

## Bulgaria (2004)

NIT Ratings	1997	1998	1999	2001	2002	2003	2004
Electoral Process	3.25	2.75	2.25	2.00	2.00	2.00	1.75
Civil Society	4.00	3.75	3.75	3.50	3.25	3.25	3.00
Independent Media	3.75	3.50	3.50	3.25	3.25	3.50	3.50
Governance	4.25	4.00	3.75	3.50	3.50	3.75	3.75
Constitutional, Legislative, and Judicial Framework	4.25	3.75	3.50	3.50	3.50	3.50	3.25
Corruption	N/A	N/A	4.75	4.75	4.50	4.25	4.25
Democracy Rating	N/A	N/A	N/A	N/A	N/A	N/A	N/A

**Capital:** Sofia

**Population:** 7,500,000

**Status:** Free

**PPP:** \$1,650

**Private Sector as % of GNI:** na

**Life Expectancy:** 72

**Religious Groups:**  
Bulgarian Orthodox (83.8 percent), Muslim (12.1 percent), other (4.1 percent)

**Ethnic Groups:**  
Bulgarian (83.9 percent), Turk (9.4 percent), Roma (4.7 percent), other (2 percent)

### Executive Summary

Since 1989, Bulgaria has consolidated its democratic governance system, which includes a stable Parliament, an active civil society, and a free media. Elections have been free, fair, and orderly, and power has changed hands peacefully among parties and individuals.

Bulgaria has progressed in establishing the rule of law, but further improvements are needed in this respect. After a period of poor performance, the economy has recorded six years of robust growth. Economic reforms have advanced considerably, with more work remaining to improve the institutional framework and the business environment. Bulgaria has moved closer to entering NATO and the European Union, with target dates for membership in 2004 and 2007, respectively. Despite the good progress, greater attention must be paid to reforming the judiciary and to fighting corruption and organized crime. Better efforts are also needed to bring the public back to politics, to reestablish its trust in democratic institutions, and to relegitimize politics as a tool for making societal decisions.

The major events of 2003 in Bulgaria included elections for municipal mayors and councils, fragmentation of the parliamentary majority, problems with economic and judicial reforms, actions in the area of foreign policy, and passage of a constitutional amendment. The ruling party, the National Movement Simeon II (NMSS), suffered defeat in October local elections; the leftist opposition won the most seats. The NMSS parliamentary group fragmented into factions, and the government came under pressure from various political and economic interests. These developments delayed progress in privatization and judicial reforms. In August 2003, Bulgaria sent

troops to Iraq and reconfirmed its participation in the antiterrorist coalition. In September, Parliament amended the Constitution by reducing the magistrates' immunity in an effort to improve the functioning of the judiciary. The European Commission assessed Bulgaria positively in its 2003 report on accession.

**Electoral Process.** Voter turnout in the October 2003 local elections was 47 percent in the first round and 50 percent in the second. The Leftist Bulgarian Socialist Party won the most votes, followed by the center-right Union of Democratic Forces. The two parties in the ruling coalition, the NMSS and the Movement for Rights and Freedoms, followed behind with approximately equal shares of the vote. The NMSS lost roughly two-thirds of the votes it had won in the last legislative elections, owing primarily to voter disappointment with the party's failure to achieve the strong populist promises that had brought the NMSS to power. These were the first elections in recent Bulgarian history to be conducted without international observers, thus underscoring Bulgaria's success in establishing a tradition of free and fair elections. The free and fair nature of the municipal elections, coupled with the decision by international observers that their role was longer necessary, leads to an improvement in the country's rating for electoral process from 2.00 to 1.75.

**Civil Society.** For more than a decade, a vibrant civil society has developed in Bulgaria. However, more than 80 percent of funding for the nonprofit organization (NPO) sector still comes from foreign sources. Bearing in mind that a large percentage of foreign donors intend to withdraw their support from the country in the next few years, this could cause problems for the financial stability of the NPO sector. In 2003, NPOs participated actively in the legislative process and in various public debates. Parliament adopted two important laws prepared and proposed by NPOs: the Ombudsman Act and the Limitation of Administrative Regulation and Control over Economic Activity Act. Nevertheless, the participation of interest groups in politics remains largely unregulated. Proposed legislation concerning this issue was still being discussed at the close of 2003. Owing to the enhanced activity and impact of NPOs, Bulgaria's civil society rating improves from 3.25 to 3.00.

**Independent Media.** For the most part, media freedom in Bulgaria remained unchanged during 2003. Print media are independent from state interference, but not fully independent from special economic and political interests. Although print media have successfully emancipated themselves from governmental control, electronic media are still not fully free from state influence. In October 2003, the Council for Electronic Media (CEM) temporarily revoked the license and halted broadcasts of Den TV. CEM asserted that Den, a private broadcaster, had aired a program inciting ethnic intolerance. Not coincidentally, the same program also heavily criticized the actions and policies of one of the parties in the ruling coalition. In response to protests by media associations and NPOs, CEM allowed Den TV to resume

its broadcasts. Under the Constitution, only courts have the power to stop media activity. The independent media rating for Bulgaria remains unchanged at 3.50.

