

Bulgaria (2005)

NIT Ratings	1997	1998	1999	2001	2002	2003	2004	2005
Electoral Process	3.25	2.75	2.25	2.00	2.00	2.00	1.75	1.75
Civil Society	4.00	3.75	3.75	3.50	3.25	3.25	3.00	2.75
Independent Media	3.75	3.50	3.50	3.25	3.25	3.50	3.50	3.50
Governance	4.25	4.00	3.75	3.50	3.50	3.75	3.75	N/A
National Democratic Governance	N/A	N/A	N/A	N/A	N/A	N/A	N/A	3.50
Local Democratic Governance	N/A	N/A	N/A	N/A	N/A	N/A	N/A	3.50
Judicial Framework and Independence	4.25	3.75	3.50	3.50	3.50	3.50	3.25	3.25
Corruption	N/A	N/A	4.75	4.75	4.50	4.25	4.25	4.00

Capital: Sofia

Population: 7,800,000

Scores:

Electoral Process Rating: 1.75

Civil Society Rating: 2.75

Independent Media Rating: 3.50

Local Governance Rating: 3.50

National Governance Rating: 3.50

Constitutional, Legislative, and Judicial Framework Rating: 3.25

Corruption Rating: 4.00

Status: Free

PPP: \$1,770

Private Sector as % of GNI: na

Life Expectancy: 72

Religious Groups: Bulgarian Orthodox (82.6 percent), Muslim (12.2 percent), other (5.2 percent)

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

Introduction

In the 15 years since the collapse of Communism, Bulgaria has managed to consolidate its democratic governance system with a stable Parliament, sound government structures, an active civil society, and a free media. Over this period a number of general, presidential, and local elections have been held freely, fairly, and orderly. Power has changed hands peacefully. Bulgaria has made significant progress in establishing the rule of law, yet further efforts are needed in this respect. After a period of poor performance, the economy has recorded seven years of robust growth. Economic reforms have advanced considerably, with more work needed to improve the business environment. In 2004, the country officially became a NATO member, and a target date of 2007 was reconfirmed by the European Commission for entry into the European Union (EU). Despite these positive achievements, more 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 engendering social change.

National Democratic Governance. In spite of the deepening fragmentation of the parliamentary majority in 2004, the ruling coalition remained stable. Members of the New Time political club, which was part of the ruling National Movement Simeon II (NMSII), formed a separate parliamentary group, and the governmental coalition lost its majority in the Parliament. This had no effect on the government but led to the increased political significance of Parliament at the expense of the government and caused temporary delays in adopting legislation. From an economic point of view, 2004 proved to be successful, with continued stable growth. Privatization continued at a satisfactory pace, while foreign investments grew and the budget ran a surplus. These positive achievements aside, the government did not manage to pass the reform of the Investigation Service in Parliament. The European Commission's regular report on Bulgaria's progress toward accession gave the country's judicial system reform and its fight against organized crime and corruption an unsatisfactory assessment. More efforts are also needed to reform the education and health care systems. *The national democratic governance rating is 3.50 owing to Bulgaria's established and stable democratic system of governance, but taking into account problems in the effective functioning of the system of checks and balances.*

Electoral Process. Apart from interim local elections in a few municipalities, no elections were held in Bulgaria in 2004. Voter turnout in the last local elections in October 2003 was around 50 percent. The leftist Bulgarian Socialist Party (BSP) won the most votes, followed by the center-right Union of Democratic Forces (UDF). The two parties in the ruling coalition, the NMSII and the Movement for Rights and Freedoms (MRF), followed behind with approximately equal shares of the vote. According to public opinion poll data, the BSP has the chance to win the most votes in the upcoming parliamentary elections in 2005, but still not enough to form a government on its own. The right-centered UDF split into two different groups in

early 2004, deepening the disintegration of the right-centered political space. The incumbent NMSII has managed to stabilize its electoral position, and now it is sure to succeed in entering the next Parliament. MRF, the smaller coalition partner, kept its stable electoral positions, with political support based mainly on Turkish minority representation. *There are no considerable changes that may lead to an improvement or decline in the electoral process rating, and it remains unchanged at 1.75.*

Civil Society. For more than a decade, Bulgaria has managed to develop a vibrant civil society. However, the nongovernmental organization (NGO) sector has still not developed sustainable fund-raising mechanisms. So far, more than 80 percent of funding for NGOs comes from foreign sources. Furthermore, a large percentage of foreign donors intend to withdraw their support from the country in the next few years, which could cause problems for the financial stability of the NGO sector. A report on local grant making in Bulgaria warns that the business community and the state still do not sufficiently trust NGOs and prefer to fund a number of crucial social activities directly. These negative assessments aside, the report is positive about the emergence and development of a local grant-making community. In 2004, NGO presence in all important spheres of public life remained significant. Governmental structures, the National Assembly, and the media have all gradually learned to tap NGO expertise in the service of various policy-making fields. *Bulgaria's civil society rating improves from 3.00 to 2.75 owing to the government's increased receptivity to advocacy efforts from the sector.*

Independent Media. Media freedom in Bulgaria remained unchanged during 2004. Print media are independent from state interference but still not fully independent from economic and political special interests. Electronic media are still not fully free from state influence. In March 2004, the Council for Electronic Media, which is charged to defend the state media's independence, dismissed the director-general of Bulgarian National Television for mismanagement. Later, this decision was revoked in court, with appeals pending. Libel is still a criminal offense in the penal code, and journalists were investigated on two occasions in 2004 for the "illegal" use of hidden cameras to collect information. In September, a journalist from the most popular national daily was fined because she had quoted official information provided by the Ministry of the Interior. This tense atmosphere may lead to self-censorship as noted by the 2004 regular report on Bulgaria's progress toward EU accession. In November 2004, most major media in the country agreed on a unified code of ethics for journalists, to be enforced by the media and journalists themselves. *The independent media rating for Bulgaria remains unchanged at 3.50.*

