Bulgaria

Capital: Sofia
Population: 7.17 million
GNI/capita, PPP: $16,840

Source: World Bank’s World Development Indicators.

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NOTE: The ratings reflect the consensus of Freedom House, its academic advisers, and the author(s) of this report. If consensus cannot be reached, Freedom House is responsible for the final ratings. The ratings are based on a scale of 1 to 7, with 1 representing the highest level of democratic progress and 7 the lowest. The Democracy Score is an average of ratings for the categories tracked in a given year. The opinions expressed in this report are those of the author(s).
EXECUTIVE SUMMARY

After a turbulent two-year period with two rounds of early elections in 2013 and 2014, Bulgarian politics returned to stability in 2015. A coalition cabinet of four political parties remained in office, promising and partially delivering on major reforms. Legislative support of the coalition, however, remained tenuous as the leading Citizens for European Development of Bulgaria (GERB) party sought to strike various political deals with each of the other seven parties in the parliament, often appearing to form ad hoc majorities with the opposition. This trend intensified in anticipation of the October 25 local elections. In December, the resignation of the justice minister and a split in one of the governing parties nearly led to the collapse of the government.

GERB reasserted its political dominance in the local elections, which took place peacefully but with some administrative issues. Faced with little competition, GERB won easily in most major cities. The party now dominates the vast majority of local government units: 21 of the 25 regional centers have GERB mayors, and one-third of all councilors were elected from the GERB list. The year also saw the downslide of the long-standing major party on the left as the Bulgarian Socialist Party (BSP) dropped considerably in popularity, losing all eight mayoral positions in the regional centers they had controlled since the 2011 elections. With GERB and the center-right Reformist Bloc (RB) emerging stronger after the elections and the left disintegrating, the polls demonstrated an overall move to the center-right in the country’s political landscape. This development also led many to speculate about an “Orbán-like” turn in Bulgarian politics, with few alternatives to GERB remaining in the country (thus similar to the position of Hungary’s Fidesz party, led by Prime Minister Viktor Orbán). Still, the need to maintain coalitions with a diverse set of political parties on both the national and local level remains a strong constraint on the positions and policies of GERB. In December, one of the junior coalition partners, RB, was shaken by intra-bloc disagreements as one of its constituents officially sided against the cabinet.

In an unprecedented development, the Turkish-dominated Movement of Rights and Freedoms (DPS) lost two of its regional strongholds for the first time in over 25 years. Following some internal party problems and leadership changes in 2013 and 2014, this could signify a trend of decreasing support for DPS. For years, the DPS has represented the interests of the Turkish minority in the country, maintaining close links with the BSP and participating in several governments. By contrast, the Roma minority—whose votes are prone to clientelistic practices and vote buying—continues to lack political representation in Bulgaria.

During the year, the country’s civil society remained active and capitalized on the momentum it gained in 2013 and 2014. Most policymaking initiatives institutionalized the participation of various citizens and professional organizations in the public debate and discussion of bills. While Bulgaria made no major progress in improving the legislative framework for NGOs, their tangible input into the policymaking process is still a substantial step toward an engaged civil sector.

Judicial reform started in 2015, but it encountered significant difficulties when constitutional changes became necessary. Political compromise seemed to obfuscate some much-needed decisions, but with urging from the European Union (EU), the second half of the year saw a renewed impetus for reform. The bill gave hope for the first real step toward an independent and transparent judiciary in the country. In early December, however, the parliament vetoed the reform’s most important parts, despite popular support. The veto led to the resignation of the justice minister and a virtual halt to the reform process.

