



THE “NEW” BULGARIAN MEDIA – DEVELOPMENT TRENDS AND TENDENCIES. MEDIA REGULATION, OWNERSHIP, CONTROL AND THE “INVISIBLE HAND OF THE MARKET”

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ABSTRACT

Liberal democratic media are perceived as playing an important role in promoting public discourse, informing and representing the public and serving as a watchdog of the main power structures in society (1). To what extent are Bulgarian mass media capable of performing such functions? The paper aims to review media regulation policies, legislation and patterns of ownership and control in Bulgaria within the last 20 years of democratization, as implicitly compared to well-established European practices. The advent and development of new commercial media are discussed, as well as issues regarding media ownership, control and accountability, intricately interwoven with political and economic interests. The meaning and functioning of the public service media is reconsidered, as well as issues related to the freedom of speech, press self-regulation, libel and defamation legislation. A conclusion is reached that overall tendencies in the Bulgarian mediascape follow a well-established pattern of globalizing processes towards greater economic concentration, transnational ownership, non-transparent capital as well as intricate political gamesmanship, presenting new forms of power that endangers the freedom of expression. Finally, certain recommendations are made towards the improvement of the functioning of the media as a true expression of social interests and the public sphere.

Key words: media regulation, ownership, control, accountability.

INTRODUCTION

Media discourses have inherently been related to discourses of power. Some of the dimensions of media power are expressed in the vision of the media as the “Fourth Estate” in their capacity to reflect, shape or remain independent of social structures, as different media theorists would claim. The new democratic media in Eastern Europe were intended to become the defenders of liberal democratic principles, the watchdog of political malpractices and the social consciousness of authorities, serving solely the needs and interests of the public. Media freedom, frequently equated with the liberating

power of the free market, the ideology of diversity of choice and sovereignty of the consumer, became the dominant discourse in policy-making, following a well-established Western pattern of media regulation. After the fall of the Iron Curtain, the new-born Bulgarian media quickly joined in in the euphoria of market freedom and minimum state regulation, not considering many of the dangers and pitfalls lurking along the road of transition, divesting it of the support that every fledgling needs.

As a result, the advent of the private media and new patterns of media ownership and control have started to represent a new vision of “media power” in the country, combining the unleashed forces of the market and political gamesmanship.

In a brief recapitulation of the twenty-year period, we could say that the freedom of speech in Bulgaria has drastically declined.

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According to *Reporters without Borders* (2), ranking Bulgaria at 71st place, the country is lagging behind countries, such as Ghana, Botswana, Togo, Burkina Faso, Paraguay and etc. Such a conclusion is the reason for demanding the provision of new guarantees for media freedom, as stated by the Chair of the Committee for Electronic Media (CEM), Georgy Lozanov, in his annual report in Parliament at the beginning of May 2011(2). This will presuppose the necessity to introduce significant changes in the Radio and Television Act (2). Additionally, growing monopolies in the media can lead to serious social tensions, since the media agenda in Bulgaria is not that of public demand, according to Professor Milko Petrov, a Journalism scholar from Sofia University, but that of the ruling political and corporate elites (2). Similar dismal observations were made at the opening of the International Conference “The Freedom of Speech Facing the Challenges of Democratic Development” (3). For Valery Todorov, General Director of the Bulgarian National Radio (BNR), what is more at stake is the freedom of the media as institutions, than the freedom of speech in general, which means not allowing direct political interference in them (3). Apart from media political dependence, however, stand the problems of their economic independence, media concentration and the transparency of media capital, according to Georgy Lozanov, which present a threat to media pluralism and diversity (3).

Contemporary tendencies of concentration of media capital, cross-media expansion and the growing number of media mergers within specific socio-political contexts in capitalist societies have created considerable challenges to regulators and state authorities not only in Bulgaria and the former Eastern bloc, but also in the UK and Western Europe in general, according to Gillian Doyle (4). Such strategies carry strategic commercial and socio-political advantages to proprietors, raising questions concerning the capacity for efficient work of existing regulatory mechanisms and their freedom from growing corporate media interests (4). Some of the observations made by media experts confirm that ongoing processes in global capitalism lead to a paradox, according to which intensified global competition actually tends to result in less competition, especially in the media field (4). As Doyle states, the concentration of enormous power in the hands of a few large transnational companies gives such large-scale firms

immense advantages (5). Therefore, media concentration is considered as posing serious problems, including decline in pluralism and diversity, abuses of power and under-representation of some significant viewpoints (4). The study of the economic advantages of media enlargement and diversification, as well as of regulatory policies, are central to the attention of a significant number of media scholars. Other key theorists within communication studies and studies of information society include Manuel Castells and Amelie Arsenault (5) and the British radical functionalists, the political economy trend developed by Golding and Murdoch (6) and James Curran (7) (8) (9), as well as the structural-culturalist analysis of Stuart Hall (10) (11) and Herman and Chomsky’s theory on the role of the media in manufacturing consent (12). They all pursue a common thread in the analysis of the structures of control within media organizations, which are considered to be tightly interwoven with structures of control within larger society. Similar patterns of media ownership and control, interlinked with power structures in society, can be found in East European and Bulgarian media. The globalization of capital has seriously started affecting media corporate structures, creating problems for regulatory systems and authorities in the region, leading to the formation of new monopolies and media empires and the merging of strong economic and political power, adding only some faint nuances of “local colour” in the new democracies. The paper will assert that the power exercised by such media is mainly achieved through a combination of economic and political means, having profit maximization as a primary goal, but leading to graver conclusions regarding political gamesmanship, opinion leveraging and the exclusion of alternative and minority discourses.

