitization, a legal distinction between linear and non-linear audiovisual media has been added to the Law on Radio and Television.

The CRC, the technical regulator, oversees the operations of audiovisual media services and radio services. The main objectives of a media service provider under the Law on Radio and Television is providing audiovisual broadcasting for information, entertainment, and education of the general public by electronic communications networks under the definition of the LEC.

The CEM, the content regulator, oversees whether the operations of media service providers comply with the LRT.

Over the last few years, the Bulgarian media market went through a debate on the creation of a converged regulatory body, modeled on Ofcom in the United Kingdom. According to many stakeholders, one regulator would function more efficiently and would be less bureaucratic. However, Veselin Bojkov, the current CRC chair, opposed such a merger, saying that Bulgaria has not matured enough to set up a convergent regulator.<sup>179</sup>

### 7.2.2 Regulatory Independence

During the past few years there has been much suspicion of political influence over the Bulgarian media policy regulators, the CEM and the CRC.

Since its establishment in 1998 and until mid-2010, the CEM consisted of nine members (or councilors). Five of them were elected by Parliament and four by the president of the Republic. CEM members together elect their Chair, who presides over a year-long mandate.

In mid-2010, the Bulgarian Parliament passed an amendment to the Radio and Television Act, according to which the number of CEM members was decreased from nine to five: three of them from Parliament's quota and two from the president's. The rotation period for the three parliamentary councilors was left at two years, while both councilors appointed by the president would rotate every three years. The amendments introduced another limitation: CEM members could not work for more than two mandates, which could no longer be consecutive.

The current CEM chair Georgi Lozanov advocates a civil society quota in the regulatory body. In his opinion, the institution of the Ombudsman of the Republic could also participate in this process. In May 2012,

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179. Zornitsa Stoilova, "Another attempt. Mistakes are not allowed," *Capital* weekly, 30 July 2010, at [http://www.capital.bg/biznes/media\\_i\\_rekla-ma/2010/07/30/940336\\_opit\\_poreden\\_greshki\\_ne\\_sa\\_razreshen](http://www.capital.bg/biznes/media_i_rekla-ma/2010/07/30/940336_opit_poreden_greshki_ne_sa_razreshen) (accessed 21 December 2012).

Rosen Plevneliev—newly elected as president of the country in November 2011—for the first time invited civil society organizations to nominate a candidate for the CEM (to be appointed from the president’s quota in view of the rotation of CEM members). Twelve nominations were put forward and three nominees were shortlisted to publicly defend their platforms. The final decision was taken after personal discussions between the president and each of the three shortlisted candidates.

The CEM is not financially autonomous since it is funded by the state. No institution apart from the High Administrative Court can overturn its decisions.

Currently, the CRC consists of five members. The Council of Ministers appoints the Chair of the CRC for a mandate of five years. Three members are appointed by Parliament and another by the president, for the same mandate of five years.

The CRC is financially autonomous. It is funded from the fees of the broadcasters, operators of communication networks, and other entities. Only the High Administrative Court can overturn CRC decisions.

In 2009, the Sofia City Prosecutor charged Mr Bojkov, the current Chair of the CRC, with abuse of office. Georgi Aleksandrov, former Chair of the CRC, was also charged. The accusation was based on a complaint filed by Iliana Benovska, co-owner of K2 Radio. According to her, in 2007 the other co-owner was not authorized to transfer K2’s frequency license to radio Melody, owned by the bTV Media Group. Mr Alexandrov, then Chair of the CRC, approved the transfer of the license. Ms Benovska then appealed the CRC decision to the High Administrative Court, which accepted her argument and ordered the regulator to transfer back the frequency license to K2. Inexplicably, the CRC failed to comply. Mr Bojkov assumed office at the end of 2007. Despite orders by the prosecution that the CRC had to give back the disputed frequency to K2, Mr Bojkov argued that the law does not require the regulator to seek out Melody’s owners in order to carry out the Court’s decision. In November 2008, the CRC finally transferred the frequency back to K2.