Local Democratic Governance. Local self-government in Bulgaria is exercised at the municipal level, with councils and mayors elected in universal, equal, secret-ballot elections. Four such elections have taken place under the current Constitution, all free and fair, producing a multiplicity of local actors and coalitions. Local governments are empowered to resolve problems and make policies at the local level. They are responsible to the local public, and mechanisms currently exist for monitoring and public control. However, the process of actual decentralization is not advanced and slow to happen. Municipalities have no right to set taxes, and their

revenues are dominated by central government subsidies. They lack adequate resources to serve the public to the full extent of their legally defined competencies. The administrative capacity of municipalities remains limited. Important reforms are still needed, including constitutional changes regarding the taxation rights of municipalities. *A rating of 3.50 is given to local democratic governance in Bulgaria for the reforms enshrined in law that enable citizens to choose local leaders in free and fair elections, but also taking into account that in practice many important aspects of the reforms have not yet been completed. This is necessary to provide the resources and capacity for local leaders to fulfill their responsibilities and to operate with transparency and accountability.*

Judicial Framework and Independence. The judicial system remains a pressing problem for Bulgarian society as it strives to reform and integrate into the Euro-Atlantic community. While the framework for an independent judiciary and basic political, human, and civil rights are in place, the manner in which judicial power is constituted and functions creates problems in the enforcement of this framework. Courts are slow, and the prosecution is ineffective, while the Supreme Judicial Council, the body of power in the judiciary, lacks sufficient mechanisms to oversee the performance of judges and prosecutors. While some procedures have improved over 2004, the most important changes, including amendments to the Constitution, are still needed. Social and political consensus on these necessary reforms has progressed significantly, but the respective legislation has yet to come. *Bulgaria's rating on judicial framework and independence remains unchanged at 3.25.*

Corruption. In 2004, Bulgaria continued to deepen the regulatory and administrative framework for fighting corruption. The implementation of anticorruption measures, coupled with other reform processes in the country over recent years, has led to a discernible medium-term trend toward lower levels of corruption in the country. The same trend can be observed in the economy's level of freedom from governmental burdens and involvement, even though many more improvements are possible. However, on two occasions in 2004 the prosecution started actions against foreign journalists who used hidden cameras to record acts of corruption, which could be seen as discouraging future revelations of corruption. *Owing to continued improvements in the direct measurement of the level of corruption in Bulgaria, the country's rating is improved from 4.25 to 4.00.*

Outlook for 2005. Two major events will shape Bulgaria in 2005: the parliamentary elections scheduled for midyear and the signing of the treaty of Bulgaria's accession to the EU. Both events will have a definitive impact on the legislative, administrative, and judicial framework of the country. The three most important legislative developments stemming from them are the constitutional changes required for EU membership, the continued enhancement of the judiciary, and the overhaul of the penal procedure code.

Democratization

Electoral Process

Electoral Process Rating: 1.75

The Bulgarian Constitution provides all citizens over the age of 18 with the right to vote by secret ballot in municipal, legislative, and presidential elections. Small glitches aside, elections in Bulgaria under the 1991 Constitution can be assessed as free, fair, and compliant with the law. The last general elections in 2001 were similarly assessed by all observers. They marked the first completion of a full four-year term by a Bulgarian Parliament since 1991. Presidential elections in the same year registered the first victory of a left-wing candidate, representing the BSP. The local elections in October 2003 were the first in recent Bulgarian history to take place without international observers, an acknowledgment that Bulgaria has managed to establish a tradition of free and fair elections. In all branches and levels of government, power has consistently changed hands in a peaceful and orderly manner.

The 2001 general elections were won by the NMSII. It was created only three months before election day by Simeon Saxe-Coburg-Gotha, Bulgaria's former king. The NMSII won 43 percent of the vote and 120 of the 240 seats in the Parliament, owing to both the personal charisma of the former king and the party's strong populist campaign messages. The party's quick formation and lack of a clear political or ideological identity have caused internal tensions within the NMSII over the last three years, resulting in the disintegration of its parliamentary group. By the end of 2004, 22 MPs had left the group. In 2003, the NMSII was admitted to the Liberal International, the world federation of liberal political parties, as an associate member.

Until 2004, the second largest party in the Parliament was the previously ruling UDF. It received 18 percent of the vote and 51 seats in 2001. The party was created in 1997 out of the umbrella Union of Democratic Forces, an organization established in 1990 as a coalition of anti-Communist political parties and civic organizations. Owing to a conflict between former prime minister Ivan Kostov and the present party leadership headed by Nadejda Mihailova, the party parliamentary group split in two in February 2004. Currently, the UDF has 14 parliamentary representatives, while the Ivan Kostov group has 28. In May, Kostov founded and became the leader of a new center-right formation under the name Democrats for a Strong Bulgaria (DSB). From a comparison of documents, statements, and actions of the DSB and UDF, it would seem at this stage that the DSB represents the more conservative spectrum of center-right political ideas, while the UDF is more liberal and closer to the political center. The UDF is a full member of the European People's Party, the major center-right party in the European Parliament.