Governance. Bulgaria has a stable system of government. However, public discontent with the effectiveness of the government is increasing as improvements in the economy and the standard of living fail to meet expectations. At the same time, NPO activities have made government more open, practically speaking, by improving access to public information. The October 2003 local elections reinforced the growing importance of local politics and created a variety of political configurations and alliances forming majorities in different municipal councils. The process of enhancing local governance, however, is still impeded by constitutional barriers to the financial autonomy of municipalities, despite ongoing programs that promote fiscal decentralization. The governance rating for Bulgaria remains 3.50.

Constitutional, Legislative, and Judicial Framework. There is effective separation of powers in Bulgaria, and the judicial system is independent from political interference. However, the structure of the separation of powers has inherent deficiencies that hinder improvements in the judiciary. The most significant problems are the lack of transparency and accountability for members of the judiciary and the absence of a fully empowered body within this branch. To address these institutional imbalances, the Bulgarian Constitution was amended in 2003. The practical effects of this change have yet to be seen. Meanwhile, even though the basic rights of citizens are guaranteed and observed, and despite slight practical improvements, the judicial system in Bulgaria has continued to be inefficient, inconsistent, and heavily criticized by the public. Owing to the passage of the constitutional amendment, Bulgaria's rating for constitutional, legislative, and judicial framework improves from 3.50 to 3.25.

Corruption. The government continued its efforts in 2003 to create a relevant and effective regulatory and administrative structure to curb corruption. During the year, a permanent Parliamentary Committee on Fighting Corruption and a Council of Ministers Commission for Coordinating Actions Against Corruption became operational. Parliament adopted the Limitation of Administrative Regulation and Control over Economic Activity Act to limit opportunities for public officials to engage in corrupt practices. However, it is too early to gauge the effects of these developments on the actual level of corruption in the country. *Bulgaria's rating for corruption remains unchanged at 4.25.*

### **Electoral Process (Score: 1.75)**

According to Article 42 of the Bulgarian Constitution, Bulgarian citizens age 18 and older have the right to vote by secret ballot in municipal, legislative, and presidential elections. The Bulgarian political system is stable, and the electoral process plays an integral part in ensuring its democratic

functioning. All elections over the last 14 years have been free, fair, and compliant with the rule of law. This was reconfirmed by domestic and international observers during the last national elections in 2001. Parliamentary elections that year marked the first completion of a full four-year term by a Bulgarian Parliament since the country's post-Communist transition began. Presidential elections in the same year registered the first victory of a left-wing candidate, representing the Bulgarian Socialist Party, since Bulgaria's transition began.

The National Movement Simeon II (NMSS) proved victorious in the 2001 elections. The NMSS was created only 3 months prior to the election by Simeon Saxe-Coburg-Gotha, Bulgaria's former king. The NMSS garnered 43 percent of the vote and won 120 of the 240 seats in Parliament owing to both the personal charisma of the former king and the strong populist messages his party used in the election campaign. The fact that the NMSS was formed very swiftly and without a clear political or ideological identity has caused internal tensions for the last two years. In 2003, the NMSS was admitted to the Liberal International, the world federation of liberal political parties, as an associate member.

The second largest party in Parliament is the previously ruling Union of Democratic Forces (UDF). The UDF received 18 percent of the vote and 51 seats in the last legislative elections. The party was created in 1997 out of the Union of Democratic Forces, an organization established in 1990 as a coalition of anti-Communist political parties and civic organizations. The UDF supports center-right political positions and is a full member of the European People's Party. In 2001, it became the first party to complete a full four-year term in government. Nadejda Mihailova, a former minister of foreign affairs, currently leads the party.

The left-wing Bulgarian Socialist Party (BSP), successor to the Bulgarian Communist Party, won 17 percent of the vote and 48 seats in the 2001 elections. Since 1990, the party has been trying to move away from its Communist legacy to build a modern leftist organization. Following the 1997 political crisis, when protesters took to the streets to force the BSP government's resignation, the BSP has supported Atlanticist ideas in its platforms. In 2003, the BSP was accepted for full membership in the Socialist International, indicating international recognition of the party's reformation. Sergey Stanishev, a former international affairs secretary of the BSP, currently leads the party.

The Movement for Rights and Freedoms (MRF) won 7 percent of the vote and 21 seats in the 2001 elections and thus became the fourth largest party in Parliament. The MRF was established in 1990 as an organization representing the Turkish minority in Bulgaria. Since then the movement has been continuously represented in Parliament. The MRF gained representation in the government for the first time in history following the 2001 elections. The party supports centrist political positions and is a member of the Liberal

International. Ahmed Dogan has led the party since its establishment.

The municipal elections held in October 2003 were the first in recent Bulgarian history to be held without international observers. This gesture acknowledges that Bulgaria has managed to establish a tradition of free and fair elections. In presidential, executive, judicial, and local elections, power has consistently changed hands in a peaceful and orderly manner.

