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### **Paper Title:**

### **Regional Policy: Actors, Institutions and Policy Making Structures in Bulgaria in Relation to EU Membership**

Workshop Theme:

1. Developments in regional economics and spatial analysis

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Abstract:

The paper provides an analytical narrative of Bulgaria's changes in regional policy-making structures in relation to the country's joining the EU. The country has undergone several important stages in its regional policy framework and structure since the beginning of its transition to market democracy. First, local self-government is exercised only at the municipal level, with the mezzo-level always representing a de-concentration of central government powers. Second, the mezzo-level of government has been reformed twice, going from 28 districts to 9 regions, and then to 28 districts under 6 planning regions, with the planning regions also undergoing a major revision once so far.

This dynamic indicates a regional policy-making structure which is in a state of flux. Over the last decade the single major shaper of these changes has been EU candidacy and membership, mainly through the requirements for NUTS2 regions in relation to cohesion policies. The goal of the paper on Bulgaria is to describe analytically, from the point of view of regional policy analysis, this state of flux and to outline the potential direction the inevitable further changes in the country's regional policymaking structures and performance may take.

## **Introduction**

After its emergence from Ottoman rule in 1878 Bulgaria has had an eventful history with many twists and turns, dramatic structural changes, cultural and political re-orientations, policy reversals. However, once the more noisy and glamorous events are taken aside, in one important dimension of the governance structure of the country there, until recently, has been much less variety. This dimension is the number, and the ensuing logistical, administrative and political organization, of the number of sub-national governance levels. For 120 of these 130 years the clear and monotonous trend has been towards a decrease in the number of sub-national levels of governance in Bulgaria. The decrease has happened both formally, and in terms of factual policy-making practices and structures. The trend has been almost unidirectional, towards more and more formal and factual centralization of decision making towards the national level. The movement towards fewer levels of governance and more centralization was naturally accompanied by frequent changes in the organization and borders of territorial-administrative units.

This trend has been reversed over the decade bridging the end of the 1990s and the beginning of the 21<sup>st</sup> century. This reversal, while probably having to do with the establishment and strengthening of a democratic political regime, can clearly be explained mostly with the process of integration of Bulgaria into the European Union, and especially with the adjustment of the country's governance structure to the rules and practices in the Union. However, the scale of the influence of the EU on the Bulgarian administrative-territorial organization cannot be explained only by the strength of the Union traditions and practices in this respect. It is also due to the fact that the integration episode is happening in a moment when the administrative-territorial governance structures in Bulgaria itself were in a state of flux, in a moment when the long trend had reached its natural end, and there was no visible single direction the system of sub-national governance was going.

The state of flux in terms of regional policy-making structures in Bulgaria can be defined as a relatively short period of about 15 years in which these structures underwent a series of changes in terms of definitions of power, organization, formal rules, main actors, territorial borders, with major turbulences in the overall social, economic and political background in the country. Thus the Bulgarian society has seen many different modes of organizing sub-national governance, but has never been provided the opportunity to observe these modes' workings and results over a reasonably long period of time. In this situation, and given the continuing EU integration, now as an actual member of the Union, the direction which the future sub-national, especially regional, policy-making structures in Bulgaria will take can be only subject to speculation. However, the analysis of the situation in greater depth allows this speculation to be informed, and to provide a reasonable expectation about the future.

## A short history of the Bulgarian administrative-territorial division

Under the Ottoman Empire in the late 19<sup>th</sup> century, the territories which are today Bulgaria were organized into 5 sub-imperial levels of government, which can be called (from largest to smallest units) provinces, regions, districts, counties and municipalities. When Bulgaria emerged as an autonomous state after the Russo-Turkish war of 1877-1878, the largest provincial unit was dropped as unnecessary in the much smaller nation state, but the other four sub-national levels were preserved. After the adoption of a Constitution and several steps of reforms, by the end of the century the country was organized into a three-level sub-national governance system with the territory of the country divided into 23 districts, 84 counties and a varying number of municipalities.

The first major revision of this organization was introduced in 1901, when the number of districts was decreased to 12 and the counties down to 71. After the series of wars between 1912 and 1918 and the related territorial changes, in 1920 the country had 15 districts, 83 counties and close to 2400 municipalities, preserving the three sub-national levels of governance.