The left-wing BSP, successor to the Bulgarian Communist Party, won 17 percent of the vote and 48 seats in 2001. Since 1990, the party has been trying to move away from its Communist legacy and build a modern leftist organization. Following the 1997 crisis, when protesters took to the streets to force the BSP government's resignation, the BSP adopted Atlanticist ideas in its platforms. In 2003, it 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 2001. The MRF was established in 1990 as an organization representing the Turkish minority in Bulgaria and has been represented in the Parliament ever since. The MRF gained representation in the government for the first time as a result of 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.

Bulgaria has a proportional electoral system, except for presidential and mayoral elections. The election laws provide 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 been the general public's declining confidence that individuals can influence policy making through elections. This is one of the main factors contributing to Bulgaria's weak voter turnout and low public interest in politics. Based on a bill introduced in 2002, deliberations began in 2004 on an entirely new and comprehensive electoral code combining majority and proportional elements in electing the Parliament and municipal councils. It is unsure whether the new code will be adopted in time for next year's elections.

The Bulgarian Constitution guarantees all citizens the right of free organization in political parties, movements, or other political entities. 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 is liberal and uncomplicated. According to the Political Parties Act, 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. This has led to a high proliferation of parties, with more than 300 registered since 1989. Most of these have no active presence in Bulgaria's political life, suggesting that they serve the personal and economic goals of their leaders. In October 2004, the Parliament passed on first reading a bill raising the number of members required for new party registration to 5,000. If the bill passes the second reading, all existing political formations would be obliged to reregister under the new requirements, which may reduce the number of registered political parties by 90 percent. The draft also foresees a reform of party funding, including more transparent fund-raising and a reduction in the range of funding sources allowed by law.

The Bulgarian electoral system is multiparty based, with parliamentary mechanisms for the opposition to influence decision making. The threshold for gaining representation in the Parliament is 4 percent of the votes cast. 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 usually work toward their goals through independent participation, a strategy that is less likely to succeed on the national level. 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.

Voter turnout in the last legislative elections was 67 percent. During the last presidential elections, voter turnout was 42 percent in the first round and 55 percent in the second. Voter turnout in the 2003 local elections was around 50 percent in both rounds. In all cases, the numbers are lower than in previous elections. According to Alpha Research, approximately 6 percent of the population is currently affiliated with the various political parties. These data reflect a growing distance between voters and politics, based chiefly on public disappointment with reforms in which successive left and right governments failed to meet expectations for improving standards of living. As a result, people are less confident that they can solve problems through political and collective instruments and turn instead to individual strategies. Over 2004, public opinion poll agencies, such as Gallup BBSS Bulgaria, continued to measure low levels of trust in state institutions. About 15 percent of respondents state that they trust the Parliament, and about 20 percent trust the government. (Answers of "Do not know" constitute missing percents.) Poll results also indicate that public disaffection, combined with the growing political importance of issues such as fighting crime, could provoke the appearance of a possible "strong-arm" party.

Although MRF bylaws 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 part of the current 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 general hypothesis is that the political system discriminates against the Roma minority and impedes their political expression. Equally important, however, is the fact that a political party consolidating Roma interests and representing them at the 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 have 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.

No particular businesses or other interests 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. A scandal exploded at the start of 2004 when it became clear that some Bulgarian companies close to the BSP had received oil gifts from the former Iraqi regime of Saddam Hussein. There are suspicions that in fact the oil gifts were destined for the BSP in return for political support of the Iraqi regime. A special ad hoc committee was created in the Parliament to investigate BSP involvement. The committee has not yet released its conclusions.

Civil Society

Civil Society Rating: 2.75

According to 2002 data from the National Statistical Institute, Bulgaria has 14,779 registered NGOs. Current data on the number that are active are not available, but according to the 1998 Directory of Nonprofit Organizations in Bulgaria, more than 1,000 nonprofit organizations were active in over 50 towns. Their work 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 NGOs, all of which are engaged in a variety of civic activities. Roma-sponsored NGOs are especially interesting in this respect. Although this ethnic minority is not represented in government, some Roma NGOs function as political discussion clubs and protoparties. There are around 150 functioning Roma NGOs throughout the country. The number of registered Roma groups is at least three times greater.

Churches engage in charitable activities by distributing aid and creating local networks that assist the elderly and children. Organizations of 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 observes the right of citizens to form and participate in organizations representing their interests. In general, NGOs 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. Antiliberal nonprofit institutions are constitutionally banned, and no antiliberal NGOs are officially registered. Several informal organizations could be considered antiliberal, but they have a weak public influence.

NGO registration is inexpensive and takes approximately one month to complete. By law, all NGOs are listed in a transparent public document known as the Central Register of NGOs. 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 NGOs acting for public benefit and those that act for private benefit. Public NGOs 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 15 years of transition in Bulgaria, NGOs have developed sufficient organizational capacities and have become an important part of the democratic process. Unfortunately, even though the Corporate Taxation Act of 1997 instituted various tax incentives, these have not induced businesses to give money to NGOs. The state usually funds some specific NGOs in the area of social services. However, most NGOs rely on funding from foreign sources. Regrettably, a significant number of large foreign NGOs and their donors intend to withdraw from the country in the next few years, a fact that could cause funding problems for some organizations. According to a 2004 report prepared by the Bulgarian Donors Forum, an association of donor organizations acting in Bulgaria, the government and business do not sufficiently trust the NGO sector and prefer to spend money directly on social activities. Focusing on Bulgaria's sustained economic development over the last few years, the report shares positive expectations about the future development of a local charitable and philanthropic community. However, it warns that the emerging philanthropic community prefers to fund activities based on a "welfare approach," where results are achieved more quickly and visibly, as compared with the "transformational approach," which aims to change the social environment and institutions over the long term.