Bulgaria has a largely proportional electoral system in which voters express party preferences rather than support for individual candidates. Although the president is elected directly, his power is limited. Mayors are elected directly as well, while members of municipal councils are chosen through proportional voting. The Law on Elections provides all political parties and candidates with equal campaigning opportunities. The electoral system ensures fair polling and the honest tabulation of ballots.

The greatest challenge to Bulgaria's electoral system in recent years has not been the holding of free and fair elections; rather, it has been the general public's declining confidence that through elections individuals can influence policy making. This is one of the main factors determining weak voter turnout and low public interest in politics.

At the start of 2002, a team of experts began work on a new electoral code. The same year, the UDF proposed a constitutional amendment aimed at improving public attitudes toward the country's political elite and bolstering public participation in the political process. The proposed amendment would reduce the number of parliamentary members by half and introduce majority voting in legislative elections. In 2003, similar ideas for changing the electoral system appeared in public forums, but no new legislation had been passed by year's end.

The Bulgarian Constitution guarantees all Bulgarian citizens the right of free organization in political parties, movements, or other political entities. However, the Constitution bans the establishment of political organizations that act against national integrity and state sovereignty; call for ethnic, national, or religious hostility; or create secret military structures. Additionally, the Constitution prohibits the establishment of organizations that achieve their goals through violence.

The political party registration process in Bulgaria has proven over the last 14 years to be quite liberal and uncomplicated. According to the Law on Political Parties, a party needs 500 members to register. Registration takes approximately one month to complete. Parties whose applications are rejected have the right to appeal the decision.

In recent years, some politicians and experts have discussed changes needed in the Law on Political Parties, in particular the idea that the party registration process should be more restrictive and complicated. The

rationale behind this position is that most of the 250 parties in force since 1989 were created not to address real public interests, but rather to further the personal goals of their leaders. In 2002, Parliament introduced a bill that would raise to 5,000 the number of members required to register a new party. To date, there has been no movement on the bill's passage.

The Bulgarian electoral system is multiparty based. A number of parliamentary mechanisms guarantee the opposition opportunities to influence the ruling party and take part in the government. Fifty-four political parties and coalitions were registered to participate in the 2001 parliamentary elections, and 146 were registered for the 2003 local elections. The large number of political parties participating in local elections reflects the reality that local interests seek to reach their goals through independent participation. In national elections, which require more resources and are conducted through proportional voting, such representation is more difficult to achieve. According to data from the Alpha Research polling agency, 30 percent of participants in the 1999 local elections and 41 percent in the 2003 local elections voted for small or locally represented political entities.

It is clear that the influence of large political parties at the local level has gradually declined. Until the 2001 parliamentary elections, Bulgaria's dual-party system was dominated by two major political players--the BSP and the UDF. Simeon Saxe-Coburg-Gotha's entry into politics with his NMSS destroyed this model. It is very likely that the NMSS will strengthen its position in the party system and survive until the next legislative elections, which must be held no later than mid-2005. This will likely lead to the sustainable transformation of the party system from a dual-party to a coalition-party model.

Voter turnout in the last legislative elections was 67 percent. During the last presidential elections, voter turnout was significantly lower: 42 percent in the first round and 55 percent in the second. Voter turnout in the 2003 local elections was 47 percent in the first round and 50 percent in the second round. Data like these indicate that public disappointment with democratic institutions and procedures is growing.

An antiparty sentiment is on the rise as well. This attitude is rooted chiefly in public disappointment with the reforms of the last 14 years, in which successive governments on the left and right have failed to fulfill public expectations for a rapid improvement of the Bulgarian economy. As a result, people no longer believe that they can solve problems through political and collective instruments and turn instead to individual strategies.

Of the more than 200 parties currently registered, only a few are active. And although there is no data on the proportion of the population currently affiliated with the various political parties, a reasonable estimate is about 6 percent, according to the Alpha Research polling agency.

The Constitution bans the formation of parties on the basis of ethnicity, religion, or race. Although the statutes of the MRF state that members are welcome regardless of their ethnicity or religion, the party is for all intents and purposes an ethnic one, representing the interests of Bulgarian Turks. As a part of the currently governing coalition, this Turkish minority party is well represented in all levels of government. In contrast, the Roma minority is still poorly represented in government structures, with some exceptions at the municipal level. The hypothesis that the political system discriminates against the Roma minority and impedes their political expression can only partially explain the situation. Yet a political party that would consolidate Roma interests and represent them at a national level still does not exist, even though attempts to create one have been made.

In Bulgaria, there is a strong political mechanism enabling different parties to come to power consecutively and peacefully. None of the Bulgarian governments since 1990 has been reelected, suggesting that ruling parties do not use their position in power to influence the results of elections or to prevent the opposition from coming to power. This fact was proven again in the last legislative elections. In 2001, the movement led by Simeon Saxe-Coburg-Gotha was formed just three months before the elections but still succeeded in winning and forming a new government.

