THE DISTRICTS FOR PLANNING IN BULGARIA – OPPORTUNITIES FOR THE SOCIAL – ECONOMIC DEVELOPMENT

Цветан Илиев. Мезорегіони планування в Болгарії – сприятливі умови для соціально-економічного розвитку. Головною метою європейської регіональної політики є мінімізація відмінностей між рівнями розвитку регіонів шляхом подолання проблем в найменш благополучній частині Європи. В якості повноправного члена, цей процес у нашій країні знайшов своє вираження у зближенні економічного розвитку територіальних одиниць, рад та регіонів, через визначення районів для планування та втручання. У контексті вищеозначених, метою даної роботи є визначення умов для цих районів у соціально-економічному аспекті, шляхом вирішення проблем та можливих шляхів їх вирішення для кожного району. З урахуванням цього виділені такі завдання дослідження: 1) аналіз соціально-економічних тенденцій стану мезорегіонів для планування в Болгарії, 2) оцінка проблем, пов’язаних з розвитком, 3) аналіз і оцінка інструментів вирішення проблем, увага акцентується на ОП «Регіональний розвиток» та Національному плані дій з розвитку аграрних і сільських регіонів 2007-2013 pp.. Для вирішення поставлених завдань застосовуються такі інструменти: аналіз і синтез, формування статистичних рядів, індукція і дедукція.

Цветан Илиев. Мезорегионы планирования в Болгарии – благоприятные условия для социально-экономического развития. Главной целью европейской региональной политики является минимизация различий между уровнями развития регионов путем преодоления проблем в наименее благополучной части Европы. В качестве полноправного члена, этот процесс в нашей стране нашел выражение в сближении экономического развития территориальных единиц, советов и регионов, через предопределение районов для планирования и вмешательства. В контексте вышеизложенного, целью данной работы является определение условий для этих районов в социально-экономическом аспекте, путем выделения проблем и возможных путей их решения для каждого района. С учетом этого выделены следующие задачи исследования: 1) анализ социально-экономических тенденций состояния районов для планирования в Болгарии, 2) оценка проблем, связанных с развитием, 3) анализ и оценка инструментов решения проблем, внимание акцентируется на ОП «Региональное развитие» и Нацionalном плане действий по развитию аграрных и сельских регионов 2007-2013 гг. Для решения поставленных задач применяются следующие инструменты: анализ и синтез, формирование статистических рядов, индукция и дедукция.

Tsvetan Iliev. The districts for planning in Bulgaria – opportunities for the social – economic development. The main goal of the European regional policy is the minimization of the differences in the levels of development of the regions by overcoming the problems in the least favoured parts of the EU. As a full member, this process in our country finds expression in the rapprochement of the economic development of the territorial units, councils and regions, through predetermined districts for planning and intervention. In the context of the above mentioned, the aim of the present work is to determine the conditions of these districts in the social-economic aspect by outlining the problems and the possible solutions for each district. The following research tasks are set on this basis: 1) the analysis of the social-economic tendencies in the state of the districts for planning in Bulgaria; 2) evaluation of the problems related to development; 3) analysis and evaluation of the instruments for solving the problems, the focus being on OP “Regional Development” and the National Plan for the Development of Agriculture and Rural Regions 2007 – 2013. For the accomplishment of the appointed tasks the following instruments are applied: analysis and synthesis; formation of statistical rows; induction and deduction.

Despite the fact that as a whole the European Union represents a prosperous economic community there are differences in the condition and development of the over 250 regions in the Union. It is exactly the elimination of these discrepancies and giving the citizens of the EU equal possibilities for access to quality education and training, for acquiring an appropriate job, for an ecologically clean environment, for ensuring
a favourable business environment that constitute the main goal of regional politics or as it is also known policy for rapprochement or cohesion policy.