Corruption, especially in the judiciary, remained a hot topic in 2015 following major scandals in the preceding years. The cabinet initiated a bill to combat high-level corruption in September, but it was unexpectedly voted down in the parliament with the support of some coalition partners. The issue caused an international stir, but the parliament had yet to take up the matter by year’s end. Links between the political and economic worlds continued to be a dominant topic in the country, and some corrupt practices became even more publicly acknowledged. When corruption was exposed, however, the consequences were few.
Freedom and pluralism in the media continued to decline. A number of print outlets closed because of insolvency, new online resources of questionable quality and professional ethics emerged, and the ownership of print media remained a controversial issue. While variety and competition in television and radio outlets is strong, pressure to support the politically powerful continued to be a daily phenomenon. Ironically, state-owned television and radio channels were reportedly the most likely to report in a pluralistic way.

Internationally, Bulgaria continued its pro-EU foreign policy, while relations with Russia stagnated. The refugee crisis had already struck Bulgaria beginning in 2013 and 2014, so there was no major shock to the system in 2015. Economically, the country remained in a difficult situation, with living standards declining and the economic outlook grim for most people.

Score Changes:

- National Democratic Governance rating improved from 3.75 to 3.50 due to improved political stability following years of turmoil and the stabilization of coalition and party politics.

Outlook for 2016: GERB, now in control of all politically relevant institutions, will likely continue to dominate the political system in 2016. Given its trajectory in 2015, the party may try to capitalize on its political presence and reshuffle the coalition. The stability of RB and the smaller coalition partners, both in and out of the parliament, is likely to be crucial for the survival of the cabinet.
Main Report

National Democratic Governance

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- Citizens for European Development of Bulgaria (GERB) reclaimed its pivotal role in Bulgarian politics in 2015. After dominating political institutions between 2009 and 2013, the party spent 2013 and much of 2014 in opposition but reemerged as the most popular party in the October 2014 early elections. Faced with a highly fragmented parliament, the right-wing GERB is governing as part of a four-party coalition, but it remains the dominant force in the coalition and Bulgarian politics. Together with its coalition partners—the center-right Reformist Bloc (RB), center-left Alternative for Bulgarian Revival (ABV), and Patriotic Front (PF), an alliance of two nationalist parties—they have 137 seats out of 240 in the parliament.

- During the year, it became evident that GERB does not cooperate exclusively with its official coalition partners but is also willing to strike deals with smaller parties in the parliament, including the Movement for Rights and Freedoms (DPS), which represents the country’s Turkish minority. While this practice provides ad hoc support for many of GERB’s legislative initiatives, it threatens to destabilize the coalition. GERB continued to enjoy the highest popular support among Bulgarian parties: in September, 24.5 percent of voters supported it, more than double the support for the next in line, the Bulgarian Socialist Party (BSP). Conflicts between GERB, the RB, and other coalition partners became visible in 2015, especially as the October 25 local elections neared.

- DPS has had a strong presence in the political system despite the absence of special provisions for the representation of minority groups and a constitutional ban on ethnic parties. Unlike the Turkish minority, Bulgarian Roma continue to be unrepresented, and their socioeconomic situation remains dismal and a potential source of unrest.

- Institutional struggles between the parliament and president, which had begun in 2013 and 2014, continued during the year. Since both offices are popularly elected, relations between them are often politicized. In 2015, President Rosen Plevneliev’s push for a referendum on the electoral system furthered tensions between the two. Plevneliev had already attempted to introduce such a motion in early 2014, but the parliament refused his request immediately, leading to a popular initiative that was, in turn, also refused by the parliament. In 2015, the president resubmitted his motion and the newly constituted parliament agreed to allow it to go to the polls, albeit in a watered-down form. The move was seen by some commentators as an illustration of the parliament’s efforts to limit the role of the president in domestic politics.