There are no particular businesses or other interests that interfere directly in the vote of the general population. However, there are many suspicions that powerful economic interests influence the decision-making process by lobbying political parties or providing illicit party financing. In October 2003, a scandal exploded in the media about unregulated financing of the UDF. An exiled Bulgarian businessman announced in the media that two years earlier he had transferred US\$200,000 to the then ruling UDF party foundation. This particular case again underscored the necessity for reforms in the regulation of party financing. Public debate on this topic intensified over the last three months of 2003 but has not yet led to the adoption of specific legislation.

### **Civil Society (Score: 3.00)**

According to data for 2002 from the National Statistical Institute, there are 14,779 registered nonprofit organizations in the country. Current data on the portion of these that is active are not available, but according to the 1998 Directory of Nonprofit Organizations in Bulgaria, more than 1,000 nonprofit organizations were active in more than 50 towns.

The work of nonprofit organizations (NPOs) is focused on crucial areas of Bulgarian social life, including human rights, minority issues, health care, education, women's issues, charity work, public policy, the environment, culture, science, social services, information technology, religion, sports, and

business development. It remains unclear how many people are actively engaged in private volunteerism today.

All ethnic groups, including Turks, Roma, Muslims, Armenians, and Jews, have their own NPOs that are engaged in a variety of civic activities. Roma-sponsored NPOs are especially interesting in this respect. Although this ethnic minority is not represented in government, some Roma NPOs function as political discussion clubs and proto-parties. There are around 150 functioning Roma NPOs throughout the country. The number of registered Roma groups is at least three times greater.

Churches also engage in charitable activities by distributing aid and creating local networks that assist the elderly and children. Religious organizations in Muslim, Catholic, and Protestant communities are among the most dynamic in the country. Their main activities include charitable work and organized gatherings of their members. Although the Orthodox Church remains the most influential in Bulgaria, only a small percentage of the population attends services regularly.

The state fully protects the right of citizens to form and participate in various organizations representing their interests. In general, NPOs and other civil society organizations do not experience significant state or other influence on their activities, which are regulated by the Noneconomic Purpose Legal Persons Act. In Bulgaria, there is a constitutional ban on antiliberal nonprofit institutions. Accordingly, during the last 14 years, no antiliberal NPOs were officially registered and legalized. Several informal organizations could be considered antiliberal, but they have a weak influence on public life and act chiefly by periodically publishing Web pages or writing racial and anti-Semitic graffiti.

NPO registration is inexpensive and takes approximately one month to complete. By law, all NPOs are listed in a transparent public document known as the Central Register of NPOs. Groups are allowed to engage in for-profit activities under certain conditions, and all groups are required to conduct annual audits. The law distinguishes between NPOs acting for public benefit and those that act for private benefit. Organizations that act for public benefit are not obliged to pay taxes on their funding resources, but they must be listed and report their activities annually in the Central Register.

Over the last 14 years of transition in Bulgaria, NPOs have developed sufficient organizational capacities and have become an important part of the democratic process. While there are some tax incentives in the Corporate Taxation Act of 1997, they have not induced businesses to give money to NPOs. The state usually funds some specific NPOs in the area of social services. More than 80 percent of the funding for the NPO sector still comes from foreign sources. Regrettably, a significant number of large foreign NPOs and their donors intend to withdraw from the country in the



next few years, a fact that could cause funding problems for some organizations. NPOs are allowed to carry out for-profit activities, provided the work does not clash with their aims and is registered separately. Though the government does not tax NPOs, groups must pay normal taxes on all such for-profit work, and they must invest all net profits into their main activities.

NPOs have proved to be an important and needed part of Bulgarian society. The government has gradually learned to be tolerant of them and has occasionally taken the initiative to make use of their expertise. Simultaneously, a partnership between the media and NPOs continues to develop and has become reliable and stable. In 2001, a permanent Parliamentary Committee on the Problems of Civil Society was created to serve as a bridge between civil society and Parliament. The committee is reflective of the government's changing attitudes toward the NPO sector. The public council of this commission includes 21 members representing 28 NPOs. Other parliamentary committees recruit NPO experts as advisers for public hearings on issues of national importance.

In 2003, Parliament adopted several important laws that had been proposed and elaborated by NPOs. The most important of these is the Ombudsman Act, which calls for the appointment of an ombudsman at the national level who is empowered to monitor the acts of the executive branch. Another important new law is the Limitation of Administrative Regulation and Control over Economic Activity Act.

Participation of interest groups in politics remains largely unregulated. As advocates for increased transparency and decreased clientelism, think tanks have repeatedly urged the Parliament to legalize and regulate lobbying. As a result, the Parliamentary Committee on the Problems of Civil Society launched a bill in the middle of 2002 calling for the publicity and registration of lobbyists and lobbying activity. The bill is still under consideration.