At the current moment the socio-economic development of the EU faces a series of challenges, some of the more important being:

- The different consequences in the separate regions from the changing climate on the territory of the EU and the neighbouring countries, more specifically concerning the stable territorial development;
- The rising price of energy, the energy inefficiency and the unequal distribution of the possibilities presented by the new forms of energy production;
- The accelerated integration of our regions, in particular the boundary regions, in the frame of the global economic competition and, at the same time, the rising interdependency of the countries and regions around the world;
- The influence of the enlargement of the EU upon the economic, social and territorial rapprochement, more specifically concerning the integration of Eastern Europe and the new member states and their regions concerning the transport and energy infrastructure;
- The overexploitation of the ecological and cultural recourses and the decreasing of biological diversity, mainly as a consequence of the enlarging unstable development, as well as, the depopulation of the remote regions;
- The effects on the territory from the demographic changes (especially the aging of the population), as well as the inter and outer migration on the labour markets, the offering of services of mutual interest, the housing market, the development of the structure of the settlements and on the way people live together in our towns and regions.

In answer to these challenges we think that territorial rapprochement is an obligatory condition for stable economic development and for the implementation into practice the social and economic rapprochement, which represent the European social model. In this context we acknowledge as a main task and an act of solidarity the creation of prerequisites in all regions for offering equal conditions for citizens and possibilities for the development of entrepreneurial initiative. In this way the regional identity and potential, the different needs and characteristics of the regions, towns and villages of Europe acquire a more significant importance in the policy of territorial rapprochement and the other policies for territorial development.

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As a full member of the EU from the beginning of 2007 this process in our country expresses itself in the coming together of the economical development of the territorial units, counties and regions though predetermined regions for planning and intervention. In the context of the above-mentioned, the objective of the present work is to determine the condition of these regions in a socioeconomic aspect by defining the problems and the possible solutions for each separate region. The following research targets have been based on this basis: 1) analysis of the socioeconomic tendencies in the condition of the regions for planning in our country; 2) evaluation of the problems facing development; 3) analysis and evaluation of the instruments for solving problems, the main focus being on OP „Regional Development” and the National Plan for Development of Rural Regions 2007 – 2013. For the accomplishment of the above-mentioned tasks the following instruments are used: formation of statistical rows; induction and deduction.

The Regional policy of the European Union (EU) is based on the principle of solidarity in so far as part of the budget of the Union is directed towards less developed regions and social groups. For its implementation the EU allocates about one third of its budget.

In Article 158 of the Pact for the Formation of the European Community it is stated that in order to strengthen its economic and social rapprochement the Community will strive to lessen the differences between the levels of development of the different regions and the backwardness of the most underprivileged regions and districts, including rural areas. In Article 159 it is stated that these actions will be assisted by:

- Structural Funds (SF),
- The European Investment Bank (EIB) and
- Other existing financial instruments.

The Structural Funds (SF) are the main instrument of the European Union for implementing its Regional Policy. The name Structural Funds is a summarization for the different financial instruments created during different time periods. For the period 2000-2006 these are: 1) European regional development fund (ERDF); 2) European Social Fund (ESF); 3) European Agricultural Guidance and Guarantee Fund (EAGGF); 4) Financial Instrument for Fisheries Guidance (FIFG).
The funds allocated for structural measures are about 213 billion euro (or one third from the overall Community budget for 2000 – 2006. From these funds 18 billion euro are allocated to the Cohesion fund for support of measures for building of transport and environmental infrastructure in the member states with GDP lower than 90% of the EU average (at that time Greece, EIRE, Spain and Portugal).

For the present programming period 2007 – 2013 the European Commission suggested a reform in its cohesion policy and the Structural funds regulations.

New regulations were adopted and in accordance with these for the 2007 – 2013 period the Structural funds will be: 1) the European fund for regional development (ERDF); 2) the European social fund (ESF);

The primary aim of the European Union policy for economic and social cohesion is to limit the differences in the economic and social development of the regions of Europe and to promote structural changes for developments which will lead to economic and social growth. In the frame of this main objective for each separate period the Community determines several in number specific objectives which are common for the EU. For the period 2000-2006 the cohesion policy is focused on three main objectives, the implementation of which is assisted by structural funds and the Cohesion fund of the EU:

**Objective 1** - Helping regions whose development is lagging behind to catch up - 70% of the whole financing is allocated to helping the so called regions of Objective 1, where the gross domestic product (GDP) is below 75% of the Community average;

**Objective 2** - Supporting economic and social conversion in industrial, rural, urban or fisheries dependent areas facing structural difficulties - 11.5% of the funds are directed towards these regions;

**Objective 3** - Modernising systems of training and promoting employment. Measures financed by Objective 3 cover the whole Union except for the Objective 1 regions, where measures for training and employment are included in the catch-up programmes.