The second major revision of the administrative-territorial organization of Bulgaria came after a military coup at the national level, the suspension of the 1947 Constitution in favor of dictatorial rule by decree, and the establishment of autocratic government. The formal change in the sub-national governance organization, introduced immediately after the coup, were not very large – a halving of the number of districts down to 7 (see Figure 1).

Figure 1. Districts in the Kingdom of Bulgaria, 1934-1947



However, in fact this development was the first step towards a decrease in the number of sub-national levels of governance down to two. While the counties remained as a unit, they were de-emphasized. The movement down to only two levels of was completed by another dictatorial government – the communist one which in 1947 decided to abolish the district level, and focus on the counties. The sheer number of counties – more than 100 – however proved to be difficult to manage centrally, especially with the policy of establishing Communist Party structures parallel to the state administrative structures. The communist government realized the need to move towards a more centralized organization with fewer units. This was performed in two stages. First, relatively quickly

in 1949 the district level was reintroduced, and 14 districts established above the counties and the municipalities (see Figure 2).

Figure 2. Districts in the Peoples Republic of Bulgaria, 1949-1959



Second, in 1959 the counties were abolished. Their dissolution caused changes both on the district and on the municipal levels. The districts were increased in number up to 28, and respectively decreased in size (see Figure 3). The exact opposite happened to the municipalities – they were increased in size and decreased in number.

Figure 3. Districts in the Peoples Republic of Bulgaria, 1959-1987

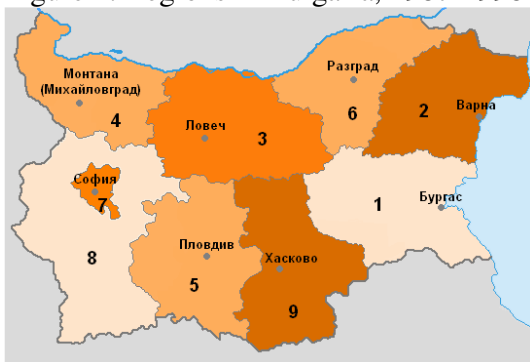


The administrative-territorial division of 1959 finally brought the number of sub-national levels down to 2 – the districts and the municipalities. Besides lasting for close to three decades, this setup has proven resilient in the sense that even 50 years later the fundamental matrix in the country follows the same pattern. The municipalities are generally the same size and number, the existing districts as of 2007 are exactly the same, and the re-introduced third level of governance in the form of planning regions has been defined and redefined on the basis of different configurations of these districts.

Despite the relative stability of the 1959 system of administrative-territorial division of the country, and despite the fact that the people became accustomed to the 28 districts as main centers of Communist Party dominated regional and local policy-making, by the second half of the 1980s the communist leadership felt compelled to reshape the larger level of sub-national governance. This was a part of a more general package of reforms, introduced in Bulgaria in July, 1987. The motivation for these reforms came from the increasing and eventually insurmountable economic, social, political and organizational

pressures within and upon the Socialist block. The response to these pressures on the part of the Communist leadership in Bulgaria was mainly to increase the centralization of decision-making, both economically and administratively, while paying at the same time lip service to certain decentralization tendencies such as the announced greater importance of the municipalities and the transfer of some economic decision-making to the workers in some factories. The centralization, which was the real response to the perceived crisis of the Bulgarian socialist society and economy, took the shape of combining existing production facilities into large “state economic associations”, each bringing whole economic branches under a single hat, and also abolishing the existing districts in favor of combining them into larger regions, with the only previous district receiving alone the status of region being the capital city Sofia (see Figure 4)

Figure 4. Regions in Bulgaria, 1987-1998



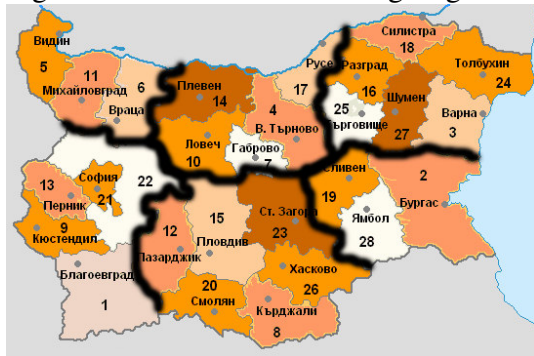
This was the situation in the country when the transition from communism started in late 1989. Changes in the highest and lowest levels of governance – the national and the municipal – followed quickly, reestablishing democracy in both levels and, after the adoption of a new constitution in 1991, redefining powers and obligations. The middle level of sub-national governance, however, was left for further consideration, which was eventually resolved in the direction of returning to the 1959 division of the country without introducing any new levels of governance. Thus in 1998 Bulgaria was back to the division shown on Figure 3, with two sub-national levels of government – 28 districts and 264 municipalities.