Some of the main questions that will be discussed in the process of analysis are the following:

What are the patterns of media ownership and control in the Bulgarian media? What problems have occurred regarding the freedom of speech and pluralism? What policies and bodies of regulation and accountability have existed for the period under study? Have they been efficient and what needs to be done to guarantee media professionalism, pluralism and the principles of liberal democracy?

The theoretical approach and methodology to be applied in the study involve a combination of a critical political economy approach, focusing on patterns of media ownership, control, regulation, accountability and legislation and socio-cultural analysis of the context and functioning of media institutions (13: 99-100).

THEORETICAL APPROACHES WITHIN THE IDEOLOGICAL FRAMEWORK OF THE HISTORY OF DEVELOPMENT OF THE EUROPEAN MEDIA

One of the leading approaches in media studies is the liberal media paradigm. Liberal media theory discusses the development of European media as a gradual emancipation from state oppression, censorship and political regulation, leading to freedom of expression, pluralism and diversity of choice. It views the free press, and media respectively, as performing four key functions: of informing the public, keeping an eye on governmental actions, providing a platform for public debate and expressing public opinion (14: 341). Additional functions can be the exposing of executive malpractices, helping society to adapt to change and finding a consensus on shared values (ibid.). For liberalists, mass media play a central role in providing the necessary conditions for free expression. From a Parsonian perspective, having a high degree of autonomy from the state and from other social subsystems, the media can be treated as independent and objective agents, presenting the world "as it is," by simply "mirroring" or "reflecting" reality (ibid.). It is commonly believed by liberal media thinkers, that the media truly express the values and beliefs of the majority of society, of which they function as mere "ventriloquists," voicing dominant public opinion (15: 119-125). The media are seen as providing a forum for public debate on important issues and articulating ideas that arise from it, serving as a mediatory agency between citizens and the state in a relationship in which the former are capable of exercising supervision and control over the latter (14: 277). This is to be guaranteed by the high standard of professionalism of journalists and media experts, who are believed to be working energetically towards reaching consensus in society on important issues, by articulating collective aims and needs and ensuring that the most important views of citizens are presented (15: 122). Being free from state and political dependence, the democratic function of the media is mostly to be guaranteed by the operation of the free market. Its work is even compared to that of processes in electoral democracies, since every time newspapers go on sale they face a situation similar to political elections, being only publicly accountable for what they present (ibid.).

According to such an interpretation, we should view media owners as entirely working "in the public interest," giving audiences i.e. consumers "what they want" (14: 337). In this sense, the democratizing role of the free market is perceived as ensuring that whatever proprietor's wishes might be, they should correspond to the public good (ibid.). In other words, the free market should guarantee that whatever the media produce, it is always representative of public opinion, reflects its diversity and is generally accountable to the public (ibid.).

Curran and Seaton (14: 342) contend against such arguments, reflecting primarily on the functioning of the British press, and they define them as "threadbare" in a number of aspects. First, the theory is seen as being initially produced in a completely different political and economic environment, namely mid-Victorian England, which made it more plausible than in the contemporary context. Second, the press cannot be viewed as a representative institution of market democracy, because of the privileged position of capital in an only "seemingly open contest" and non-partisan free market (ibid.). Third, the press cannot be treated as the only intermediary between the state and the public, ignoring civil society, editorials, opinion polls, focus groups, and other types of survey research, which have questioned the representativeness of opinion of the press itself (ibid.). Fourth, the idea of the press as a vehicle of democracy by means of providing vital information is also questioned, since the provision of entertainment is seen as more profitable, which is at the expense of accurate information (ibid.). The position of the press as an independent watchdog is also seriously undermined, as media business organized in large multinational profit-driven corporations are seen as entering into complex and complicated relations with politics and the government, seeking mutual advantage (ibid.). What the authors conclude on the nature of the print media in this context is that: "This is a far cry from the simple liberal image of the press as a "public sentinel," whose critical independence is to be secured through the freedom of the market (14: 343).

Another cornerstone within conventional liberal theories of the press in Britain is the role that advertising played in releasing the press from state and political dependence (14: 7). Generally speaking, advertising did help the press in Britain to overcome the political bias and newspapers were freed from political allegiances financially and ideologically. This was the time, however, when press barons assumed command over parties through economic

means, using newspapers as instruments of power that were already too expensive for the latter to buy (14: 59). Instead of being dependent on the state and political parties, however, Seumour-Ure contends that newspapers became accountable to advertisers and had to adapt themselves to the requirements of markets and consumers (16: 242). This meant that large circulation dailies started to be supported by big advertisers, whereas small provincial and down-market oriented newspapers failed to meet their requirements and quickly died out. Evidently, economic factors, such as advertising profits and access to financially stable companies began to play an important role in newspaper business. In relation to this, some media scholars within the critical political economy paradigm consider audiences, and not media programmes, as the real product of the media (16). The media actually started delivering audiences to advertisers, who in their turn became capable of skillfully shaping audience behaviour and producing new possible consumers (16).