According to existing legislation, NGOs are allowed to carry out for-profit activities, provided the work does not clash with their stated organizational aims and is registered separately. Though the government does not tax NGOs, groups must pay normal taxes on all such for-profit work, and they must invest all net profits into their main activities.

Since the collapse of Communism in 1989, NGOs 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 NGOs continues to develop and has become reliable and stable. In November 2004, the government stated its readiness to include NGOs in preparing projects and monitoring the spending of financial assistance received through EU preaccession and accession programs.

In 2001, a permanent Parliamentary Committee on the Problems of Civil Society was created to serve as a bridge between civil society and the Parliament. This reflects the government's changing attitudes toward the NGO sector. The commission's public council includes 21 members representing 28 NGOs. Other parliamentary committees recruit NGO experts as advisers for public hearings on issues of national

importance. In spite of this positive practice, no formal mechanism yet exists for the various structures of civil society to consult in the development of legislation.

The 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 registration of lobbyists and the publicizing of lobbying activities. The bill is still under consideration.

Bulgaria has three major independent trade unions. Participation in trade unions is free, and the state respects the right of workers to form their own organizations. Trade unions take part along with the government and employers in the Tripartite Commission for Negotiations 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. Education sector reform has proved to be fairly difficult and unpopular. In October 2004, the government gave up trying to introduce a new test system to replace teacher examinations and written exams as a method of evaluation in primary schools. Some political commentators consider this move an attempt to avoid public disaffection in light of the forthcoming 2005 general elections.

Currently, according to data from the National Statistical Institute, there are 6,648 educational institutions in Bulgaria, including 3,278 child care centers, 3,319 primary and secondary schools, and 51 colleges and universities. Of these, 128 are privately owned, including 24 child care centers, 90 primary and secondary schools, and 14 colleges and universities.

Independent Media

Independent Media Rating: 3.50

Article 40 of the Bulgarian Constitution proclaims that 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.

No specific legislation protects journalists from victimization by state or nonstate actors. Libel is a criminal offense in the penal code. When criticizing government 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, a number of cases have been brought to court. So far, only a few have finished with sentences, but this atmosphere may lead to self-censorship, as noted by the European Commission's 2004 regular report on Bulgaria's progress toward EU accession. Several cases of investigations against journalists illustrate the atmosphere in which Bulgarian media operate. In September 2004, a journalist from the most popular national daily was fined because she had quoted official information provided by the Ministry of the Interior. In November 2004, the prosecutor's office filed charges of illegal use of special surveillance devices for collecting information against a Romanian reporter investigating customs bribery on the Danube border. A few days later, the prosecutor's office in Sofia launched a similar preliminary investigation against the BBC journalists who had created the scandalous film *Buying the Games*. The film accuses Bulgarian International Olympic Committee member Ivan Slavkov of corruption.

In general, Bulgarian media are independent of the state, and there is free competition among different information sources and points of view. But it is not certain whether 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 National Television are state owned and remain among the most influential broadcasters in the country. Although they are not governed directly by the government, they cannot be pronounced politically independent, since the parliamentary majority approves their budgets. The Council for Electronic Media (CEM) is responsible for electing directors of state radio and television as well as overseeing their performance. Its nine members are appointed partly by the National Assembly and the president. However, throughout its existence the council has not managed to establish a reputation of political independence. In March 2004, the director-general of Bulgarian National Television was dismissed by CEM for mismanagement, but the decision was revoked by the court in October.

With the exception of a few local newspapers and the official State Gazette, all print media in Bulgaria are privately owned. Overall, there are 533 newspapers and magazines. At the end of 2004, the nation's largest newspapers with the highest levels of circulation were *Troud*, *24 Hours*, *Standard*, *Monitor*, *Sega*, *Novinar*, *Douma*, *Dnevnik*, and *Capital* (weekly). Their circulation is subject to trade secret, and no reliable information can be obtained. *Troud* and *24 Hours*, which enjoy the highest circulation, 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 six to seven years. In 2003, there were 89 radio stations. Of these, 11 provide national coverage, and only 1 is state owned. There are also 77 local radio stations. As for television, there are 98 stations in the country, 3 of which reach national audiences

through wireless broadcasting and only 1 of which is state owned. The rest are 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 their increased commercialization. It is often suspected that newspapers are used by different economic players to pursue financial or political interests.

The largest private newspapers are printed in IPK Rodina, the state-owned print house. 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 newspapers are united in their own organizations, such as the Union of Newspaper Publishers. A few NGOs 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.

In November 2004, journalists from 160 national and regional press and electronic and online media signed the Bulgarian media code of ethics. The code includes provisions to serve as standards regarding the use of information by unidentified sources, the preliminary nondisclosure of a source's identity, respect to everyone's personal life, and nonpublication of children's personal pictures (unless they are of public interest). Adopting the code of ethics showed that after a long process of development, Bulgarian media have matured enough to assume self-regulation of their activities.

The Internet in Bulgaria is free of regulation and restrictions for private citizens. According to data reported by the Alpha Research polling agency in November 2004, the percentage of adult Bulgarians who have access to the Internet has increased over the last year by seven points, rising to 23 percent.

Local Democratic Governance

Local Democratic Governance Rating: 3.50

The basic framework for democratic local self-government in Bulgaria is provided in Chapter 7 of the Bulgarian Constitution. It envisages the municipality as the basic unit of local self-government (Article 136[1]), with democratic elections for municipal councils and mayors (Articles 138 and 139[1]) and the right of municipalities to own property (Article 140) and maintain budgets (Article 141[1]). Municipalities are

defined as legal persons (Article 136[3]), and local democracy can also work directly through referendums or through general assemblies of citizens. Pursuant to the constitutional framework, local democratic governance in Bulgaria is elaborated in more detail in numerous normative acts, the more important being the Local Self-Government and Local Administration Act of 1991, the Local Elections Act of 1995, and the Local Taxes and Fees Act of 1997.