For the present programming period 2007 – 2013 the Cohesion policy of the EU is focused on the following priority objectives:

**Objective 1 “Convergence”** - the poorest Member States and regions are eligible under this objective. Under the objective measures for promotion of quality of investment will be supported, as well as development of innovations and society based on knowledge, adaptation towards economic and social changes, environmental protection and administrative efficiency of the institutions. To finance the actions for its accomplishment resources have been provided for from the the European fund for regional development (ERDF), the European social fund (ESF) and the Cohesion Fund which will increase its contribution to stable development. Objective 1 also includes the strengthening of the institutional capacity and effectiveness of the state administration and the capacity to manage the Structural Funds and the Cohesion Fund. We cannot point out any significant difference concerning the criteria for permission of the regions for financing from the Structural Funds and the Cohesion Fund. We must point out, however, that our country is optional for financing by it.

**Objective 2: “Regional Competitiveness and Employment”.** In its perimeter of action fall regions outside the group of the least developed. Its accomplishment is connected to increasing competitiveness of the regions and employment by foreseeing the economical and social changes, including those connected to opening the markets, through innovations and promoting a society based on knowledge, entrepreneurship, protection and improvement of the environment, adaptation of workers and the business, as well as, the development of labour markets. For its realization resources have been provided by ERDF and ESF.

**Objective 3: “European Territorial Cooperation”.** The Objective tries to strengthen cross-border cooperation through mutual local initiatives on a transnational level, through actions leading to integrated territorial development connected to the priorities of the Union and through networks and the sharing of experience on an appropriate territorial level. The only financing is from the ERDF. Standing on the principle of solidarity between the people living in the Union and the idea for a united economic and social progress, the member states of the EU carry out a European regional policy financed by the EU Funds. In this way the Union influences the planning of development on a regional and local level by observing the following main principles:

- **The principle of partnership** – the actions of the Union supplement and encourage national activities. The must be the result of close cooperation and consultation between European Commission and the state. The nationally determined organs on a central and local level and the socioeconomic partners must participate in this process.

- **The principle of coordination** – the European Commission and the state guarantee the coordination and the non-admission of overlapping of financing from the different funds and the support from other financial instruments.
• **The principle of decentralization** – provides for the delegation of rights for the management of the Structural Funds and the Cohesion Fund from the EC to the state;

• **The principle of supplementation** – the resources from the EU must supplement the local sources of financing, whose level is determined by the state.

For the purposes of planning, programming, management, resource supply, monitoring and evaluation of the regional development in our country there have been differentiated regions separated in two levels in correspondence to the requirements of the common classification of the territorial units for statistical purposes adopted in the European Union. The regions comprising level 1 have the following territory:

1. Region “North and Southeastern Bulgaria”, which includes the North-western region, the North-central region, the North-eastern region and the South-eastern region

2. Region “South-western and South-central Bulgaria, which includes the South-western and the South-central regions

   The regions forming level 2 include:

   1. The North western region is formed by the provinces Vidin, Vratsa, Montana, Pleven and Lovech.
   2. The North Central region includes the provinces of Veliko Tarnovo, Gabrovo, Ruse, Razgrad and Silistra.
   3. The North Eastern region comprises the provinces of Varna, Targovishte, Shumen and Dobrich
   4. The South Eastern planning region includes the provinces of Burgas, Sliven, Stara Zagora and Yambol
   5. The South Western region includes the provinces of Blagoevgrad, Kyustendil, Pernik, Sofia province and Sofia-city.
   6. The South Central region includes the provinces of Plovdiv, Pazardzhik, Smolyan, Kardzhali and Haskovo.

According to data from the national statistics and the Ministry of Regional Development and Public Works the planning regions in the presented above chronology have the following characteristics. [1]

The North western region defined in accordance with the requirements of EU Regulation 1059 / 2003, is formed by the provinces Vidin, Vratsa, Montana, Pleven and Lovech. Its area encompasses 17% of the territory of the whole country and 13 % of the population live there. The unemployment rate is 12.5 % - higher than the country’s average by 5 points. The provinces Vidin and Lovech are characterized by an extremely high level of unemployment. The highest rate of unemployment is in the province of Lovech 12.8 thousand people, followed by Vratsa and Vidin, 9.3 and 9.1 thousand unemployed respectively. The lowest rate of unemployment, lower that the average of the country and the region, is in the provinces of Pleven and Montana.