Such arguments allow some key scholars in British media studies to criticize the liberal model of the historical emancipation of the British press as “mythical” and ideological. James Curran and Jean Seaton (14: 12), for example, argue for the necessity to recognize the constructed nature of particular media discourses of press freedom and that of advertising as the “midwife” of press independence. Their main argument in *Power without Responsibility* (14: 1) is that: “...the British press [as] one of the great instruments of liberty, an independent fourth estate, the vital defender of public interests... [was] produced to justify those who created the press and whose interests it largely served.”

Similarly, Nerone (1995) states that: “The myth of the free press in service of society exists because it is in the interest of media owners to perpetuate it” (cited in 13: 177). He criticizes the free market within the liberal paradigm for the presence of economic barriers, monopolistic conditions and for not taking account of the economic difficulties in achieving access to representation (ibid.). In this line of thought, Denis McQuail attempts to update the aforementioned opinions by posing the question of the need to innovate the theory, which would apply to novel media and conditions. This means, speaking more about access to information and control of the

information flow in terms of privacy, libel, property rights, confidentiality, etc. (13). One important question that he asks is, if the owner is the one who benefits from this freedom, what about the rights of editors, journalists and the public (13)? This, he considers, should be a further focus of analysis in the discussion of media freedom and responsibility. Last, but not least, McQuail posits the question of the limits of freedom, of the need to show social responsibility in cases even if this is at the expense of certain rights and freedoms. Apart from existing liberal and radical theories within the paradigm of Western media, McQuail and several other authors (18)(19)(20) maintain that it might be necessary to create a “development theory” for societies in transition, where a free-market media system is difficult to sustain, because of certain deficiencies in terms of finance, infrastructure and proper audiences (13). Such a theory could easily apply in the case of the Bulgarian media and all transition societies.

Studying both liberal and radical models, James Curran (14: 139-142) presents two forms of media pressure: bottom-up pressure, or the potential of media agency for changing social structure, and top-down pressure of restrictions imposed on the media by powerful groups in society. Some of the latter are systematized in the following manner (ibid.):

1. Restrictions to market entry by high costs, limiting competition and presenting ideological bias by news selection.
2. Corporate ownership and increasing media concentration influencing the ethos, editorial direction and market definition of the media, providing for a greater entertainment orientation.
3. Accelerated processes of privatization, deregulation and expanding global media markets leading to advanced mono-media concentration (within particular media sectors) in most Western countries and the growth of multi-media concentration both nationally and globally.
4. Mass market pressures, related to the benefits of economies of scale and the pursuit of larger audiences, which excludes minority and alternative views and seeks consensual points of presentation and conventional issues targeting a mass public.
5. The economic weighting of consumer demand leading to the under-representation of low-income groups, as the media target the more affluent and those with higher consumer power. Consequently, media tend to drift

upscale because of their higher advertising expenditure.

6. Advertising censorship - advertising, as the main source of revenue, presupposes that any offense to advertisers' products and policies should be avoided.

8. Unequal division of power and resources – dominant discourses are more wide-spread and easier to access, as the ones who promote them have more institutional, material and discursive power.

If we have to summarize, the liberation of the media from state control does not necessarily mean achieving the ideals of freedom of speech, diversity and pluralism. The free market is a system with its own internal governing principles which also exercise regulative functions on business practices. Opponents of the free-market theory blame market forces for the decrease in diversity, quality and moral responsibility. For one of them, Ralph Negrine, a leading media and communications scholar, it introduced a new mode of censorship, "more powerful than anything that had been done before" (21: 9). For Stuart Hall, it is wrong to consider state dependence as the ultimate form of regulation and equalize market policies to absolute freedom, as they both represent types of control (22: 230), which Ralph Negrine calls respectively "proper" and "improper," depending on the nature of the restrictions they impose (21: 23). In general, the libertarian laissez-faire model is viewed as an ideological construct by free-market critics, where the sovereignty of the consumer and the emphasis on competition are treated as ulterior motives for profit.

Nevertheless, radical media theories should not remain uncritically reviewed. They have been strongly criticized for the excessive stress on the domination theory of society and "dominant ideology," as well as for the indoctrinating power the media is capable of exerting (14: 130-132). New audience research has been more directed towards audience autonomy, agency and discursive practices of interpretation. The multiplicity of ways of manifesting power and the greater diversity, complexity and multi-centred nature of institutions and exercise of power are stressed, as well as the ways in which it is being articulated (14: 132). What James Curran advocates, is the need to re-evaluate the deficiencies of both radical and liberal theories and account equally for the top-down and

bottom-up pressures that can be exerted on the media and allow for greater agency on the part of audiences (14: 154). "But how these pressures are manifested - and even whether counter pressures are presenting a significant form - depends on the specific context in which the media operate," concludes Curran (ibid.), which should be the particular angle through which we should proceed with this particular research.