There are three major independent trade unions in Bulgaria. Participation in trade unions is free, and the state respects the right of workers to form their own organizations. Trade unions take part in the Tripartite Commission for Negotiations with the government and employers on various issues. Workers' rights to engage in collective bargaining and to strike are protected by law. There is also a growing number of farmers' groups and small-business associations.

Bulgaria's education system is sufficiently free of political influence and propaganda. The most serious problems facing Bulgarian students are the continuous revisions in educational requirements imposed by the Ministry of Education, such as changes in the required number of years of schooling and mandatory comprehensive examinations. These result mainly from frequent turnover in ministerial positions. Currently, according to data from the National Statistical Institute, there are 6,852 educational institutions in

Bulgaria, including 2,965 child care centers, 3,796 primary and secondary schools, and 91 colleges and universities.

### **Independent Media (Score: 3.50)**

Article 40 of the Bulgarian Constitution proclaims that the media are free and shall not be subject to censorship. An injunction on or confiscation of printed matter or other media formats is allowed only through a court act. The citizen's right to seek, obtain, and disseminate information is also guaranteed by the Constitution. Access to public information is guaranteed by the Access to Public Information Act.

There is no specific legislation protecting journalists from victimization by the state or nonstate actors. Libel is a criminal offense in the penal code. When criticizing governmental officials, journalists can be accused of libel. Both prosecutors and individual citizens can bring charges against a person for libel, the penalty for which is a monetary fee. Since the penal code was amended in 2000, 107 cases of libel have been filed against journalists and only one has led to a conviction.

In 2003, the U.S. Congress decided to stop funding and broadcasting Radio Free Europe in seven Eastern European countries, including Bulgaria. This decision was considered a positive sign of the growth of media freedom and pluralism in Bulgaria. According to Freedom House's annual Survey of Press Freedom, Bulgaria's media have been "Free" since 1990.

In general, the media in Bulgaria are independent of the state, and there is free competition among different information sources and points of view. But it is not certain that the media are independent of special interests, either political or economic. Although print media have successfully emancipated themselves from governmental control, electronic media are still not fully free from state influence and interference. National Radio and TV are state owned and remain among the most influential broadcasters in the country. These cannot be pronounced politically independent of the government, since their budget is passed by the parliamentary majority.

In October 2003, the Council for Electronic Media (CEM) revoked the license and banned the broadcasting of the privately owned Den TV. The main reason for this decision was CEM's conclusion that the station had broadcast a program inciting ethnic intolerance. This move became political, because the very same program was heavily critical of the MRF--one of the parties in the ruling coalition. After protests from most media associations and some NPOs, Den TV's broadcasting was resumed. According to the Constitution, only courts have the power to stop media activity. This particular case contributed to the public perception that the ruling majority is trying to bend the media to its own narrow political interests.

With the exception of a few local newspapers, all print media in Bulgaria are

privately owned. Overall, there are 533 newspapers and magazines. At the end of 2002, the nation's largest newspapers enjoyed the following levels of circulation: Troud, 101,000; 24 Hours, 99,000; Standard, 30,000; Monitor, 11,000; Sega, 15,000; Novinar, 15,000; Douma, 10,500; Dnevnik, 6,100; and Capital (weekly), 24,800. Troud and 24 Hours are owned by the German publishing group Westdeutsche Allgemeine Zeitung. The newspaper market includes many other dailies, guaranteeing that readers have a broad selection of information sources and points of view.

The radio business as a whole has experienced radical change over the last five to six years. Out of 11 radio stations with national coverage, only 1 is state owned. There are also 98 local radio stations. As for television, there are 63 stations in the country, 10 of which reach national audiences and only 1 of which is state owned. The rest are regional cable networks.

The public's interest in politics has declined over the last few years. This has resulted in a decrease in circulation at the main newspapers, especially party newspapers. Only the BSP-affiliated Douma is of any public significance. Low public interest in newspapers has led to increased commercialization. It is suspected that newspapers are used by different economic players to pursue financial or political interests. An example of such activity is the previously mentioned scandal concerning the financing of a UDF-affiliated foundation by a dubious foreign businessman. The money transfer took place in 2001, but the story was not broken until 2003--in the middle of the local elections campaign and with the apparent goal of influencing the election results rather than informing the public.

The largest private newspapers are printed in the state-owned print house IPK "Rodina." In some cases, this permits a degree of government interference in the work of print media. However, during the last few years this has not resulted in any direct political pressure. There are a number of private distribution networks as well.

Among Bulgaria's most important journalistic associations are the Media Coalition and the Free Speech Civil Forum Association. The Journalist Union, a holdover from the Communist period, is trying to reform its image. More than 50 percent of the journalists in Bulgaria are women. The publishers of the biggest daily newspapers are united in their own organizations, such as the Union of Dailies Publishers. A few NPOs are also working on media problems. Of these, the most important is the Media Development Center, an organization providing journalists with training and legal advice.

The Internet in Bulgaria is free of regulation and restrictions for private citizens. According to data reported by the Alpha Research polling agency in June 2003, 16 percent of the Bulgarian population has access to the Internet.