- Global and regional tensions challenged Bulgaria’s positions on foreign policy. Bulgaria maintained a pro-European Union (EU) position and supported the EU-wide resolution for handling the refugee crisis. In the first nine months of the year, 12,738 people asked for asylum in the country compared to 11,081 in 2014 and 7,144 in 2013. According to the chairman of the Bulgarian Refugee Agency, the profile of asylum seekers changed substantially in 2015, with more people coming from Iraq and Afghanistan than earlier. Following the first massive influx of asylum seekers in 2013, mostly from Syria, tensions erupted between the local population and the refugees, leading Bulgaria to erect a 30-kilometer-long wire fence on the Bulgarian-Turkish border in 2014. In 2015, the country installed additional fencing. In contrast to much of the rest of Europe, 2015 posed less of a challenge to Bulgaria, as the country had already put in place a system for registration and housing. However, in November, the Belgrade Centre for Human Rights and Oxfam reported allegations of violence, beatings, and robbery by border police. Earlier, in 2014 and 2015, Human Rights Watch reported of arbitrary pushbacks on the border.
• The country continued to struggle economically despite the low budget deficit of 2 percent and presence of some positive indicators. Deflation continued and unemployment dropped below 10 percent, but income levels are the lowest in the EU and poverty continues to be a major problem. According to Eurostat, Bulgaria has the highest percentage of people at risk of poverty in the EU (28 percent). Years of rising costs of living with no real wage increase have created a grim economic situation for the country’s population.

Electoral Process

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• President Plevneliev’s initiative for a national referendum on electoral reform remained the focal point of electoral politics in 2015. In 2014, the previous National Assembly had rejected the president’s initiative and disregarded the popular support for such a referendum. On June 3, Plevneliev again introduced a motion to call a national referendum alongside the October 25 local elections. The president suggested three questions to be put to referendum: the introduction of a majoritarian element in the electoral system, mandatory voting, and the use of electronic voting. While the parliament appeared to support the motion in committee discussions, in a final vote it allowed only the matter of electronic voting to go to the polls. The president stated his concern that the parliament ignored the will of half a million Bulgarian citizens who had asked for such a referendum the year before.

• The referendum on the use of distance and electronic voting took place alongside local elections on October 25. Turnout was 53.6 percent for the local elections and 39.67 percent for the national referendum. Turnout in the local elections continued its rising trend, up from 42.34 percent in 2003 and 48.53 percent in 2011. For the referendum, turnout was of utmost importance, as it had to surpass that of the last national election (49 percent in 2014) to be binding. Many considered this threshold set by the National Assembly as insurmountable and a hindrance to direct democracy. Since the referendum was unsuccessful but turnout was above 20 percent and 69.50 percent voted “yes,” the National Assembly will be required to consider the proposition.

• Transparency International (TI) reported that irregularities during the elections had “drastically risen,” although they were mostly of administrative nature. Since 1991, international observers have deemed all Bulgarian elections free and fair, but in recent years allegations of vote buying and other irregularities have become more common. The TI report on the 2015 local elections found that organizational problems and the lack of visible attempts to solve them made the counting process slow and scandal-ridden. The most notorious was the refusal to let members of the electoral commissions to physically leave the building of the regional electoral commission in Sofia before the ballots were registered in fear of violating the rules. This left people stranded in the building without food and water for hours, leading to a public scandal that reflected badly on the electoral process.

Civil Society

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• The year 2015 was less turbulent than previous years for Bulgaria’s civil society. Nongovernmental organizations (NGOs) have become increasingly dynamic and assertive in recent years; widespread demonstrations against perceived government corruption and mismanagement in 2013 and 2014 helped
civil society become more institutionalized and involved in political processes. In 2015, all major legislative initiatives included the input of relevant NGOs. Most notable was the participation of groups like the citizen association Justice for All in discussions and debates on judicial reform. Further examples include reform of the pension system, where trade unions and professional associations played a key role in discussions leading up to the bill’s introduction in the parliament.

- Protest Network, a group of activists who came together during the June 2013 protests, continued to vigilantly monitor links between politics and economics, but the group came under increased scrutiny during the year. In 2014, the activists had brought several motions to the Prosecutor General to investigate high-ranking bank officials linked to the Corporate Commercial Bank (KTB) scandal (see “Corruption”). In February 2015, the tax authorities, police, and prosecutor’s office started investigations into some activists’ finances on allegations of “violations of the financial, tax, and insurance systems.” The request for investigation was allegedly made by the owner of the website PIK.bg, a news outlet with connections to DPS MP Delyan Peevski, who was involved in the KTB scandal. After a months-long process during which various NGOs were interrogated, the prosecutor’s office refused to take any further action, finding that none of the allegations were substantiated.