All the provinces have a rate of employment under the average for the country. For the provinces of Pleven, Lovech and Montana it is over the region’s average of 37.5 %.

The region’s portion in the GNP as a whole for the country is about 9.5 %, which could be ascribed to the worsened production infrastructure formed in the transition period from the beginning of the 1990s.

The North Central region encompasses 13% of the territory of the whole country and includes the provinces of Veliko Tarnovo, Gabrovo, Ruse, Razgrad and Silistra. The population of the region is 12 % of the whole population of the country. The unemployment rate is 10.5 % and is higher than the average for the country. Similarly to the North Western region the employment rate is lower than the average for the country. Because of this the regions portion in the GNP as a whole for the country is about 13 %.

The North Eastern region comprises the provinces of Varna, Targovishte, Shumen and Dobrich and encompasses 13% of the territory of the whole country. The population of the region is 12.9 % of the whole population of the country. In contrast to the above mentioned regions in North Bulgaria 68% of the land in the northeastern region is agricultural land.

The unemployment in the region is approximately 8%, which is about 1% above the average for the country. The rate of employment of the economically active population formed under these conditions is 54.2%. The region’s portion in the GNP as a whole for the country is about 14.5 %.

The South Eastern planning region is situated on 18% of the territory of the country and encompasses 15% of the population.

The economical parameters of the region show approximately 6% unemployment, which is one point lower than the average for the country. The explanation can be sought in the tourist character of the region, which presupposes a bigger involvement of the population in such activities. Also it possesses a serious industrial character of production, which gives it a share in the GNP of the country of 18.9%.
The South Central region is the second in size and encompasses 20% of the territory of the country. Here live 21.55 of the population of the country. Administratively speaking it includes the provinces of Plovdiv, Pazardzhik, Smolyan, Kardzhali and Haskovo.

The economic structure of the region is predominantly agricultural in character with well developed tourism and forestry. According to its share in the GNP the region has 17%. The unemployment rate is 9%, which is approximately two points higher than the average for the country. The employment percentage of the economically active population is 52%.

One of the best represented in socioeconomic respect regions is the South Western. It encompasses 19% of the territory of the country and 27% of the population. The unemployment rate is 4.5%, which is considerably lower than the average for the country. The employment coefficient is around 62% which brings it near to the standards of the accepted in the member states of the EU Lisbon Strategy (65 – 70%).

For this purpose our country has developed and received approval for seven operational programs, in which regional policy has found its place. One of the most secure in financial aspect programs is OP “Regional Development” and the National Strategic Plan for agricultural and rural development 2007-2013. The first program is focused on the urban agglomeration areas while the second – on the problems of the rural regions in the country. This is due to the search for balance between the stimulation of the town industrial areas and the rural, mainly agricultural and tourist regions.

In the sphere of action of OP “Regional Development” lie five priority trends. The first is connected to stimulating stable urban development. It encompasses actions for the development of the social infrastructure and the housing policy in the urban areas, integration of infrastructural facilities and terrains with the aim of stimulating entrepreneurship and attracting new investments, improving living environment of the population and development of systems for sustainable, ecological and effective city transport.

Providing sustainable urban development cannot be achieved solely through investments in the main infrastructure. This is a much wider process which includes sustainable social development – from the point of view of educational, cultural, social and medical infrastructure. The common thing about all Bulgarian planning regions is that the social infrastructure is not adequately adapted to the present situation and the arising needs or it is in a very bad condition. The optimization and modernization of the social infrastructure will lead to the rise in the quality of life and it will help the improvement of human capital and the labour market in the regions and in so it will help fulfill the aims from Lisbon. The actions in this direction are important for the rising of the economic, social and cultural integration of the urban territories.

The actions stipulated for the construction and further development of the existing regional and local transport infrastructure are important for the development of urban areas. Here we must stress the necessity of achieving the European standards in this respect as the Bulgarian infrastructure is part of that of the Union. This will further help the full integration of the country in the EU.