According to Ms Benovska, days before the transfer, Mr Bojkov required from her a payment of € 300,000 (approx. US\$ 390,000) to return the frequency.<sup>180</sup> However, the prosecution did not find proof of such a demand and in 2011, both Mr Bojkov and Mr Alexandrov were cleared of all charges. Before the delivery of the sentence, *Standart* newspaper, owned by Todor Batkov, then a member of the supervisory board of the largest mobile operator Mtel, was very critical of Mr Bojkov. According to some media reports, *Standart’s* attack was triggered by the CRC’s actions to drive down the price of wholesale voice minutes that took place at the same time as the trial unfolded.<sup>181</sup>

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180. Pavlina Jeleva, “Both former and current chairs of CRC were relieved of charges on abuse of office,” *Dnevnik* daily, 17 March 2011, at [http://www.dnevnik.bg/bulgaria/2011/03/17/1060972\\_bivshiiat\\_i\\_nastoiashiiat\\_shef\\_na\\_krs\\_biaha\\_opravdani](http://www.dnevnik.bg/bulgaria/2011/03/17/1060972_bivshiiat_i_nastoiashiiat_shef_na_krs_biaha_opravdani) (accessed 19 December 2012).

181. Andrian Georgiev, “Standard reply,” *Capital* weekly, 4 December 2009, at [http://www.capital.bg/politika\\_i\\_ekonomika/bulgaria/2009/12/04/826035\\_standarten\\_otgovor](http://www.capital.bg/politika_i_ekonomika/bulgaria/2009/12/04/826035_standarten_otgovor) (accessed 19 December 2012).

In 2011, the European Commission (EC) started an infringement procedure against Bulgaria for violation of two EU directives when executing the transition to DTT. According to Brussels, application requirements for the tenders for multiplex operators conducted by the CRC, although based on existing law, were disproportionate. The EC specifically pointed toward legal amendments that prohibited television stations from participating in tenders for multiplex operators. According to the EC, these were unduly restrictive because they could have applied to participation by foreign television broadcasters not present on the Bulgarian market. Additionally, the EC states that the granting of licenses for multiplex operators by the CRC to only two companies does not encourage competition. Two months after the start of the infringement procedure, the government replied that legal provisions had been introduced to prevent vertical integration, and that it would launch a tender for a new multiplex operator to increase competition.

In its reasoned opinion from March 2012, the EC informed Bulgaria of two other purported violations of EU directives.<sup>182</sup> For instance, the CRC should not have pulled an analog frequency—dedicated to the capital city of Sofia—out of the tender in 2009 for short-term regional analog frequencies that would expire with digital switch-over. Thus, only TV7, controlled by Mr Vasilev, managed to secure analog broadcasting for the lucrative market of Sofia. The other comment by the Commission involved the specific rendering of private television channels as must-carry programs on DTT multiplexes. The amendments in the Law on Electronic Communications from 2009 regarded television stations with above 50 percent of the population eligible for digital terrestrial broadcasting. Just days after the adoption of the legal amendments, the CRC held the tender and candidates were given only six working days to prepare the necessary application documents.

The selection criteria were very detailed and included specific requirements for the equipment. Most of those licenses were assigned to only one channel, TV7, which in this way acquired its status of nationwide broadcaster. In addition to TV7, other commercial television channels rendered must-carry status include: bTV, TV2 (later merged with bTV Media Group and rebranded as bTV Action), Nova, MSAT, DTV, and BBT. The European Commission considered that this kind of privileging particular broadcasters through the licensing process was acceptable only in the case of public service broadcasters.

Upon receipt of the reasoned opinion in March 2012, the government announced that it would not abolish tenders for multiplex operators conducted by the CRC because the transition to DTT was already lagging behind in Bulgaria.<sup>183</sup> After the European Commission filed a lawsuit against Bulgaria for anti-competitive tenders, the government insisted that it had done everything in its power to implement the EU's recommendations.

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182. *Capital* weekly, "Brussels gave two months to Bulgaria to decide on DTT multiplexes," 22 March 2012, at [http://www.capital.bg/politika\\_i\\_ikonomika/bulgaria/2012/03/22/1793691\\_brjuksel\\_dade\\_dva\\_meseca\\_srok\\_na\\_bulgariia\\_za](http://www.capital.bg/politika_i_ikonomika/bulgaria/2012/03/22/1793691_brjuksel_dade_dva_meseca_srok_na_bulgariia_za) (accessed 19 December 2012).