- There were no major changes to the legal framework for civil society organizations in 2015, and registration and tax processes remained relatively simple. The year saw, however, further discussion and renewed legislative initiatives to formalize volunteer work and amend the law on NGOs. The latter bill passed the judicial committee and was introduced for discussion in the parliament in November 2015. The amendments aim to make the registration procedures for NGOs easier, faster, and cheaper. Civil society organizations, however, argued that the amendments fail to introduce competitiveness into NGO funding and would formalize direct funding of a limited number of NGOs instead. This development, according to a petition signed by 200 NGOs in the country, goes directly against previously discussed and widely supported ideas.

- The appointment of Maya Manolova (BSP) as ombudsman in July 2015 caused further public outcry. Manolova became a highly controversial figure in 2014 when she helped push through parliament the new electoral code. The appointment of an openly partisan political figure to a position defending citizen rights was seen as a betrayal of the civil society that helped bring the current cabinet to power. Protest Network immediately organized a demonstration against her appointment.

- Extremely low levels of education, high poverty, and criminal activities attributed to the Romany population inhibit their meaningful integration into many Bulgarian localities, and thus their participation in the democratic process. While positive instances of Roma integration exist and are starting to receive media attention, 2015 witnessed several open conflicts with violence and police involvement. Conflicts over demolitions of Roma settlements in the village of Gurmen garnered the most media attention. The authorities, however, had failed to remedy the forced eviction of dozens of families by year’s end.

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- Continuing a trend from previous years, media freedoms faced several threats in 2015. While press freedom is legally protected in Bulgaria and citizens enjoy unrestricted access to a variety of news sources, the circulation of print media has declined, outlets have become concentrated in the hands of a few owners, and political influence remains high—despite numerous scandals revealing close ties between politicians, media owners, and businessmen.

- As in 2013 and 2014, media ownership continued to be a major contested issue in the country. A Council of Europe report criticized the polarization of the media sector and apparent “media wars” between media conglomerates. The New Bulgarian Media Group (NBMG), owned by Irena Krasteva,
former head of the state lottery and mother of DPS MP Delyan Peevski, continued to make headlines with allegations of increased concentration of media ownership. The company has been in the print market since 2007 and owns several newspapers. In 2015, NBMG moved to acquire the national TV channel Kanal 3. The Commission for the Protection of Competition allowed the deal to proceed because of its small monetary value, while noting the concentration of ownership across media types. The acquisition had yet to be finalized at year’s end.

- Two print and online media outlets—the daily Пресса (“Press”) and the weekly magazine Тема (“Theme”)—stopped publishing as of August 1, 2015, due to lack of funds. Both publications were owned by companies close to Tsvetan Vassilev, the central figure in the KTB scandal of 2014. The closure led to more than 130 layoffs and a public statement by the Union of Bulgarian Journalists (UBJ). The UBJ called for increased legal protections against such “behind the scenes” ownership deals that lead to instability in the industry and loss of diversity of opinions in the media.

- Broadcast media, meanwhile, continued to be more diverse, with one new channel, the Bulgarian International Television (BiT), appearing on the market in 2015. Publicly owned broadcast media are still seen as most independent among all outlets. Alternative sources became more popular in 2015 and provided additional sources of information, but their quality controls remained questionable. Notorious in this regard are the news websites OFFnews and PIK, both of which have been very influential in online public discussions.

- Increasing use of online forums for political discussion led to a joint declaration by most major political parties in May 2015. The parties agreed to not engage in internet trolling to spread allegations and false information about each other and contaminate the political process.