Integral parts of the infrastructure are the informational and communicational networks. Their further development will provide the country with access to the new achievements in the developed countries and their more adequate integration in Bulgaria in all spheres of socioeconomic life.

In the scope of the program is also one of the serious problems facing not only Bulgarian regions but also those of the EU as a whole. These are the problems of energy efficiency and the incorporation of energy efficient practices in every day life and in industry. We can even determine them as priorities having in mind the dependency of Bulgarian households and enterprises on the import of energy resources. The future lies in economizing energy from traditional sources and the discovery and use of new ones – wind, solar energy, biomass etc.

One serious group of actions in the program is designed for stimulating tourism in urban areas. Our country is famous for its tourist cultural-historical potential but it must be presented to the world in a way...
which can make us an attractive destination. For this purpose there must be built infrastructure next to and around these tourist sites so as to make them accessible.

In the so far mentioned we cannot exhaust all the possibilities which the program for development of the urban areas in the region for planning in Bulgaria offers. From the presented information for the regions it becomes clear that a significant part of the population in them lives in settlements of a rural type. This forces the policy for development of the regions in our country to focus its attention to this population and its problems.

For this reason in 2007 started the implementation of National Strategic Plan for agricultural and rural development. It has focused its range of action to rising the competitiveness of the agricultural and forestry sector, nature protection and improving the environment, rising the quality of life in the rural areas and the variegation of the rural economy, as well as, stimulating the participation of the population of the rural areas in determining the problems and the search for their solving through the implementation of the proven as a good practice in the countries of the EU approach “Leader”.

The raising of the competitiveness of Bulgarian agricultural production is a serious problem in view of the strong pressure from the EU market. For its practical realization measures are stipulated for the stimulation of young and starting farmers for the development of business enterprises, helping existing and recognized producers, as well as, raising the quality of Bulgarian agricultural production. The risen competitiveness is a function of the realization of products with higher gross value. On the other hand this is a way of coping with the problem of unemployment amongst the active population in the rural regions.

One of the priorities of the European policy as a whole and not only focused on the regions is environment protection. This is the reason why stimuli have been provisioned for achieving criteria in this sphere. They are connected to the construction of sewer and water providing facilities and cleaning stations in settlements, processing human waste by new ecological methods and techniques etc.

As a whole the above mentioned actions will help raise the quality of life in the rural regions. For this purpose support is provided for the creation and development of microenterprises in the rural regions, whose aim is the production of non-agricultural goods. This will help the creation of jobs for the population and the raising of the welfare of the regions as a whole.

Apart from this an important priority of the program in this sphere is the stimulation of tourist activities through the renovation of the rural settlements from the point of view of infrastructure and accessibility to different services for the people.

The so far mentioned actions and initiatives are subject to the principle of making decisions “from top downwards” because the problems have been defined on a national level and it is there that the appropriate funding resources for their solving is distributed. There exists another approach which seems to work well in the European rural regions. This is the approach “Leader” where the mechanism is the other way round – “from bottom to top”, i.e. the problems are defined by representatives of a specific rural region and ways for their solving are determined. This creates a sense of participation amongst the local population.

The review of the socio-economic development of the planning regions in Bulgaria shows that that it is necessary to concentrate the efforts of the managerial policy on a central and local level, as well as, participation of the population in them for the improvement of their condition. Certain criteria have been created From the point of view of the principles of regional development in the EU which must be followed in our country as well. Furthermore after 2007 our country has received access to funding from the Structural Funds and the Cohesion fund which must guaranty financially the regional policy on a local level. Two of the main instruments in this direction - OP “Regional Development” and the National Strategic Plan for agricultural and rural development 2007-2013 have provisioned a group of actions, which search for a balance between the development of urban areas and the rural regions in the six planning regions. We can determine the speed of the process as slow so far, which forces the undertaking of actions for their speeding up and directing towards the most urgent problems. These are: infrastructure, the creation of conditions for the development of entrepreneurship and the attracting of investments, raising the quality of life and nature protection and accessibility for the population to the new technological achievements. Finding the right way for solving these problems will guaranty a respectable place for our country in the European family.