183. Vesislava Antonova, "Government won't abolish tenders for multiplex operators," *Capital* weekly, 29 March 2012, at [http://www.capital.bg/biznes/media\\_i\\_reklama/2012/03/29/1798195\\_durjavata\\_niama\\_da\\_otmenia\\_konkursite\\_za\\_multipleksi](http://www.capital.bg/biznes/media_i_reklama/2012/03/29/1798195_durjavata_niama_da_otmenia_konkursite_za_multipleksi) (accessed 19 December 2012).

### 7.2.3 Digital Licensing

In the analog environment, radio frequency resources were limited and were allocated following a tender. Under current legislation, only incumbent television broadcasters who can reach above 50 percent of the population have reserved spaces on DVB-T multiplexes. All other stations that wish to broadcast digitally have to negotiate with the multiplex operators and register with the Council for Electronic Media. Digitization provides opportunities for more content and thus companies that want to broadcast in DVB-T mode should only register with the CEM. As of January 2013, the regulator has licensed a total of 27 DVB-T television channels for a period of 15 years. In the light of radio networks still using analog frequencies, there has been no change in their licensing process.

### 7.2.4 Role of Self-regulatory Mechanisms

Some of the main problems of the Bulgarian media market are associated with the low efficiency of media self-regulation. The Bulgarian Media Code of Ethics (in force since 2004) has been signed by representatives from many publications in circulation. On the other hand, many media outlets that have adopted the code of practice do not adhere strictly to its provisions.

In 2012, a group of influential media interests centered around the New Bulgarian Media Group declared their intention to prepare an alternative Code of Ethics. Such unproductive endeavors would only fragment the discussion on ethical behavior and would further devalue the principles of impartiality and accuracy that should be followed by the media. According to Professor Orlin Spasov, who also chairs the Media Democracy Foundation, drafting a new Code of Ethics is a complex and time-consuming endeavor, and it is easier to improve the existing one and step up efforts at ensuring respect for it.<sup>184</sup> Political and corporate interference in their work, editorial bias, and an imposition of taboos regarding certain issues or personalities are part of the rules of action. Against this background, it is not surprising that investigative journalism is rare. The adherence to high professional standards in the development of media content is also rare. Instead, self-censorship is thriving. The reasons for this widespread practice are associated with the dependence of journalists on media owners, and the various forms of direct or indirect political influence on journalists' work.

Corruption remains widespread, and its forms vary from the acceptance of expensive gifts to substantial direct payments for “journalistic services.” Interviews with company managers and their participation in media events are often included in packages that media outlets sell to advertisers.

This overall picture clearly shows that media freedom is not only a victim of external pressure (exerted on the lines of political and economic networks of dependencies), nor is it restricted to the number of information channels. Problems often arise from within the professional community itself, which is not ready to fully

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184. Lili Todorova, “Associate Prof. Orlin Spasov: Media freedom in Bulgaria is in decline,” Bulgarian Helsinki Committee, 28 February 2012, at <http://www.bghelsinki.org/bg/publikacii/obektiv/orlin-spasov/2012-02/doc-d-r-orlin-spasov-svobodata-na-mediite-v-blgariya-e-v-upadk> (accessed 10 February 2013).

assert its freedom, and often, in turn, benefits from the comfort provided by the lack of clear regulations or requirements to adhere to existing rules.

## 7.3 Government Interference

### 7.3.1 The Market

Despite the general deterioration in the press's advertising income in 2012 newspapers recorded an annual increase of 5.1 percent in their advertising sales.<sup>185</sup> The explanation of this trend lies with the flow of classifieds, advertisements, and notices of public procurements by the government. This makes at least some newspapers dependent on the state. Identification of such relations between media and the state are difficult to prove. In some cases, the state is willing to react and impose taxes on the media that make its funding relations with the media obvious. For instance, in 2010 the Competition Protection Commission fined Economedia BGN 32,050 (US\$ 21,373) for publishing journalistic investigations that claimed that the government was funding the New Bulgarian Media Group owned by Ms Krasteva in order to secure positive media coverage.<sup>186</sup> Therefore, development of mechanisms for increasing the transparency of funding relations between media and the state are needed.