THE "NEW" DEMOCRATIC MEDIA: TRENDS AND TENDENCIES

The "new"¹ Bulgarian press, while claiming to have been set free from political influence and regulation, fell victim to the economic trappings of the free market and to political pressure and manipulation, while only overtly ceasing to perform the functions of partisan interests, after the decline of the political press and media. The reform in media policy, regulation and accountability at the same time was slow, while the steps taken towards state emancipation, liberalization and privatization were overhasty, unpremeditated and premature. As a consequence, strategic economic and political allegiances have started exerting serious power over media content through direct editorial control, gate-keeping of information, bias in representation, programme choice, commercialization and the tabloidization of press and electronic media formats towards more entertainment, sensationalism and scandalousness.

1. Top-down forms of media pressure

The structural organisation of the mass media and the existing patterns of ownership and control can be considered as preconditions for the interaction between political, economic and media elites, thus, influencing the construction of media discourses expressed in different forms of media framing, causing a variety of effects and responses. Despite the fact that the Bulgarian media are considered to have overcome many of the negative legacies of the totalitarian press, the new media picture is replete with arguments of their continued dependence on new political or economic powers.

1.1. Political pressure

Being only recently emancipated from the burden of official state censorship, the press became an easy prey in complicated maneuvers of political gamesmanship. The 1990s were dominated by the abundant presence of party newspapers, such as *Duma* and *Democracy*. Gradually, however, with the

turn of the new century, the press and the media became emancipated from expressing overtly the convictions of particular parties and the state. The free market, allowing for the advent of foreign media capital, private media and advertising started playing a defining role in media funding and in influencing editorial policy. Nevertheless, the intricate relationship between media and politicians did not decline, but was further enhanced, especially when combined with underlying economic interest. By such means, we could say that the media in Bulgaria became even more dependent on politicians, whose success was due to the application of economic tools and regulatory pressure within a context of an underdeveloped media market, shadowy economy, unstable media institutions, poor legislation and low cultural practices (25: 222).

The extreme political dependence of the Bulgarian media was pointed out in several early country reports (26) (27). They emphasized the combination of political pressure, economic problems and chaotic legislation in all Southeastern European countries in general (28). This resulted in overt forms of censorship and reluctance to criticize governmental policies (ibid.). Although the press was already assumed to be politically independent, journalists continued to conform to a particular editorial policy, reflecting political allegiances (ibid.).

Growing concern of the convergence of non-transparent economic with political power has been expressed in recent years (29). At the same time, the media shifted their attention from expressing collective party interests towards slowly gravitating around a single political figure of authority, to name just a few, like King Simeon II and Sergey Stanishev (30: 229). This has reached its apogee of “media engineering” in the construction of the image of the present Prime Minister, Boyko Borisov, which can be described as an elaborate media product, despite lacking any of the accumulated cultural capital of his predecessors (ibid.). A great deal in the successful promotion of such an image is attributed to the utilization of good PR techniques (30: 232). According to research carried out by “Media Democracy Foundation,” Boyko Borisov is the person with highest media coverage (31). This has been defined as the process of media “personalization of politics,” placing at the centre of attention not state institutions and political parties, but a single personality (30). What sounds even murkier is not the overwhelming presence of a particular

political figure in the media, but claims of mafia and grey economy money entering into political gamesmanship through media outlets in recent years (30: 237-8). Equally important is the great pressure exerted on journalists dealing with investigative journalism of important issues, such as drug trafficking, smuggling cigarettes and medications (ibid.).

1.2. Economic pressure - media ownership and control

Economically speaking, the overall tendency in European and global media is towards growing concentration, despite tendencies of multiplying the availability of new broadcast media, which is in no case a guarantee for diversity in representation and expressing minority perspectives. Media get more and more concentrated into the hands of a few magnates or corporations, facilitated by processes of digitization. With the switch-off of analogue television, for example, it is considered that large international media corporations will be given even greater advantage as compared to small-scale local players, who don't have money to invest in numerous channels and produce adequate content for them (32: 5-6). Media concentration is a global phenomenon, related to a number of transnational companies, leading to decreased competition, since imposing specific media regulation, especially regarding monopolies and competition rules, is a difficult task. Such companies expand horizontally and vertically and benefit from natural economies of scope and scale in the media sector, as they manage to spread costs across wider geographic and product markets (4: 4-5). In general, advantages are drawn by such large media corporations from media convergence and cross-media ownership, which restrict the actions of local media agents (ibid.). Problems regarding the transparency of ownership also exist on a global scale, as markets and patterns of ownership become fuzzier and more complicated. A problem is that EU legislation does not deal directly with issues regarding the control of media ownership (32: 7-8). Patterns of media regulation vary in different countries. It is usually the practice that control on media activities aiming to guarantee diversity and pluralism exists only on national level (ibid.). An EC Merger regulation can provide for certain thresholds of concentration, which are to be monitored by a special Commission on national level. Nevertheless, problems exist with the quantitative methodology for defining

these specific thresholds for concentration, with the very definition of concentration, as well as with vertical concentration, since general competition law cannot be applied adequately in such cases (ibid.). Still, anti-trust and merger control principles and competition law are seen as essential in guaranteeing freedom of expression, although they are deemed insufficient, because of the underlying economic principle in the latter, which cannot restrict cross-ownership and cross-country consolidation barely on concerns regarding the freedom of speech (32: 9). Most importantly, Member States are left with the power to create specific legislation on media ownership. A reservation is made, however, that plurality will not necessarily be defended in such cases, as Member States may rather decide to boost national economy interests than free and diverse expression. Therefore, it will be necessary to introduce and develop new ways of guaranteeing plurality and the proper functioning of democracy (ibid.).