In Bulgaria, the process of decentralizing powers and responsibilities to the local level of governance is ongoing; no substantial decentralization has taken place as of yet, especially in terms of placing resources under the discretion of local governments. At the same time, however, the above-mentioned legislation allows municipalities to have competencies in designing, institutionalizing, and implementing solutions to problems affecting their citizens. Also, dialogue between local and national levels of governance is well structured in the legislative branch (with a specific standing parliamentary committee on local governance matters), the executive branch (where the voice of local governance is the National Association of Municipalities in the Republic of Bulgaria [NAMRB]), and civil society (through the activities of numerous NGOs devoted to local government issues and advocacy). In practice, the NAMRB is consulted regularly by the central government on different issues, proposals, and policies related to local governance.

All citizens of Bulgaria are constitutionally and legislatively entitled to vote directly through secret ballot in regular elections for municipal councils and mayors. Under the current Constitution, such elections have been held in 1991, 1995, 1999, and 2003, with numerous mayoral by-elections in between in different municipalities. All of these elections have been free and fair, with the 2003 local elections being the first in recent Bulgarian history to be held without any outside monitoring and oversight. All respective international bodies decided that no such oversight was necessary.

Voter turnout has declined over the four local elections since the beginning of transition in Bulgaria, falling to around 50 percent for the 2003 elections. At the same time, local players are becoming more active at these elections and try to engage the local public in the electoral process. This was reflected in the formation of numerous strictly local political organizations and coalitions aimed at entering the local government level and serving the local public in many municipalities in the 2003 elections. As a result, the political competition in these elections was broadly based. At present, almost no municipality in Bulgaria has a council with a single party majority, and in most cases even the two largest party groups cannot form a majority in the municipal councils, thus leading to a multiplicity of locally defined and locally focused coalitions throughout the country. In this setting, it is difficult for any single agenda of a national party, the central authorities, or a national or local economic group to dominate voters' choices and sentiments or the actions of the local government.

Local government bodies in Bulgaria are open to citizens regardless of their gender, ethnicity, or other status, and there are many examples of women mayors and different ethnic groups holding or being part of majorities in municipal councils.

Citizens and civic society organizations are fully entitled to address and attempt to influence the local authorities, and such practices have developed to some extent throughout the country. Also, there is a lively set of local and regional press and electronic (mostly radio) media, whose main focus is local governance and the problems of the local public. This relatively good foundation, however, has not yet led to a well-institutionalized and productive dialogue between the local governments and the local public. The most important reason for this is the still inadequate resource base for local governments and the relative lack of administrative capacity at the local level. For both local governments and local civil society, these issues make dialogue with the national level of governance more important than interactions between themselves.

The municipalities in Bulgaria have the right to organize and form associations both domestically and internationally, with the NAMRB being the most auspicious example. Under the laws regulating local government, they have the right to legislate locally, to design policies, and to make various decisions, and their acts are respected at the national level. However, these rights contrast sharply with the actual resources Bulgarian municipalities have under their control and discretion.

Municipal governments have three sources of revenue: central budget subsidies, local taxes and fees, and municipal property. A law regulating the issuance of municipal debt as a fourth source of financing is pending but has not yet been passed by the Parliament. Since the Constitution requires the Parliament to approve all taxes and tax rates, local and property tax rates are adopted centrally. Data from the NAMRB indicate that only about 7 to 10 percent of all tax revenues are devoted strictly to local governments. Once the municipalities receive their 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 central and local levels of power in 2004 focused on the government's 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. For this purpose, representatives of major national parties have expressed consensus for a constitutional change allowing municipalities to at least set tax rates, but as of yet no formal procedures to change the Constitution have been started. Thus, the situation can be characterized by a lack of sufficient resources for municipalities to address local problems and to provide quality services and policies to the local public.

This lack of sufficient resources under the control of local governments has two main consequences. First is the potential that at least some local governments will become dependent on local economic actors. Second, the inherent interest of a local government to be accountable to its public is overshadowed by the more pressing need to remain on favorable terms with the central government, which controls most of the money. Even though there are formal mechanisms for transparency and public

and media control over the activities and decisions of the local authorities, they are not particularly effective or relevant at this point in Bulgarian local government reforms.

National Democratic Governance

National Democratic Governance Rating: 3.50

In the 15 years since the collapse of Communism, Bulgaria has succeeded in producing a stable democratic system of governance. According to its 1991 Constitution, Bulgaria is a republic with a parliamentary form of government. The entire power of the state derives from the people, who exercise this power directly and through the bodies established by the Constitution. Supreme power belongs to the Parliament, which elects and controls the government. The Constitution also stipulates the separation of power among the legislative, executive, and judicial branches, guaranteeing a system of checks and balances.

Recent practice, however, has shown some problems in the effectiveness of this system. The judicial branch enjoys significant independence, without sufficient accountability to the other branches of power and society as a whole. Over the last few years, government attempts to reform the judicial system have failed. In 2003, the Constitutional Court struck down a new law involving a reorganization of the judicial system, declaring that only a Grand National Assembly has the right to change the structure of state power. Reform of the judicial system is a key condition for Bulgaria's integration into the European Union (EU). Although some positive steps were made (in September 2003, the Constitution was changed and the immunity of magistrates was reduced), the government did not manage in 2004 to pass through Parliament the reform of the Investigation Service, which would have moved investigation duties from the judicial to the executive branch, and Bulgaria received an unsatisfactory assessment in judicial reform in the regular report of the European Commission on the country's progress toward EU accession.