### 7.3.2 The Regulator

In 2009, amidst legislative amendments concerning the transition to DTT, Parliament, controlled by the coalition government of the time, increased the number of CRC members to nine. According to the short-lived amendment, Parliament appoints six members of the CRC, the president two of them, and the Council of Ministers would continue to nominate the Chair. What was particularly controversial was the way these legal amendments were conducted: by including them not in the Law on Electronic Communications where CRC duties and structure are stipulated, but in the new Law on Public Broadcasting. The latter was a last-minute package of legal amendments that concerned too many various spheres, from public broadcasters through commercial television stations to the number of members of the CRC. The amendment was largely seen by media circles as an attempt by the ruling Bulgarian Socialist Party and the Movement for Rights and Freedom to maintain their influence on the CRC after the elections in 2009.<sup>187</sup> Consequently, in 2010, the new Parliament introduced changes that decreased the number of CRC members back to five.

If the current principle for appointing members of both the CEM and the CRC is retained (with nominations from both Parliament and the president), allegations and speculation about purported political influence will not cease.

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185. *Dnevnik* daily, "Bulgarian Association of Communications Agencies: Online advertising grows; the state is increasing its share as an advertiser," 3 April 2012, at [http://www.dnevnik.bg/biznes/2012/04/03/1800631\\_baka\\_internet\\_reklamata\\_raste\\_durjavata\\_-\\_vse](http://www.dnevnik.bg/biznes/2012/04/03/1800631_baka_internet_reklamata_raste_durjavata_-_vse) (accessed 19 December 2012).

186. Dimitar Peev, "Competition Protection Commission – regulator or a censor," *Capital* weekly, 7 January 2011, at [http://www.capital.bg/politika\\_i\\_ikonomika/bulgaria/2011/01/07/1021640\\_kzk\\_-\\_regulator\\_ili\\_cenzor](http://www.capital.bg/politika_i_ikonomika/bulgaria/2011/01/07/1021640_kzk_-_regulator_ili_cenzor) (accessed 19 December 2012).

187. Vesislava Antonova, "Impertinence," *Capital* weekly, 30 April 2009, at [http://www.capital.bg/politika\\_i\\_ikonomika/bulgaria/2009/04/30/713044\\_naglost](http://www.capital.bg/politika_i_ikonomika/bulgaria/2009/04/30/713044_naglost) (accessed 19 December 2012).

In October 2012, Bivol.bg, the Bulgarian partner of WikiLeaks, received an invitation from the Bulgarian National Bank (BNB) to a meeting about a translated cable regarding four “bad apples” in the local banking industry.<sup>188</sup> BNB sent the invitation after the four banks, described as “bad apples” in a cable by the U.S. Ambassador in Sofia John Beyrle, filed a complaint with the regulator. There is no publicly available information as to whether the meeting took place and what was discussed.

In October 2012, following a complaint by 56 MPs, the Constitutional Court abolished the provisions in the Law for Television and Radio that prohibited former agents of the communist state security service from serving as executive directors of the BTA.<sup>189</sup> In January 2013, following this decision, 57 MPs urged the Constitutional Court (inactive since Veneta Markovska’s failed inauguration: see section 4.1.1) to abolish similar provisions that prohibited former state security agents from management positions at BNT and BNR. In view of the impending election of new managing directors at both BNR and BNT during 2013, these worrying developments may allow people with questionable backgrounds into senior positions at the public service broadcasters.

### 7.3.3 Other Forms of Interference

It is hard to identify whether digitization has changed the type of influence state authorities try to exert on the media. In Bulgaria, this is primarily conducted by indirect funding and disciplinary acts by regulators.

## 7.4 Assessments

According to recent history, the media play an important role in the longevity of any government in Bulgaria. Consequently, there is no government which does not like to be on friendly terms with the media, and there have been no obvious changes in the nature and degree of state interference in media markets since 2007.

There has never been a public debate on digital switch-over—the discussion was kept alive only among the media community, but with no response from the government or involvement of the public at large. Despite the change of government in 2009, there are presently no plans to abolish the controversial tenders for multiplex operators and schedule new ones. The current government is entirely focussed on the expected analog switch-off in 2013, and it ignores any discussion on a possible deviation from the selected route on the basis that the country is already lagging behind in the process. Overall, the policy framework is in place to meet digital switch-over. Conversely, Finance Minister Simeon Djankov has expressed concerns as to whether the state can fund the clearing of frequencies necessary for the switch-over and chiefly, whether the transition makes sense. The government is currently torn between these conflicting statements, but in view of the information campaign launched in December 2012, analog switch-off is bound to happen in 2013.