### **Governance (Score: 3.75)**

Since the collapse of Communism, Bulgaria has succeeded in producing a stable democratic system of governance based on the separation of power among the legislative, executive, and judicial branches. All changes of government, and all critical situations requiring major state decisions under conditions of urgency, tension, or uncertainty, have followed legal and constitutional procedures. The country's response in 2003 to the war in Iraq was an example of such an important test of the government's stability.

These positive trends aside, public discontent with the effectiveness of Bulgarian governance is rising as improvements in the economy and standard of living fail to meet expectations. Over the last several years, this has resulted in the delegitimization of existing political elites and has created the preconditions for instability. In addition, the Bulgarian state can be considered weak for its inability to fully secure the rule of law by an effective juridical system. These alarming conclusions triggered a wide public discussion of possible changes to the Constitution that would reform the judiciary, transfer more power to local governments, and relegitimize the Bulgarian system of democratic governance as a whole. In September 2003, the Constitution was changed and the immunity of magistrates was reduced.

The Bulgarian government operates relatively openly. Information about its decisions and activities can be found on its Web site and through the ministries' public relations offices. Nevertheless, since the present government came to power there have been systematic problems in its communication with the media. In 2002, for example, the Office of the Prime Minister announced that attendance at monthly briefings would be limited to only four media outlets, two of which are state owned.

Committee hearings and legislative sessions are open to the public and the media, and most bills can be found on the Bulgarian Parliament's Web site. All sessions of the Parliament are broadcast live on the parliamentary radio channel; some are also broadcast on television. The work of the Council of Ministers is observable only through regular press conferences with members and through a daily bulletin published on the Bulgarian government's Web site.

The Access to Public Information Act determines the relative openness of government by regulating the general public's ability to view public records. This act also provides the public with a mechanism to initiate proceedings in cases where the right to access information is violated. According to data from the nonprofit Access to Information Program Association, 60 cases charging violations of the act have been initiated since it came into force in 2000. In 21 of these, the Supreme Administrative Court revoked the government's refusal to provide the public with information.

Local government reform in Bulgaria dates to 1991 with the adoption of the new Constitution and the Local Self-Government and Local Administration Act. The Constitution divides the national territory of Bulgaria into

municipalities and regions. The basic territorial and administrative unit in the country is the municipality. Regional divisions only facilitate coordination between the national government and the municipalities.

Municipalities are juridical entities that have the right to own property and maintain independent budgets. Municipalities also have authority over all issues of local importance, including governance of municipal property, municipal development policies, education, health care, culture, provision of local public goods, social aid, and environment protection. However, the central government determines local budgets.

The Council of Ministers appoints regional governors. Municipal councils and mayors are elected. Between 1989 and 2003, every municipality in Bulgaria held elections for councils and mayors at least twice. All elections were free and fair, with changes of the parties in power occurring frequently. The last local elections took place in October 2003, and the variety of candidates and local political entities clearly shows that Bulgaria has produced lively democratic mechanisms not only at the central level, but also locally.

Municipal governments have two sources of revenue: central budget subsidies and local taxes and fees. Since the Constitution requires the Parliament to approve all tax rates, local and property tax rates are defined by each municipality and then adopted en bloc by the Parliament. Once the municipalities receive their budget subsidies from the central government, they have complete control over their own budgets. The only exception applies to money received from the central budget for targeted national programs. Developments in the fiscal relationship between the central and local levels of power in 2003 focused on a medium-term program of fiscal decentralization. So far, the policy has not produced tangible results, most likely because constitutional reforms are needed to provide local governments with extra powers in the area of taxation.

Reform of Bulgaria's civil service began with the adoption of the Administration Act of 1998 and the Civil Service Act of 2000. These introduced competition for civil servant appointments, with selection based on the professional qualifications of candidates. The implementation of this legislation, however, has been less than perfect in terms of the selection of candidates, improvements to administrative efficiency, and quality of administrative services available to citizens. Recognizing these deficiencies, the minister of state administration pronounced in 2003 that the Civil Service Act would be reformed; however, he has yet to elaborate on the substance of those changes.

One of the official motives for the adoption of the Civil Service Act was its potential as an anticorruption tool. However, given the overall challenge of measuring corruption, it is difficult to assess the act's effectiveness in this regard. Although public perception is not a very reliable instrument for measuring corruption, according to such surveys, civil servants continue to

be perceived as one of the most corrupt professional groups in Bulgarian society.

### **Constitutional, Legislative, and Judicial Framework (Score: 3.25)**

In 2003, the Bulgarian Constitution was amended for the first time since its adoption in 1991. Changes focused on the judicial branch and constituted an attempt to improve the balance between competencies and responsibilities in the judicial system. The amendment was the most prominent legislation in a year when internal public debates about the reform of the judiciary as well as the process of integrating Bulgaria into the European Union (EU) had brought the issue to the forefront of public attention.