What is the actual nature of power wielded by such large media corporations? Let's take for example Rupert Murdoch's *NewsCorporation*. The end goals of men steering the activities of large transitional media conglomerates, such as Rupert Murdoch, might be of purely economic nature, the mere maximization of profit, but the means and ends for achieving them involve a variety of strategies, conclude Manuel Castells and Amelia Arsenault (5). Such media organizations constitute the locus at which different forms of power are articulated, namely social, economic and political (5: 489). Hypothesizing on the nature of power in the network society, they regard media power as being of Foucauldian nature, allowing for the complex, multi-centred and contradictory character of the relation between media and political actors (ibid.). Figures like Murdoch, standing on top of such large media empires, are seen as performing the role of "switchers," who serve as a "connection point between political, economic and media networks that facilitate their cooperation by programming common goals and resources," having as an ultimate goal the expansion of their corporations (ibid.). Such critical nodes of network society are seen as functioning by means of inclusion and exclusion as a mechanism of domination. Nevertheless, no particular power elite is believed to be "capable of controlling the programming and switching operations of all critical networks that subtler, more complex and negotiated

systems of power enforcement evolve" (5: 490). Analyzing the anatomy of a "switch," the authors conclude that "switchers" are the actors, or networks of actors, who are capable of providing interface and connectivity between dominant social networks with compatible goals and communication protocols, because of their specific structural position in these strategic social networks (5: 490). Rupert Murdoch is seen as one of these "switchers," exercising power in the network society by connecting media, business and political networks (ibid.). This is done in several ways, according to the article, namely by vertical control and horizontal networking, the pursuit of market expansion and the leveraging of public and elite political opinion (ibid.). The political power of *NewCorporation* is similarly perceived as being obtained by means of global penetration and vertical control, by the provision of financial contributions and exerting influence on editorial content, which allow Murdoch's corporation to expand, while political actors grant him regulatory favours, aiming to provide larger audience shares, "which in turn expands its political clout, creating a cycle of influence" (5: 497).

A longer presentation of the findings of this article was necessary, since global actors of network society, such as Murdoch, had a significant presence on the Bulgarian media market until recently. Additionally, the underlying principles of the functioning of media power exerted by large media conglomerates can be seen as similar on the Bulgarian market. Nevertheless, in this case, global actors and their strategies, typical of developed capitalist markets, have been forced to interplay with local conditions of an underdeveloped capitalist market, shadowy economy, unstable media institutions, poor legislation and low cultural practices (30: 222).

One of the most notable events in the liberalized Bulgarian media market in the last twenty years has been the rapid advancement of foreign capital, transnational media corporations and the concentration of media ownership. Initially, the first steps were made in the print media by the German consortium *Westdeutsche Allgemeine Zeitung* (WAZ) in the 1990s. WAZ bought the highest circulation Bulgarian newspapers, *Trud* and *24 Hours*, which provided it with a monopolistic position, taking advantage of the imprecise monopolies legislation. It attracted about one-third of the

readership of the whole Bulgarian press and commanded 38.5% of the advertising market in 2002 (33). The skilful market and legislative manoeuvres of the consortium provoked continuous legal procedures against WAZ, starting as early as 1996. In 1996 WAZ newspapers waged a media war against the rest of the press by dumping their prices. John Downey (34: 56) interpreted the strategy of WAZ as an example of Western colonisation of the press in Bulgaria, similarly to other countries, such as Hungary and the Czech Republic. The economic dominance of WAZ press was further described by Alfandari (35: 143) as a well-disguised political manipulation with the purpose of changing editorial policy, simulating bankruptcy and finding new owners. Additionally, WAZ was seen as the second “instrument of those in power to discreetly rule over the public space with the help of the press” (ibid.). We should mention that the statement refers to a period in which the socialist and subsequently the democratic government of the UDF were in power. The advent of the private press in cooperation with ruling politicians were the main reasons that Alfandari stated as responsible for the absence of true public service media and socially responsible journalists (35: 145). The two WAZ newspapers, *Trud* and *24 Hours*, were for the author the most powerful media tools for establishing a monopoly status in the public sphere and directing public opinion and people’s reactions by creating mass psychosis and redistributing political, media and economic space (35: 142). Despite the existence of several circulation press wars in the early and mid-90s and the changes in legislation, the work of the Monopolies Commissions proved inefficient to overthrow the dominance of WAZ.