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188. Bivol.bg, “Four ‘bad apples’ vs. Bivol.bg,” 11 October 2012, at <https://bivol.bg/4-gnili-yabulki-sreshtu-bivol.html> (accessed 19 December 2012).

189. Constitutional Court Act No. 11, 2 October 2012, at <http://www.constcourt.bg/Pages/Document/Default.aspx?ID=1644> (accessed 10 February 2013).

The delayed transition to digital terrestrial broadcasting has left a breathing space for broadcasters who will need to allocate considerable funds to the simulcast period. Obviously, it has also benefitted the three multiplex operators (there are strong allegations that actually there are only two) since they will not face competition any time soon. The purported tender for a seventh multiplex is highly unlikely to succeed because of the small market in Bulgaria which, on current projections, will have around 50 digital terrestrial channels by 2015. In addition to delays in the transition, there are delays in the monitoring process of the European Commission, which, however, consistently notes the defects of the DTT transition.

## 8. Conclusions

### 8.1 Media Today

#### 8.1.1 Positive Aspects

The spread of the internet has not been associated with the same level of crisis in journalism funding experienced in other European countries (evidenced by the fact that newspaper advertising increased in 2012 and online advertising growth has not really taken off yet). Media consumers have demonstrated a healthy appetite for digital media on all platforms, and there are signs that digital divides in respect of access (particularly gender- and ethnic-based) may be narrowing. There is an emerging digital civil society that has exerted demonstrable influence over both policy and the mainstream media in specific instances. There is a small but nevertheless significant alternative online news sector whose development has been catalyzed by WikiLeaks.

#### 8.1.2 Negative Aspects

The economic crisis has hit the Bulgarian media hard. Deterioration in consumer revenues has increased the dependence of the media on advertisers and in particular, on the state.

At the same time, state regulators have not opposed media concentration, and in the case of the New Bulgarian Media Group they seem to have embraced it. Despite digitization promising more and more diverse content, media moguls have adapted fast to the new environment. They started acquisitions, which have so far proved successful in securing their strong presence in the media landscape. Convergence seems to be happening not because of the Bulgarian market reaching maturity, but rather on account of business interests aiming to obstruct the formation of different opinions. For instance, companies linked to Mr Vasilev have acquired various newspapers, news websites, multiplex/network operators, press distributors, a printing house, and Vivacom, which boasts the largest fixed-line network and the third largest mobile network in Bulgaria by number of subscribers.

Such swooping consolidation activity has gone unchecked by the government, which seems to believe that media oligopoly consolidates its own power and stability. Where diversity of opinion does surface in the media, it is frequently because opposing business interests use their own outlets to impose their opinions

without respect for the public interest. Increasingly, pluralism is maintained through individual users who post comments in forums or set up blogs.

Political influence over the media is arguably most acute when it comes to public service broadcasters, whose budgets and general directors are approved by a regulator with only one representative from civil society, as of January 2013.

DTT is still in development, so its effects on content diversity have yet to be seen. However, the severe lack of transparency and strong suspicion of unfairness around the licensing process threaten the media pluralism promised by technological advances.

Digitization has diminished consumers' loyalty toward media brands and changed people's habits. Preferences are swinging toward rapidly delivered, sensational content. Most news websites lack the inclination and resources to engage in journalistic investigations and focus instead on aggregating and rewriting content from press agencies and other media. Except for Bivol.bg, Mediapool.bg, and E-vestnik.com, in-depth journalism still comes predominantly from the legacy media. On the whole, traditional journalistic techniques of gathering information (relying on specific sources, rather than input from the wide audience) are still dominant. User-generated content and other forms of interactivity play a supporting role.

## **8.2 Media Tomorrow**

Since online advertising is expected to maintain a rather marginal share of the total media mix, press publishers are likely to be wary of cutting paper circulations, their main revenue stream, and going online-only. Perhaps there will be a rise in the number of endeavors by content producers to encourage people to pay for online subscriptions. Radio networks have yet to exploit major opportunities provided by digitization (except for increased audience through their websites), since abandoning analog broadcasting is not yet considered a viable option in the near future.