The public's ability to monitor the activities of government is ensured by the Access to Public Information Act, in force since 2000. It provides a mechanism to initiate proceedings in cases where the right to access information is violated. On the other hand, the Protection of Classified Information Act, in force since 2002 as a condition for Bulgaria to join NATO, is often used by government to refuse access to information. Apart from the legislative framework, the 2003 annual report on the state of access to public information in the country, prepared by the nonprofit Access to Information Program Association, concludes that there is still not enough political will to enforce the law. According to the report, more than 60 cases charging violations of the act have been initiated since 2000. In over 20 of these, the Supreme Administrative Court revoked the government's refusal to provide the public with information.

The process of economic liberalization in Bulgaria started in 1991. The country's transition to a market economy has been long and difficult, with almost all of the

largest companies remaining state owned until 1997 and maintaining their monopoly market positions. After 1998, privatization efforts were intensified, and during 2004 state influence over the economy was much weaker when compared with that of the private sector. As a whole, there are no significant government barriers to economic activity. Since 1998, Bulgaria's score in the annual Index of Economic Freedom, produced by the Heritage Foundation, has improved steadily from 3.60 to 2.74 in 2005 (covering data up to 2004). The country is classified as "mostly free," with an index score of 1 representing the freest.

During Bulgaria's transition, 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. No important political players question democracy as the desired basis for the country's political system. Bulgarian citizens recognize the legitimacy of all state institutions, and government authority extends over the full territory of the country. Although there is a considerable Turkish minority in Bulgaria (about 8 percent of the population), it is well integrated into society and politically represented. For this reason, the last 15 years have witnessed no serious threats to national sovereignty or territorial integrity based on ethnic conflict.

However, in recent years public opinion polls have registered a growing discontent over the government's failure to meet expectations for quicker improvements in Bulgaria's standard of living. Various 2004 surveys suggest that public disaffection, combined with the growing political importance of issues such as fighting crime, could provoke the appearance of a possible "strong-arm" party, representing nondemocratic ideas and sentiments. This risk is aggravated by a lack of public trust in major state institutions. According to BBSS Gallup data from October 2004, 75 percent of respondents stated that they do not trust the Parliament, 63 percent do not trust the government and courts of law, and 60 percent do not trust the prosecution.

Bulgaria has a one-chamber National Assembly, which according to the Constitution holds the legislative authority and has the right to exercise parliamentary control over the executive. The 240-member National Assembly is elected directly for a term of four years. Until 2001, the Bulgarian political system was dominated by two parties: the Bulgarian Socialist Party (BSP), successor to the former Communist Party and situated to the left of the political spectrum, and the Union of Democratic Forces (UDF), situated to the right of the political center. According to the Constitution, the National Assembly formally holds the supreme power. In practice, however, one of these parties had a majority in the Parliament between 1995 and 2001, and the center of actual decision making was shifted from the National Assembly to the government and political party leadership. This bipolar episode ended with the victory of the National Movement Simeon II (NMSII) in the 2001 general elections. In 2003 and 2004, the NMSII parliamentary group split, several new parliamentary groups were formed, and the ruling coalition lost its parliamentary majority. Consequently, the political importance of the National Assembly increased. This trend will probably be reinforced in the future, as it is likely that none of the current political parties will win a majority in the next Parliament. At the same time, the

appearance of new parliamentary groups caused temporary delays in adopting legislation and complicated the political process. For example, the Ombudsman Act came into force in 2004, but parliamentary groups could not agree on a candidate and thus failed to elect an ombudsman within the legally defined period.

The Bulgarian National Assembly has established parliamentary practices with strong committees and subcommittees. It has also involved a considerable number of experts and nongovernmental organizations (NGOs) as consultants into the legislative process. The National Assembly has sufficient resources in terms of revenues and enough professional and research staff to meet its constitutional responsibilities. Over the last 15 years, the National Assembly has established a tradition of transparency and accountability to the public. 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.

Information about the Bulgarian government's decisions and activities can be found on its Web site and through the ministries' public relations offices. However, the current government has had systematic problems in its communications with the media. In 2002, the Office of the Prime Minister announced that attendance at monthly briefings would be limited to only four media, two of which would be state owned. 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.

Bulgaria's civil service is regulated by the Administration Act of 1998 and the Civil Service Act of 2000. These introduce competition for civil servant appointments, with selection based on the professional qualifications of candidates. The Civil Service Act has been amended several times since its adoption (most recently in August 2004) to improve the recruitment and performance of civil servants. Yet there is still room for improvement in the selection of candidates and the efficiency and quality of administrative services available to citizens. One of the official motives for the adoption of the Civil Service Act was its potential to help curb corruption. Although it is problematic to use public perception surveys as a measure of actual corruption, such surveys have indicated that civil servants are still perceived as one of the most corrupt professional groups in Bulgarian society.

The executive is subject to supervision by the legislature. Every Friday, ministers are obligated to answer questions raised by members of Parliament (MPs). Governmental structures are also obligated to provide information upon request on behalf of parliamentary committees or MPs. However, the current National Assembly Speaker is periodically accused by the opposition of using formalities to prevent the prime minister from answering MPs' questions. The executive is also supervised by the National Audit Office (NAO) through regular financial or performance audits to all governmental structures and agencies. The NAO comprises 11 members, elected and dismissed by the Parliament, to which it reports yearly. For example, an NAO report in April 2004 resulted in the creation of an ad hoc

parliamentary committee to investigate the spending of moneys received under various EU programs in the Ministry of Regional Development and Public Works.