Recently, however, we have witnessed the end of the “WAZ era,” as the consortium sold their newspapers to *Bulgaria Print Media* on Dec. 14, 2010, after more than a year of serious negotiations. The former WAZ newspapers are actually co-owned by *Media Group Bulgaria Holding*, which publishes *Trud* and *24 Hours*, with 47% of the shares, represented by Ognyan Donev and Lubomir Pavlov, and the Austrian partners *Privat Invest GmbH*. with respectively 53% represented by Hristo Grozev and the Austrian partners Karl Habsburg and Daniel Rutz (36). The new owners of the *168 Hours Publishing House*, including *168 Hours Daily* and *24 Hours*, as well as of *Media Holding Publishing* (publishing *Trud*) are involved in

cross-media ownership (*Magazines Publishing House: Perfect Home, Autobuild, Décor* and *High Club* and *Bulgarian Farmer Company: Bulgarian Farmer, Hobby Farmer*) (37). Previously, they were even suspected of having interests in the electronic media, namely in TV 7. Additionally, their business expands vertically, owning publishing and distribution companies.

Despite initially declaring support for non-interference in editorial policy and media pluralism (37), serious scandals between the co-partners have revealed grave problems regarding the appointment of editors-in-chief and taking unilateral decisions (38). What actually happened was that shares were transferred to the name of Donev and Pavlov secretly on a Sunday from *Bulgaria Print Media*, turning one of the partners, *Media Group Bulgaria Holding*, into a majority shareholder with 83%, while leaving *Privat Invest GmbH*. with only 9% (38). This was described as one of the most ruthless cases of hostile acquisition in the history of the Bulgarian media, similar to that typical of extreme cases in the Russian mediaⁱⁱ. Numerous theories evolved in the media around the scandal, involving the biggest alcohol producer *Vinprom “Peshtera,”* suspected of attempting to gain a management position, as well as other big owners of media empires (36).

One of them, *New Bulgarian Media Group*, rose in the recent years. Its owner, Irena Krasteva, the former Chair of the National Lottery, currently possesses the national dailies *Monitor* and *The Telegraph*, the weekly *Politics*, the sports daily *Meridian Match* and the yellow sports paper *Express* (renamed to *Zasada*). The regional newspapers: *Borba* and *Maritsa* and IPK *Rodina* printing house are also Krasteva’s property. While previously Krasteva’s papers generally supported the socialist government and attacked the then Mayor of Sofia, Boyko Borisov, soon they shifted allegiances in his favour, after his election as Prime Minister (40). This turn is associated with GERB’s winning the elections in 2009 and the succession of the media throne by Irena Krasteva’s son, Delyan Peevsky. The *New Bulgarian Media Group* also owns the tabloid formats *Weekend*, *Shock*, *Contra*, two television channels BBT and TV7 and the Internet websites *BNews* and *Every day*.

The sale of 50 % of *Vivacom* to the Cyprus *Mancelort Limited* company in 2010, represented by Tsvetan Vassilev, managing Director of Cooperative Trade Bank, is treated as another emblematic transaction in recent years. The new-owner, the National Office for Radio and Television Systems Bulgaria (NORTT), succeeded the monopolistic position of the former owner in the field of television and radio transmission for the country. This is considered to be extremely important within the current economic and political context of air frequency distribution (25: 225-226).

The advent of big press foreign capital was also mirrored in the electronic media. First, the Greek media company *Antenna Group* bought *Nova TV* in 1998 and was followed by Murdoch, purchasing *bTV* and subsequently *bTV comedy*, *bTV Cinema* and *bTV Action*. Until recently, in 2009 Murdoch's *NewsCorporation* had 42% of the audience share, while *MTG Group (Modern Times Group)*, the company that acquired *Nova TV* in 2008, 29 %. The *CME group (Central Media Enterprises Ltd.)*, Murdoch's successor, had only 3 % at the time (41). The intention to sell the two big national channels was the reason for the strong competition between *bTV* and *Nova* and the increasing drive for ratings' boosting. *Nova* was bought as early as July 2008 by the Swedish *MTG* for 620 million Euros, which also bought the *Diema Family Group* on the Bulgarian TV market. The Bermuda-based American *CME*, owned by Ronald Lauder, bought at the time *TV2* (later re-branded to *PRO.BG*) and *Ring TV*, and showed strong interest in *bTV* (42). Krasimir Guergov, media consultant for *News Corporation* and *CME* for Bulgaria, declared the intention to sell *bTV* for a much higher price than *Nova* before *24 Hours Daily* (43). This happened much later in January 2010, but in times of financial crisis, the negotiated price was only US \$400 million (44). What was typical of the two main private TV giants on the Bulgarian market was the strong lean towards entertainment, sensationalism in news coverage and strong commercialization. They attracted the attention of advertisers by drawing large audiences as potential consumers. This was done with the help of particular prime-time ratings' leaders, such as typically global formats, like reality shows (*Big Brother*, *VIP Brother*, *Music Idol*, *Dances with the Stars*, etc.), and short before making

their sales bid, with the help of Turkish soap operas.