Under the Bulgarian Constitution, there is separation of powers among the different branches of government. The legislature adopts the country's supreme rules, but implementing them falls to the executive branch. The judiciary provides a check on both the legislative branch and the acts of the executive.

This system of checks and balances is imperfect, since the judicial system is structured in a way that makes magistrates unaccountable for their actions. As a result, the Supreme Judicial Council (SJC) has a limited capacity to exercise its power as the governing body of the judicial system. It is precisely this deficiency that the constitutional amendment was designed to overcome. Its practical efficacy will depend on the future actions of the SJC and on the adoption of further changes in the legislation regulating the judicial system.

The effective rule-making body in Bulgaria is the elected Parliament, the National Assembly, whose acts have supreme power and are constrained only by the Constitution. This supremacy is undisputed and enforced. The legislature's practice of leaving significant areas of regulation to the discretion of the executive branch continued to diminish in 2003 with the process of economic reforms and the adoption and implementation of EU laws.

There are adequate constitutional provisions for the protection of human rights in Bulgaria. The Bulgarian Constitution includes explicit texts securing freedom of expression (Article 39), religious belief (Article 37), and association (Article 44), as well as the rights to privacy (Articles 32, 33, and 34), property and inheritance (Article 17), and economic initiative and enterprise (Article 19). Article 19 also bans the abuse of monopoly power. In practice, the protection of these rights by the state is generally effective.

The Bulgarian Constitution is applied directly by the Constitutional Court, which has established itself as the only legitimate body entitled to interpret and enforce the Constitution. The procedures for appointing justices ensure that the Constitutional Court is not dominated by or dependent on specific

political, economic, or private interests and that justices make rulings based on their personal knowledge, beliefs, and opinions. During 2003, the Court pronounced specific legal texts as unconstitutional on two occasions. It also issued three binding interpretations of certain texts in the Constitution and declined demands by both the president and the Supreme Court to pronounce still other legal texts as unconstitutional.

Adjudication by Bulgarian courts is slow and inconsistent. Imbalances in the power structure of the system create mechanisms that allow opportunistic magistrates and citizens to abuse it. The extent to which such abuse actually occurs is unknown, but public trust in the judicial branch is low. Surveys of public opinion, such as those conducted by Gallup International, have found that Bulgarian citizens do not believe the law applies equally to all. More specifically, respondents feel that wealthy people, politically connected people, and the state get better treatment than the average citizen.

The only changes in criminal law in Bulgaria during 2003 concerned amendments to the criminal procedure code that aimed at improving enforcement mechanisms and reducing the duration of procedures. Bulgarian criminal law ensures a presumption of innocence until proven guilty and provides for fair and public trials. The defense receives a full opportunity to examine evidence, develop a case, and defend it, as well as to appeal decisions. Prosecutors are members of the judicial system and have a corresponding immunity to that of magistrates. The state is generally not obliged to secure public defenders, except in a limited set of cases specified in the Criminal Procedures Act. Bulgarian legislation and practice include sufficient guarantees against search without warrant and arbitrary arrest. However, once persons are arrested, their rights are not sufficiently secure in practice. In 2003, the Bulgarian Helsinki Committee reported continued physical abuse of arrested persons, excessive detentions, and extremely slow court procedures.

Judges in Bulgaria are appointed by the SJC. A detailed study published in 2002 by the American Bar Association's Central European and Eurasian Law Initiative program concluded that there were no formal mechanisms for evaluating and appointing candidates for judicial posts. The SJC's decisions are dominated by the heads of district courts who propose the candidates. The qualification of judges is insufficient in terms of both university degrees and continuing education. In 2003, these problems were addressed in an ad hoc manner through the attempts of some courts to introduce formal rules for selecting candidates and to expand the activity of the Center for Qualification of Magistrates.

The judicial system in Bulgaria is independent from political and other influences, and members of the judiciary are immune from prosecution except in the case of serious crimes and with the permission of the SJC. Less than half of the members of the SJC are appointed by Parliament. The SJC is entitled to submit its own budget to the government, and in 2003 budget

differences between the SJC and the Ministry of Finance were resolved by the Constitutional Court in favor of the SJC. In this case, Parliament had to adopt amendments to the 2003 State Budget Act.

While different reports find that there are attempts to influence the courts, and actual corruption in the court system, partiality and unfairness in court rulings is not systematic. However, the level of public satisfaction with the work of judges remains low. A major institutional development aimed at improving this situation was undertaken with the amendment of the Constitution, which increased the capacity of the SJC to change the requirements for judges and to demand better performance.

The authority of the courts is recognized, and judicial decisions are enforced effectively. However, the process of enforcement is considered to be slow, allowing obligated parties to avoid the procedures for significant periods of time, especially with respect to civil law decisions.

### **Corruption (Score: 4.25)**

In 2003, the Bulgarian government continued its efforts to create a relevant and effective regulatory and administrative structure to curb corruption. However, a decrease in the actual level of corruption and the spread of corrupt practices has not yet been observed. After a marked improvement between 1998 and 2001, independent measurements of corruption and the public perception of corruption were largely stable between 2001 and 2003.