The relationship between media and network gatekeepers (telecoms, multiplex operators, etc.) could be of major interest for research in the future. Given that currently there is only one entity that can be viewed as an ultimate gatekeeper in digital terrestrial broadcasting and to a lesser extent, in newspaper distribution, the future relations between media and carriers could prove to be rocky.

# 9. Recommendations

## 9.1 Policy

### 9.1.1 Spectrum Policy

#### 9.1.1.1 Unblocking Frequencies Controlled by the Army

##### *Issue*

The digitization of terrestrial broadcasting cannot proceed until the Bulgarian Ministry of Defense vacates frequencies which it occupies. Since the military lacks funding to take this step, the transition is threatened with significant delays.

##### *Recommendation*

The state should ensure the timely release of frequencies by the army. According to official estimates from 2012, this operation would cost around €64 million. The Ministry of Finance needs to devise flexible arrangements to offset this investment.

## 9.2 Media Law and Regulation

### 9.2.1 Media Ownership

#### 9.2.1.1 Adopting New Media Legislation

##### *Issue*

Although work on overhauling existing media legislation started in 2010, legal amendments have not been adopted at this time of writing. New draft media legislation should not be expected before 2014.

The lack of transparency of ownership is a particular problem: the real owners of many media outlets remain concealed. This creates opportunities for influence peddling.

### ***Recommendations***

Parliament should involve civil society organizations in the preparation of new media legislation, to ensure that it does not only reflect governmental and commercial interests.

Measures to ensure the transparency of media ownership, covering all types of media outlet, should be provided in new legislation. These measures should include restrictions regarding media ownership by offshore companies. Data regarding companies and people affiliated with media owners should be made public.

## **9.2.2 Regulation**

### **9.2.2.1 Ending State Funding to Media in Exchange for Favorable Coverage**

#### ***Issue***

The state rarely holds tenders when distributing communication budgets for raising public awareness of EU funds. There are, moreover, strong suspicions that the state channels funds that are earmarked for advertising EU programs to specific outlets, in exchange for positive coverage. This problem is especially acute in the print sector, where the state is the largest advertiser.

#### ***Recommendation***

The reasons why public money is spent on advertising in particular media outlets should be disclosed in full. The government should make the whole process more transparent and efficient. The media industry should self-regulate in order to cut corrupt financial ties with the state.

### **9.2.2.2 Code of Ethics**

#### ***Issue***

Most media outlets in Bulgaria that signed the Code of Ethics do not respect its provisions. In an unproductive and divisive effort, some media groups are preparing their own versions of the Code.

#### ***Recommendations***

All Bulgarian journalists should collaborate in preparing a single Code of Ethics that merges the existing document and the competing initiative. It is important that journalists provide the driving force and not publishers.

The Ethics Commission for the Print Media should have the power to fine media outlets which violate this Code, and should consistently urge more outlets to sign it.

### 9.2.2.3 Anti-Competitive Tenders for DVB-T Multiplex Operators

#### *Issue*

Bulgaria's previous and current governments have held tenders for DVB-T multiplex operators which the EU termed anti-competitive. Such practices may limit the delivery of diverse content to the public. Recently, the government rushed to award Bulsatcom a license for operating the seventh DVB-T multiplex in order to increase competition. However, according to media reports, Bulsatcom will not launch a multiplex because it lacks funds and because of an overall lack of available frequencies.

#### *Recommendation*

The government is unlikely to nullify the results of all tenders held so far. As such, it should come up with a way to increase competition among current players.

## 9.3 Public Service in the Media

### 9.3.1 Defining and Funding Public Service Media

#### *Issue*

Legislation governing Bulgarian National Television (BNT) and Bulgarian National Radio (BNR) is vague regarding their public service obligations. This lack of clarity has been compounded in recent years by BNT's receipt of emergency state funds, on top of its annual budget allocation.

#### *Recommendation*

New media legislation should define the types of additional services that public service broadcasters have to provide. It should also be as specific as possible about BNT's and BNR's duties to provide quotas of national and regional programs.