Concentration has been typical of the advertising business as well, leading to one important name, that of Krasimir Guergov, owner and president of *Kres Advertising Agency* and former *bTV's* consultant, who is considered one of the big names in advertising monopolies (36). For him it has been publicly surmised that he is one of *bTV's* undisclosed shareholders, as it was until recently forbidden by law to merge advertising with television ownership. Nevertheless, the Radio and Television Act has been recently changed and this amendment became unofficially known as the Amendment "Guergov," aiming to legalize his ownership of shares in *bTV* (45). Spassov considers this an example of the different undercover relations between media and politicians, related to granting regulation favours to media owners (25: 223-224). Currently, however, Guergov is officially known to possess only 6 % of the shares in *bTV* (Neikov, 2010 quoted 31: 224).

Apart from the press and the electronic media, we could mention that other foreign companies operating in the magazines and book publishing business, such as the German *Springer* and the cable provider *Eurocom*, owned by the Southeast Equity Fund and funded by Soros Private Fund Investment (46).

1.3. Media regulatory models and problems in media accountability, regulation and legislation

What is the situation in Bulgaria regarding debates on media accountability, regulation, control and legislation? Initially, in the first years of democratization a strictly libertarian model was adopted towards *laissez-faire*, market accountable media, freed from the restrictions of the paternalistic state. The main direction in broadcasting has been towards market liberalization, deregulation, privatization and commercialization in the years to come. As a result, the *Bulgarian National Television (BNT)* remained the only stronghold of public service broadcasting. Commercial private channels and cable television networks multiplied throughout the years, after the sale of the second national electronic television provider and the arrival of a third channel with national coverage, Murdoch's commercial *bTV* in 2000, which has been the ratings' leader ever since.

The public service model in Bulgaria, represented by the Bulgarian National Television (BNT), the former media leader, was seen as problematic for a number of years. The *BNT* was in a serious downturn in terms of ratings and audience share for a whole decade since the arrival of the commercial media. The only ratings' magnets for the BNT were broadcasts of big sports events, while both regarding its function as a quality production provider and the main agent and arena for voicing public concerns remained muted. It failed to reach wide audiences because of its poor programme policy, attracting increasingly elderly viewers. On the other hand, private media had serious objections against the double system of funding of the public service provider, including state support and advertising revenue. Special provisions were also made for introducing a television levy, which, however, never worked. Nevertheless, after changes in *BNT's* management in 2010, serious steps were taken towards improving its popularity, audience share, ratings and overall programme policy.

What media regulatory bodies, legislation and policies exist in the country?

A media supervisory body called National Council for Radio and Television (NCRT), later re-named to Council for Electronic Media (CEM) is responsible for overseeing public service broadcasting, as well as for the licensing commercial broadcasting. Its members are chosen by Parliament and the President. For a number of years, the media and the journalistic guild looked at CEM as a body exerting direct control on their activities (47). On the other hand, its work was not found to be efficient in solving the problem of political control and censorship (*ibid.*). Furthermore, it was even accused of serving the needs of the parties in power (38). Political interests seemed to merge with economic, supported by legislative means, especially in cases of appointing managerial staff and media supervisory bodies (48). Changes in media legislation were seen as slow and accompanied by a number of scandals, related to procedures of electing members of the Council, managers of the national broadcast media, and the very legitimacy of their work (49).

A special Radio and Television Act regulates the broadcast media (1996), the initial drafting of which took almost six years. Numerous amendments had to be made to the law in the subsequent years, which have nevertheless,

failed to prove efficient enough in the rapidly changing media environment. As almost everywhere in Europe, the overall tendency in the Bulgarian broadcast media has been towards state deregulation, privatization and free-market orientation.

As far as the press is concerned, its status had to be defended many a time, with opinions varying from the need for press legislation, to complete self-regulation and currently, towards new demands for greater state and legislative control equally in matters of print and broadcast media. Press self-regulation has been a point of concern, despite several proposals to draft a Press Law in the early 90s. Later developments in the press debate led almost to mutual consensus that self-regulation was the only desirable and efficient form of voluntarily imposed control (50). The Bulgarian Media Coalition (BMC) also issued a declaration in which it stated its determination to oppose any governmental or political intervention in the form of a Press Law (51). Self-regulation as a policy presupposes the insistence on press independence from any governmental, political or legislative form of control and the need for strengthening forms of professional and public accountability. Nevertheless, the efficient functioning of the Journalistic Code of Practice to regulate press activities remained only a vague idea for a number of years, with no precise understanding of the principles of media ethics and non-statutory advisory bodies to be held accountable to. Recent mounting discontent with the extreme economic and political clout exercised on the media as well as growing media concentration and non-transparent ownership, have shed new light on self-regulation. There is a growing conviction among media experts and the journalistic guild that the freedom of speech should be protected from political and corporal interest by legal means and by increasing state participation in media regulation (52). Therefore, a proposal has been made to draft comprehensive media legislation that would cover all media (electronic and print) with the purpose of serving as a safeguard against unfair competition and the absence of mature market conditions to guarantee public accountability (*ibid.*). According to Georgy Lozanov, Chair of CEM:

“Despite decreased direct state regulation in the media, the freedom of speech has been declining, as it has been reported by international organizations.[...] Until now, during the years of transition, every time

government interference in the press was mentioned, publishers reacted vehemently. Now, for the first time the general trend is rather shifted in the opposite direction and the state is expected to facilitate the maintenance of loyal competition” (ibid.).