Since the military and security services are a part of the executive branch, they also are subject to parliamentary control. The Parliament discusses and approves the budgets of these services as part of the total state budget. MPs are also empowered to inquire into the performance of different military and security structures operating under the Ministries of Defense and the Interior. At the same time, to avoid centralizing power in this key area, the government proposes, and the president approves, candidates for directors of the security services and the chief of general staff of the Bulgarian armed forces. There is also judicial oversight of the military and security sector a special military prosecution body investigates military and security officials in Bulgaria.

The Bulgarian military and security services have gone through a series of reforms during Bulgaria's NATO candidacy. The government established a modern system of democratic control over the armed forces and security services, based on clear organizational and functional structures, responsibility, and accountability. As a result, more information is currently available to the public and NGOs, especially about the activities of the Ministry of Defense. Several NGOs are working on problems in the security sector and civil control over the armed forces. Still, some problems exist regarding access to information in the security sector. Often, military or security officials take advantage of the new Protection of Classified Information Act, adopted as part of the reform package required for membership in NATO, to avoid giving information to the public. With a similar justification, some lawsuits against members of the military and security sector have been classified and closed to the public.

Rule of Law

Constitutional, Legislative, and Judicial Framework

Constitutional, Legislative, and Judicial Framework Rating: 3.25

The judicial system in Bulgaria remains a pressing problem for Bulgarian society as it strives to reform and integrate into the Euro-Atlantic community. While the basic framework for an independent judiciary and basic political, human, and civil rights is in place, the manner in which judicial power is constituted and functions creates problems in the enforcement of this framework.

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, whose main body of power is the Supreme Judicial Council (SJC, entrusted with making all appointments and organizing the work of the judiciary), provides a check on both the legislative branch and acts of the executive. Problems with the judiciary stem from the fact that even after constitutional changes in 2003, the Bulgarian judicial system is completely

unaccountable to anyone for its performance, and the SJC has very limited power to govern some of the components of the system, namely investigation and prosecution. The Bulgarian Constitution is applied directly by the Constitutional Court, which has established itself as a legitimate, independent, and impartial body interpreting and enforcing the Constitution.

Bulgaria's Constitution provides adequate provisions for the protection of political, civil, and human rights among them 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 bans the abuse of monopoly power.

The protection of these rights by the state is generally effective in practice, but problems remain, especially in the areas of discrimination and the protection of religious beliefs. A prime example of the latter occurred in summer 2004, when the Bulgarian prosecution and police took sides in a dispute between two rival Eastern Orthodox churches and resorted to violence to remove representatives of one of the two churches from their temples and places of worship. Both the prosecution and the police cited the execution of the new Religious Beliefs Act (in force since December 2002) as their primary motive. But their actions indicate otherwise; in "restoring" to one church possession of the temples used by the other church for more than 10 years, the authorities resorted to violence without attempting other means of resolution. Since the church that stood to gain from these actions is considerably more popular in the country than its rival, a more likely motive for the prosecution and the police was the hope that their widely publicized firm approach would increase their public approval, which has been severely damaged by the authorities' inability to enforce laws and punish criminals.

Adjudication by Bulgarian courts is slow and inconsistent. Imbalances in the legal power structure create mechanisms for opportunistic magistrates and citizens to abuse the system. 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 employees receive better treatment than the average citizen.

In March 2004, changes to the Bulgarian penal code decriminalized homosexual behavior and criminalized various other acts, including child abuse and the use of child labor, money laundering, abuse of classified information, and irregular treatment of detainees. Bulgarian criminal law ensures a presumption of innocence until proven guilty and provides for fair and public trials. The defense receives full opportunity to examine evidence, develop a case, and defend it, as well as to appeal decisions.

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 2004, the Bulgarian Helsinki Committee report on human rights (covering 2003) stated that there is continued physical abuse of arrested persons, excessive detentions, and extremely slow court procedures.

Judges in Bulgaria are appointed by the SJC. Amendments in the Judicial System Act, in force since April 2004, regulate the appointment of judges in light of constitutional changes adopted in 2003. The newly created attestations and proposals committees under the SJC are now empowered to appoint and dismiss administrative positions within the judiciary, and these positions are exhaustively described in terms of rights, responsibilities, nomination, and mandate. Under changes in the Judicial System Act, more detailed procedural rules for the appointment of administrators in the judicial system have been developed. In 2004, a new National Institute for the Judiciary began providing training for judges, and as a result of changes in the laws regulating the judiciary, all newly appointed judges must successfully complete a six-month training program before assuming the bench.

While various reports find that there are attempts to influence the courts and some actual corruption in the court system, partiality and unfairness in court rulings are not systematic. 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 a serious crime and with the permission of the SJC. Less than half the members of the SJC are appointed by the Parliament. Over 2003 and 2004, the Supreme Administrative Court, whose primary role is the judicial review of executive acts, ruled both for and against official positions made by all political parties in different cases and could not be viewed as operating under political control or influence. However, the level of public satisfaction with the work of judges remains low. Various public opinion polls suggest that the public perceives judges as slow, inconsistent, not impartial, and corruptible.

The authority of the courts is recognized, and judicial decisions are enforced effectively. However, the enforcement process is considered slow, allowing obligated parties to avoid procedures for significant periods of time, especially with respect to civil law decisions. In 2004 the ruling parliamentary coalition proposed that this problem be addressed by using private companies to enforce court decisions in a public-private partnership scheme. Toward the end of 2004, a draft bill based on this proposal was introduced in the Parliament.