Two organizations periodically perform and publish measurements of corruption in Bulgaria. The first is the local branch of Transparency International, called Transparency Without Borders, which compiles an annual Corruption Perceptions Index. The dynamics of this index since the start of its publication in 1998 are shown in the table.

Transparency International (TI) Corruption Perceptions Index (CPI) and Ranking for Bulgaria

Year	TI CPI for Bulgaria	TI rank for Bulgaria
1998	2.9	66th out of 85
1999	3.3	63rd out of 99
2000	3.5	52nd out of 90
2001	3.9	47th out of 91
2002	4.0	45th out of 102
2003	3.9	54th out of 133

The second organization dealing with issues of corruption in Bulgaria is a broad coalition of Bulgarian NPOs known as Coalition 2000. Since June 1998,



Coalition 2000 has monitored various aspects of corruption in Bulgaria. Most of its measurements showed improvement between 1998 and 2000; the results have stabilized since then. Surveys like these do not indicate the existence of any area in which bribes are indispensable. However, customs, tax administration, police, and the judiciary are all identified by the Bulgarian public as problem areas.

The regulatory and administrative framework for fighting corruption in Bulgaria continued to improve in 2003. Two government bodies, created in late 2002, became operative in 2003. The Commission for Coordinating Actions Against Corruption ([www.acc.government.bg](http://www.acc.government.bg)) was formed by the Council of Ministers, while Parliament created the permanent Parliamentary Committee on Fighting Corruption. In the executive branch, special units in charge of fighting corruption have been created within different ministries and within the police. Adoption of legislation to fight corruption also continued during 2003. However, the effects of these measures on actual corruption in the country have yet to be observed.

An important development in business regulation pertaining to corruption was the Parliament's adoption in 2003 of the Limitation of Administrative Regulation and Control over Economic Activity Act. The goal of the act is to simplify the relationship between business and the government by introducing three changes. First, 39 specific business activities are now subject to licensing and permission regimes, and only acts of Parliament can introduce new regimes. Second, the act introduces "silent consent" on the part of the administration and "one-stop shopping" for the provision of administrative services to businesses. Third, the act obligates Parliament to perform rigorous impact assessments of future legislation. This regulatory change, together with the continued stability of the tax regime and economic policy, should ease administrative pressures on economic activity. The act took effect in December 2003.

The Civil Service Act, which has been in force since 2000, limits the ability of civil servants to engage in private economic activities. For higher levels of government, there is no such legal requirement, and limitations are imposed by the public solely through elections and the media. The actual degree of personal involvement of government officials in private economic activities is difficult to assess. There have been no major public or media exposures of such illicit involvement, which suggests that these practices remain limited.

The Publicity of Personal Property of High Government Officials in the Republic of Bulgaria Act, which was adopted in 2000, created a Public Register within the National Audit Office of the property of a broad range of high-level public officials. The Judicial System Act was amended in 2003 to make such disclosures compulsory for magistrates as well. The Public Register is accessible to the public through guaranteed media access. In most cases, public officials submit the required declarations on time, but the practice of nonsubmission by some members of Parliament (who cannot be

prosecuted) continues. Amendments in 2003 to the Civil Service Act introduced for the first time rules regulating conflict of interest. The effectiveness of the new provisions is difficult to assess at this point.

The Bulgarian state has a limited capacity to effectively prevent, investigate, and prosecute corruption. Deficiencies in the legal system, rather than the lack of political will, are largely to blame. While some lower-level public officials have been tried and convicted on counts of corruption, this has not happened to current or former high-level officials. No new prominent corruption cases were revealed or prosecuted in 2003.

All government bodies that control budgetary resources are monitored by the National Audit Office; spending is controlled by the Agency for State Internal Financial Control. Any public official can be investigated for abusing public resources. An investigation against members of Parliament can be launched only after they have been stripped of their immunity by an act of Parliament. The National Audit Office effectively audits various state organs every year and makes its findings public.

There are no specific protections for whistleblowers in Bulgaria. However, anticorruption activists and citizens reporting cases are ensured their right to privacy if they report cases over the phone. Investigators are protected by their immunity as members of the judicial system, while journalists are protected by the decriminalization of libel.

The number of media outlets alleging corruption in Bulgaria is around 500 per month, which suggests that the media do not feel too threatened to report corruption. However, the practical effect of such media reports on efforts to combat corruption is unclear.

Bulgarian media outlets tend to paint any suspicious story as a proven act of corruption, regardless of the facts and evidence. As a result, they are instrumental in exposing cases of corruption. However, such practices may be fostering a rise--and perhaps exaggeration--in public perception of the widespread nature of the problem.

Bulgarian public attitudes toward corruption have two levels, according to Coalition 2000. On the one hand, public intolerance for official corruption is growing. On the other hand, many Bulgarians still feel that resorting to acts of corruption is an effective way to solve problems. However, Coalition 2000 has reported a drop in the readiness of average citizens to engage in corrupt practices.

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