- The Bulgarian national radio and television are regulated by the Council for Electronic Media (CEM), an independent body whose members are jointly elected by the parliament and media organizations. Conflicts between the regulator and politicians continue to underscore its important role. In 2015, the parliament delayed election of its appointee to the CEM, indicating a lack of political agreement on the makeup of the council. Later in the year, the parliament also rejected the regulator’s financial reports, venting further dissatisfaction with the regulator. The CEM viewed this as a political attempt to take over the regulation of electronic media in the country.

### Local Democratic Governance

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- Bulgaria has 264 municipalities that act as self-governing units. The municipalities, which can set their budgets independently, are further organized into 28 regions that are headed by governors appointed by the prime minister.

- Regular elections for mayors and members of local councils took place on October 25, 2015. The elections were the first to be conducted under the 2014 statute requiring voters to be registered at least six months in advance in the localities in which they vote. The elections also used preference voting in the case of municipal council members.

- The campaign officially started a month before the elections on September 25. Altogether 71 parties and 3 coalitions registered to run, GERB candidates were set to win in many localities. In Sofia, the GERB incumbent, Yordanka Fandakova, capitalized on several years of major infrastructure improvements in the Bulgarian capital. The competition in Bulgaria’s second largest city, Plovdiv, promised to be more interesting. Although the GERB incumbent appeared to stay in power, several competitors emerged over the summer, and allegations of improper allocation of public procurement and links to murky economic interests tarnished the mayor’s reputation.
• The election results, as expected, solidified GERB’s position in local governments. GERB won 1,727 seats in the municipal councils, about one-third of all seats, and an increase of more than 100 since the last elections in 2011. GERB also won 21 of the 25 mayoral seats in regional centers, including in Plovdiv and in the capital, Sofia. GERB’s coalition partner RB won in three cities, including in Pleven, where it ran against a GERB candidate. DPS managed to keep only one of the three regional centers it dominated, and BSP lost all eight regional centers where it had won in 2011.35

• The local elections underlined the political demise of the Socialists, the uncertain status of the DPS, and the almost complete control of the political system by GERB. Commentators were quick to see the potential for GERB to become a dominant party in the political system, but GERB will still have to form coalitions in all municipalities and strike deals if it is to govern locally. With RB emerging stronger after the elections with several important mayoral positions and many councilors, the center-right has a chance to reestablish itself.

### Judicial Framework and Independence

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• The year 2015 saw the first real attempt at proper judicial reform initiated by the GERB-led coalition. The Bulgarian constitution guarantees independence of the judiciary, which has benefited from reforms associated with EU accession, but nontransparent and uncompetitive appointment procedures in the highest bodies as well as alleged corruption have continued to tarnish its reputation at home and abroad. Bulgaria, together with Romania, is subject to annual checks by the European Commission (EC) as part of the so-called Cooperation and Verification Mechanism (CVM). In numerous reports, the EC has urged Bulgaria to improve the independence, accountability, and integrity of the judiciary.36

• At the end of May, Minister of Justice Hristo Ivanov introduced a bill to amend the Law on the Judiciary. The bill aimed to change the way courts are governed, increasing the independence of judges and limiting politicization.37 Parallel to this, constitutional changes were introduced in the National Assembly to allow for a split in the Supreme Judicial Council (VSS) so that separate bodies will regulate appointments in the prosecutors’ offices and the courts. The VSS, which was established to guarantee judicial independence, is possibly the most criticized institution in the judicial system. It has the power to appoint, promote, demote, reassign, or dismiss the justices, prosecutors, and investigating magistrates. Half of its members are elected by the parliament, which allows for political influence over the selection of judges.

