

THE INSTITUTIONAL FUNCTIONING OF REGIONAL DEVELOPMENT IN BULGARIA

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The Regional Development is very important for each country. According to paragraph 20 of the Constitution of Republic of Bulgaria "the State creates conditions for balanced development of the individual regions of the country and supports the regional bodies and activities by means of its financial, credit and investment policy".

The basic national objectives in the regional development are:

- overcoming of existing regional disparities in the level of poverty, unemployment, depopulation, environmental damage and socio-economic tension;
- application of a differentiated regional approach to the structural reform in national economy;
 - participation in different European programmes for regional development and cross-border cooperation.
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For the implementation of these objectives the Bulgarian Parliament adapted a special Regional Development Act in March 1999.

The Bulgarian Government, in compliance with paragraph 13 of it, approved the major parameters for elaboration of a special National Plan for Regional Development. This Plan covers the period 2000-2006 i.e. in its essence it is a medium-term (15-20 years) state strategy for regional development. The regional strategy is aimed at reforming the use of national territory of the country. The Government approved the criteria for defining 2 networks of regions. The first of them is a network of 6 planning regions, corresponding to the NUTS II level, and the second one embraces the so-called areas (regions) for purposeful impact and their adjacent territory.

Planning Regions

Individual plans for regional development are worked out for each of the defined 6 planning regions. They are integrated parts of the National Plan, but only the major problems and parameters have been incorporated in it. The Planning regions have a diverse natural, economic, demographic, social and infrastructural potentials and development of settlement networks. These regions cover several administrative districts, but they are not such units. Their major differences, by 1999, are as follows:

- *Territory.* The area of the regions varies from 10 588 km² for the North West to 27 555 km² for the South Central Region;
- *Number of population.* In terms of the number of inhabitants one may note differences from 603 000 for North West to 2 144 000 in South West region, the half of which is the population of the capital Sofia.
- *Existence of a very big city or several big cities in the settlement network.* There are also significant differences between regions. For instance, in the South West Region is the largest Bulgarian city - the capital of Sofia, in the South Central one - the cities of Plovdiv, Stara Zagora, Haskovo, in the South East - Burgas, Sliven and Yambol, in the North East - the main Bulgarian sea port Varna, etc. Most of these cities are centres of the areas for purposeful impact (mainly areas of growth and areas for development).

- *Economic specialisation.* At present the principal specialisation of the economy of the North West, North Central and North East Region is in the primary sector and especially in the agriculture. The South West, South Central and South East Region specialised predominantly in ore-mining, forestry and agriculture. The secondary sector is developed, in the big cities and in the centres of the areas of growth and development (Sofia, Plovdiv, Varna, Rousse, etc.). The gravest problems of the socio-economic development are in the North West Region and in the southern parts of the South East and South Central Region (especially their mountainous areas).

According to the Regional Development Act and the National Plan for Regional Development the principal functions are oriented to 28 administrative districts, which work out their own regional plans and set up district councils for regional development. A specific network of areas for the so-called "purposeful impact" is also defined by an Act of the Council of Ministers. These areas cover only some fractions of the national territory of the country, respectively the planning regions. The following types of such areas for purposeful impact, have been distinguished:

- areas of growth;
- areas for development;
- areas for cross-border cooperation and development;
- areas with specific problems (they include 2 sub-types: declining industrial areas and underdeveloped rural areas).

The total number of all these areas for purposeful impact is 77, incorporating 63 % of the country's territory and 74 % of its population.

Areas of Growth

This type of areas has as a centre a large city of more than 100000 inhabitants. They play a leading role in the national economy and feature the highest rates of socio-economic and established complex of technical infrastructure of national and international importance. The areas of growth with their centres form the skeleton of the settlements network of 1-st rank (Sofia) and 2-nd rank (other district centres). During the planning period they will be the main regional factor for accelerated development of the country. These areas cover 9.3 % of country's territory and have 35.9 % of the population.

Areas for Development

These areas have as a centre a medium-size city of 30-100000 inhabitants, an important place in the country's economy, good technical and social infrastructure of regional significance. They include a municipality or groups of municipalities at a distance more than 50 km from another centre of an area of growth. They cover 6.1 % of the territory and 9.7 % of the population of the country.

Areas for Cross-Border Cooperation and Development

These groups of areas have been formed by municipalities, located close to the state borders that have a potential and possibilities for cross-border cooperation. Their spatial identification is similar to the practice of the European Union (see Handbooks, published by the Association of European Border Regions, 1995). This type of areas cover 28.9 % of the national territory with 19.5 % of the population of the country.

Declining Industrial Areas

They are municipalities or groups of them with mono-structural economy, characterised by poor economic results and growing unemployment parallel to the structural reform. Grave social tensions are typical in these areas during the planning period. Their territory is 6.5 % of the country with 5.3 % of its population.

Underdeveloped Rural Areas

These municipalities or groups of municipalities, comprising villages or small towns with a predominantly rural way of life and agricultural or forestry economic functions. They are mainly situated in the mountainous parts of the country. They cover almost a quarter of the country's territory (24.3 %) with 12.2 % of the population. To put all these major objectives into practice it's necessary:

- to ensure balanced socio-economic development of the regions and effective interaction between them by adequate means;
- to create conditions for stabilisation of the declining regions;
- to elaborate a differentiated policy with respect to border mountainous and rural areas. This is very important because the financial resources for investment projects will be given with priority to the areas of growth and development.

Institutional Functioning of Regional Development

The main instrument of regional development, as we have already said, is the National Plan for Regional Development. Besides, another Plan at a national level has been elaborated, known as National Development Plan. The National Plan for Regional Development is not a structural element of this Plan, although close and essential connections exist between them. We must underline, that the National Plan for Regional Development has been worked out in close relationship with the objectives and parameters of all economic sectors included in the National Development Plan.

A substantial aspect of all plans is their institutional support and management. There are strict demarcation of functions, rights and obligations in all efforts and clear hierarchical subordination between them.

The main organ of the whole mechanism for the implementation of the National Plan is the Ministry for Regional Development and Public Works together with a special governmental Council for Regional Development. Specialised commissions for each individual planning region are formed in it. There are, also, 28 district Councils for Regional (district) development. Each of the existing municipalities has elaborated its strategies with the most important local projects, measures and financial schemes for implementation. All the financial activities at all levels are taken over by the Ministry of Finance.

So, the institutional levels, with their targets are:

- national (national targets and priorities in all sectors of economic, social and infrastructural spheres);
- planning regions (regional targets, priorities, programmes and projects);
- districts (project targets, priorities and programmes at district level);
- municipalities (operational targets, local strategies with concrete priorities and activities).

At these levels there are official organs and structures responsible for the implementation of the Plans and Strategies, as follows:

- national (governmental Council for Regional Development with representatives of the individual Ministers);
- planning regions (specialised Commissions of the Council);
- districts (district Councils for Regional Development and district Governors);
- municipalities (municipal Councils, Agencies and municipal Mayors).

This hierarchical subordination ensures the functioning of all bodies, responsible for implementation of all Plans and Strategies for regional development in Bulgaria for the planning period 2000-2006.

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