Corruption

Corruption Rating: 4.00

The first measurement by Transparency International of corruption perceptions in Bulgaria in 1998 indicated high levels of corruption seriously affecting the whole society and its potential to achieve macroeconomic growth. By 2004, the perceptions index had improved considerably, thanks to deepening economic and administrative reforms and specific actions by government to address the phenomenon. But corruption remains an important social problem.

In 2004, the Bulgarian government continued implementing a regulatory and administrative framework for fighting corruption. This process was spearheaded by the Commission for Coordinating Actions Against Corruption (CCAAC), created by the Council of Ministers in 2002. Its work concentrated in four different directions. First, regional units were initiated in different Bulgarian districts to coordinate actions against corruption. Second, the CCAAC began cooperating with units to fight corruption within the judicial system, namely with the prosecution and the Commission for Prevention and Action Against Corruption under the SJC. Third, the CCAAC prepared a draft ethical code for public servants, which was later adopted by the Council of Ministers and published in the State Gazette on June 22, 2004, as "code for the conduct of servants in the public administration." Fourth, the CCAAC adopted a strategy to provide public servants with anticorruption training.

Concerning the overall economic reform process in Bulgaria and the environment in which corruption exists, the country is relatively free of excessive state involvement. It has been recognized as a functioning market economy by the European Commission. The private sector produces approximately three quarters of the gross value-added component of Bulgaria's gross domestic product (GDP) and employs about two thirds of the labor in Bulgaria, with continued privatization. On a consolidated basis, the government redistributes around 40 percent of the country's GDP, with budget deficits that are negligibly small (less than 1 percent of GDP since 1998). The structure of the taxation system, with the exception of social security, relies mostly on nondistortionary indirect taxes that is, taxes that have a negligible effect on relative prices and do not distort market price signals while government-regulated prices have a 14.6 percent share of the consumer basket. Bulgaria is classified as "mostly free" in the Heritage Foundation's Index of Economic Freedom, and its scores on fiscal burden and government intervention are very good. In the Economic Freedom of the World Index developed by the Fraser Institute, Bulgaria has a score of 6, with 10 representing the highest degree of economic freedom.

The continued implementation of anticorruption measures in Bulgaria, coupled with other reform processes in the country over recent years, has led to a discernible medium-term trend toward lower levels of corruption in the country. This is visible in both existing measurements of corruption in the country. The first is performed by the local branch of Transparency International, called Transparency Without Borders, which compiles an annual Corruption Perceptions Index (CPI). The dynamics of this index since the start of its publication in 1998 are shown in the following table.

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

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
2004	4.1	54th out of 146

Looking at the medium-term trend, the CPI for Bulgaria has risen by 1.2 points within six years a significant improvement and the trend can be qualified as consolidated. In relative terms, when compared with its two most pertinent regions the new members and candidate members to the EU (New Europe) and the region of southeastern Europe (17 countries in total) Bulgaria's progress in this respect is second only to Latvia's.

This finding is seconded by a broad coalition of Bulgarian NGOs known as Coalition 2000, which has measured the level of corruption in Bulgaria since 1998. Over the last six years, all different measures used by Coalition 2000 (divided broadly into four groups corruption attitudes, acts, perceptions, and expectations) have shown significant decreases in the registered levels of corruption, and the trend has been confirmed over 2004 relative to 2003.

Administrative pressure on Bulgaria's economic activity decreased moderately in 2004 owing to the implementation of the Limitation of Administrative Regulation and Control over Economic Activity Act (in force since December 2003) and several changes in the Public Procurement Act aimed at making procedures more transparent and efficient. However, the decrease is slow, and the implementation of improved regulation takes time.

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 degree to which government officials are actually involved in private economic activities is difficult to assess. There have been no major public or media revelations of such illicit involvement, which suggests that these practices remain limited. At the same time, all state bodies are obliged under the Administration Act, the Public Servants Act, and the Public Procurement Act to publicize available administrative positions and procurement contracts and to use concourses for selection. The number of such publications and procedures reflected in the press and on the Internet is constantly increasing, indicating that these provisions are having an impact. Despite these developments, the public seems convinced that selection is based on personal connections, clientele, or business relations rather than merit.

Financial disclosure by Bulgarian officials is conducted via the Public Register within the National Audit Office under the Publicity of Personal Property of High Government Officials in the Republic of Bulgaria Act. The register is available 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 MPs (who

cannot be prosecuted) continues. Since their introduction in 2003, regulatory provisions aimed at limiting conflicts of interest have not been used in legal practice, and it is difficult to assess their relevance and effectiveness.

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. A prime example of this situation is the fact that on two occasions the Bulgarian prosecution started action against journalists (a team from the BBC and a Romanian investigative journalist) who used hidden cameras to tape concrete cases of corruption. In neither of these cases was any action started against the persons under investigation by the journalists. This is a severe step backward in the protection of civil society activists or members of the media who try to expose corruption.

After averaging about 700 per month in 2003, the number of media outlets alleging corruption in Bulgaria rose to around 800 per month for the first 11 months of 2004 (according to Coalition 2000's monthly media monitoring), which suggests that the media do not feel too threatened to report corruption. The problem with many of these stories is that Bulgarian media tend to paint any suspicious occurrence as a proven act of corruption, regardless of the facts and evidence. As a result, they are in fact instrumental in exposing cases of corruption. But such practices may also be nurturing the public perception of the widespread nature of the problem. A prime example of this in 2003 and 2004 was the highly publicized allegation of a foreign businessperson who accused the ex-prime minister of Bulgaria of asking for and receiving an "election campaign contribution." After the story dominated the media for more than a month, none of the allegations were substantiated by investigations. This development, however, was not publicized by the media.

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 continues to report a drop in the readiness of average citizens to engage in corrupt practices.

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