• The passing of constitutional changes in 2015 proved politically difficult. In late July, a “historical compromise” was reached among the parliamentary parties that allowed for the introduction of some of the original proposals in a revised bill. These included the splitting of VSS into two separate colleges, one overseeing prosecutors and the other judges; changing the appointment process; giving a greater role to VSS’s inspectorate in supervising conflicts of interest; and granting the Supreme Judicial Council the right to file motions with the Constitutional Court.38 Despite these proposals, experts argued that the compromise failed to reflect the reform’s main goal, that of decreasing the Prosecutor General’s excessive influence in the judiciary.39 The bill passed its first reading in September and received the Venice Commission’s support; the commission, however, found that the reform efforts lacked comprehensiveness.40

• In early December, the parliament approved a watered-down version of the bill rejecting one of the most important provisions, a change in institutional quotas for the appointment of VSS members. As GERB, the leading party in the coalition, voted against Ivanov’s proposals, the justice minister resigned following the vote.41 Advocacy organizations widely criticized the parliamentary vote, arguing that it showed a lack of commitment to judicial independence. By the end of 2015, it became clear that most
of the political momentum for reforming the judiciary was lost during the political negotiations and intra-coalition deals.

- Similar to previous years, there were a number of controversial appointments to Bulgaria’s highest judicial bodies. In late 2015, four vacancies on the Constitutional Court were waiting to be filled. The election of one of the justices, Konstantin Penchev, caused some controversy, with the opposition alleging that his appointment was a result of political deals and his election certain even before the nomination process had started. Overall, the appointments were seen as yet another case of political elites ensuring the court is supportive of those in power.

**Corruption**

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- Despite repeated promises by successive governments to eradicate corruption, graft is still widespread, organized crime remains powerful, and political appointment processes are largely nontransparent in Bulgaria. A troubling overlap between political and monopolistic business interests had been one of the sources of the 2014 political crisis that brought the new coalition cabinet into power. The year 2015 did not see any changes in this respect.

- The cabinet introduced a bill to fight high-level corruption in early September, but junior coalition partners ABV and Patriotic Front eventually joined the opposition and voted against the draft. The parties argued that the bill allowed for too much political interference. The vote, which came as a surprise to the coalition, was also indicative of recurring tensions among RB, GERB, and the junior partners, especially preceding the local elections. After Deputy Prime Minister Meglena Kuneva invited 17 EU ambassadors to hear the arguments against the bill in the parliament, 14 of them called the vote a "negative signal in the frame of the fight against corruption." Following a major scandal in 2014, links between DPS MP Delyan Peevski and Tsvetan Vassilev, an influential financier and owner of the Corporate Commercial Bank (KTB), remained on the political and media agenda. In June 2014, a major conflict between Vassilev and Peevski led to a run on the bank’s deposits and a banking crisis. While Vassilev was arrested several months later, the crisis resulted in lasting economic and political disruptions at the domestic and EU level. For years, the links between NBMG, closely associated with Peevski, and KTB had been illustrative of the interconnectedness of the media, economy, and politics. In 2015, Peevski declared his ownership in Bulgartabac, NBMG, and other companies and announced plans to leave politics. In September, however, he refused to confirm plans to leave the DPS and remained an MP as of year’s end.

- Another scandal that revealed connections between political and economic circles was a National Revenue Agency investigation of an acquisition by the son of former Bulgarian president and ABV leader Georgi Parvanov. Local media reported in July that his son Ivaylo had purchased a luxury spa hotel in the town of Kyustendil, which led to an investigation and speculations on the origins of the money. The investigation was ongoing at year’s end.

- In a positive development, ex-GERB MP Emil Dimitrov received a sentence for conflict of interest in July. Dimitrov had participated in the drafting and approval of the bills on health and smoking, while his family links to cigarette distribution companies should have prevented his involvement in the legislative process.

- In an opinion poll conducted shortly before the local elections, about 10 percent of participants reported that they have been offered a favor or money in exchange for their vote. After the elections, Transparency International (TI) reported vote buying as the second biggest problem in the conduct of local elections. TI’s 2015 Corruption Perceptions Index decreased Bulgaria’s score by two points (down to 41 from 43 in 2014), thus ranking it as the 69th most corrupt country.
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