The funding model of BNT and BNR should be revised to exclude state subsidies beyond their allocations in the annual state budget. Replacement of state subsidies by license fees collected in The Radio and Television Fund should be considered. Although this funding mechanism has been defined in the 1998 Radio and Television Act, it is yet to be implemented.

# List of Abbreviations, Figures, Tables, and Companies

## Acronyms and Abbreviations

3G	Third generation
ABBRO	Association of Bulgarian Broadcasters
ACTA	Anti-Counterfeit Trade Agreement
ATP	Association of Television Producers
AVMS	Audiovisual Media Services
BNB	Bulgarian National Bank
BNR	Bulgarian National Radio
BNT	Bulgarian National Television
BTA	Bulgarian Telegraph Agency
BTC	Bulgarian Telecommunications Company
CCB	Corporate Commercial Bank
CEM	Council for Electronic Media
CME	Central European Media Enterprises
CRC	Communications Regulation Commission
DTH	Direct-to-home
DTT	Digital terrestrial television
DVB-T	Digital video broadcasting–terrestrial
EBU	European Broadcasting Union
EU	European Union
FM	Frequency modulation
GARB	Gfk Audience Research Bulgaria
GERB	Citizens for the European Development of Bulgaria
GDP	Gross domestic product
GNI	Gross National Income
HD	High definition
IMF	International Monetary Fund

IPTV	Internet protocol television
ISP	Internet service provider
ITU	International Telecommunication Union
LAN	Local Area Network
LEC	Law on Electronic Communications
LRT	Law on Radio and Television
MP	Member of Parliament
MPEG	Moving Picture Experts Group
MTG	Modern Times Group
NATO	North Atlantic Treaty Organization
NSI	National Statistical Institute
NURTS	National Radio and Television Stations Management
ÖRF	Austrian Broadcaster (Österreichischer Rundfunk)
OSCE	Organization for Security and Cooperation in Europe
PC	Personal computer
PPP	Public–private partnership
SEEMO	South East Europe Media Organisation
SIM	Subscriber identity module
SMS	Short messaging service
STB	Set-top box
UGC	User-generated content
VOD	Video-on-demand
WAZ	Westdeutsche Allgemeine Zeitung

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## Companies

3TS Capital	Mtel
Alegro Capital	Netinfo
Allianz	New Bulgarian Media Group
Apace Media Group	News Corp
Blizoo	NURTS
Bluesat Partners	NURTS Digital
BTC	Ogilvy
bTV Media Group	ORS
Bulsatcom	OTE
Central European Media Enterprises (CME)	Sanoma Magazines International
Communicorp	Satellite BG
Corporate Commercial Bank	Sopharma
Economedia	Telekom Austria Group
Gemius	TGI Bulgaria
Globul	TNS/TV Plan
Hannu Pro	Towercom
HD Media Services	Vivacom
Mancelord Limited	VGB
Market Links	Victoria
Market Test	VTB Bank
Media Group Bulgaria Holding	Westdeutsche Allgemeine Zeitung (WAZ)
Modern Times Group (MTG)	

## Mapping Digital Media: Country Reports (published in English)

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5. United Kingdom
6. Sweden
7. Russia
8. Lithuania
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33. Peru
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36. Kenya

**Mapping Digital Media** is a project of the **Open Society Media Program** and the **Open Society Information Program**.

## Open Society Media Program

The Media Program works globally to support independent and professional media as crucial players for informing citizens and allowing for their democratic participation in debate. The program provides operational and developmental support to independent media outlets and networks around the world, proposes engaging media policies, and engages in efforts towards improving media laws and creating an enabling legal environment for good, brave and enterprising journalism to flourish. In order to promote transparency and accountability, and tackle issues of organized crime and corruption the Program also fosters quality investigative journalism.

## Open Society Information Program

The Open Society Information Program works to increase public access to knowledge, facilitate civil society communication, and protect civil liberties and the freedom to communicate in the digital environment. The Program pays particular attention to the information needs of disadvantaged groups and people in less developed parts of the world. The Program also uses new tools and techniques to empower civil society groups in their various international, national, and local efforts to promote open society.

## Open Society Foundations

The Open Society Foundations work to build vibrant and tolerant democracies whose governments are accountable to their citizens. Working with local communities in more than 70 countries, the Open Society Foundations support justice and human rights, freedom of expression, and access to public health and education.

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