This marks a significant ideological turn in media regulation: from a libertarian, free-market and laissez-faire model, towards a more paternalistic and socially responsible one, to guarantee the freedom of expression independent of particular interests of ruling local and global elites.

The freedom of speech has additionally been obstructed by legislative means. Media legislation until recently provided for excessive measures in the cases of libel and defamation, such as imprisonment of up to three years. The vulnerability of investigative journalists to criminal groupings provoked a massive campaign for amending several articles of the Criminal Code and for the adoption of a well-defined Code of Practice for journalists. Despite attempts to draw the attention of the journalistic guild and civil society on national and supra-national level, no significant changes have occurred since. The only change so far has been the replacement of the prison sentence with excessive fines for journalists, which happened in 2000. The power of the judiciary to initiate libel legal proceedings remained, as well as the treatment of libel as amenable to the Criminal Code. Strasbourg appealed to the Bulgarian state to decriminalize libel and defamation on a number of instances in 2006. The problem was posed on the agenda once again recently by the OSCE representative at a media forum in May 2011 (53). Despite such international pressure, an MP from the Ruling GERB party, Krassimir Velchev, made a proposal for introducing new libel legislation in the media at the beginning of 2011. Certain Rules of Journalistic Ethics have been adopted by the Union of Bulgarian Journalists, which was a serious step towards press self-regulation. Nevertheless, some problematic areas concern the fact that unlike other journalistic codes, such as that of the British Press Complaints Commission (PCC), Bulgarian journalists bear the whole responsibility for their actions. It has been argued that it is necessary to accept the rule of editorial and institutional responsibility rather than personal amenability, as the individual journalist can hardly be held liable for the overall policy pursued by the institution (54).

Certain progress in terms of the transparency of ownership has been achieved recently with the passing of an amendment to the Radio and Television Act, demanding the declaration of press ownership by proprietors in the Ministry of Culture at the beginning of each year (52). Nevertheless, this is still a minor step, because of complications caused by cross-ownership schemes and rapid changes in media property. What important steps can be taken to guarantee media independence, responsibility and the freedom of speech? What has recently been proposed by media regulators, the professional journalistic guild, as well as by a number of media owners are the following issues:ⁱⁱⁱ

1. Drafting comprehensive media legislation to cover all media (broadcasting and press) and guarantee the transparency of media ownership and loyal competition. A problem, which has to be tackled also at EU level.
2. Improving merger, competition and anti-trust legislation to curb media concentration.
3. Adopting measures for guaranteeing editorial independence and pluralism through efficient dialogue.
4. Fostering bottom-up agency and models of pressure of different civic and professional circles to help promoting alternative views, using different sources of information, improve minority representation and professional standards (16: 142-147).
5. Strengthening public service media and adopting a social market strategy, following the Scandinavian model, for exerting greater control on the private media and providing economic aid to minority and financially weak media (ibid.).

CONCLUSION

What could be inferred from the tendencies presented in the Bulgarian media against a global context of media ownership, control and regulation, is that they have actively been involved in global processes of concentration of media capital, cross-media ownership, diversification, vertical and horizontal market expansion in the endless pursuit of market expansion and profit of transnational and newly-developed local actors. This has created serious problems to regulatory bodies and undermined traditional convictions that there is a need to deregulate electronic media and allow more space for self-regulation through professional codes of ethics and standards. The very insistence on the free market’s liberating force from any state dependency and its self-regulatory capacity, have been shaken, with growing concerns about media concentration, putting at

risk the freedom of speech in the country. The coupling of economic and political rationality of interests, channeled through direct media control of expression and selection of content testify to the enormous power being accumulated in the hands of big media corporations with faceless proprietors and interests behind them, seriously endangering the proper functioning of the media as a public sphere, voicing and negotiating important social concerns. Mass media should be considered more than ever as being the locus and channel of power, which similar to markets needs to be veered in the right direction to reflect the democratic principles of social justice, equity, pluralism and freedom of expression.

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Notes:

ⁱ The notion of the ‘new’ Bulgarian press was first used in 1990 and popularized by a number of authors (24). According to Znepolsky, it was created to make visible the boundary between the old, centrally-controlled and ideological press under communism and the aspirations towards creating a new, pluralistic, free of censorship, market-oriented press. Nevertheless, for Znepolsky (24), the term does not signify a qualitative change, but rather a change in the social, economic and political status of the press.

ⁱⁱ Known as “raiding cases” or a certain form of “piracy,” of “forceful invasion into private property” by mafia groups in conditions of uncertain democracy and corrupt state practices (defined by Artiom Pavlov in (39)).

ⁱⁱⁱ In a brief summary of the problems under review and following proposals by the European Federation of Journalists (53), as well as by the round table entitled ‘Transparency of Ownership and Freedom the Media in Bulgaria’ (54).