This was exactly the point in time when the more than century long trend towards a decreasing number of levels of government was reversed, with the major engine for this reversal being the integration of Bulgaria into the EU.

Bulgaria declared its willingness to cooperate with the EU immediately after the political changes of 1989, signed an European Association Agreement in 1993, and formally applied for EU membership in 1995, was included in the formal accession process in 1997, and signed an Accession Partnership agreement in 1998. In the wake of the Kosovo crisis in 1999, the process of accession was speeded up, Bulgaria was invited in late 1999 and formally opened accession negotiations in early 2000. As a result, and in light of expectations for the country to be a recipient of cohesion funding which under the EU policies has an explicit regional focus, the territorial-administrative system of the country

had to be brought in line with the NUTS classification. While the existing districts were easily classified as NUTS III regions, the NUTS II level had to be created. This was performed in 2000, combining between 3 and 6 of the districts into 6 NUTS II planning regions (see Figure 5)

Figure 5. Districts and Planning Regions in the Republic of Bulgaria, 2000-2006



The similarity between the 2000 definition of NUTS II regions and the units of 1934 (Figure 1) is substantial. In effect, the year 2000 marked the return of Bulgaria to a 3-level administrative system after four decades with only 2 levels. The most important reason for this reversal was the integration into the EU, with its NUTS classification and with the expectation that Bulgaria will qualify for substantial cohesion funding under the EU rules and the resulting demands towards the regional structuring of the country.

It was also the NUTS II formal requirements which resulted in a major reshaping of the 6 planning regions in 2006 only months before Bulgaria became a member of the EU (see Figure 6).

Figure 6. Districts and Planning Regions in the Republic of Bulgaria as defined in 2006



As can be seen, the district (NUTS III) level, which seems to have found a stable modus with the 1959 reform, has remained unchanged, but the regional (NUTS II) level has undergone major changes in the form of districts being transferred from one region into another, the driving force behind these changes being the low population in the previous Northwestern and Southeastern planning regions.

## **Formal changes in sub-national governance in Bulgaria since 1989**

The previous section focused on a descriptive outline of historical formal changes in the sub-national administrative organization of Bulgaria. However, in order to understand the present state in terms of regional and local policy-making in the country and to be capable of forming informed expectations about its future development, a more analytical look is needed for at least the last two to three decades. This is needed, because beside the formal structures there are always informal practices, networks, actors with specific roles in the policy-making process, and most of them have also, beside the formal framework, undergone major transformations.

The pre-1987 situation in Bulgaria was characterized with several specific policy-making features at the district and local levels. First, democracy and democratic elections at the municipal level existed on paper only, with the Communist Party maintaining full control. Second, the whole administrative organization of the country involved two parallel structures: the formal government units, and the corresponding Communist Party structures. Thus, while there were district governors, municipal mayors and counselors, they served only as executors of the decisions made by the District and Municipal Committees of the Communist Party.

Effectively the policy-making was done at the District Committee of the Party, because in terms of party dynamics it was the figure of the Secretary of the District Committee of the Party who was the important locus of power. The reason for this was that practice proved that the District Secretary was the most effective two-way bridge between local level party activists and organizations and the national party leadership. It was the District Secretaries who were able to credibly provide party career paths to junior members, and it was them again who commanded sufficient resources to be able to form coalitions at the level of the Central Committee of the Communist party. As a result, the municipalities were mere appendices to the districts, but the districts did have leverage to influence central decision-making.

This factual power structure changed dramatically after 1987. First, the crisis of socialism in the 1980s led to the 1987 reforms, and the District Secretaries' position was threatened by the formal abolition of administrative districts in favor of larger regions. Also, only two years later the Communist Party lost its monopoly on state government and the parallel powers disappeared altogether. Thus in the early 1990s the sub-national policy-making situation in Bulgaria was the following: the previous centers of policy-making, the Secretaries of the District Committees of the Communist Party, had no more power, the traditional districts had been abandoned, the newly created larger regions were not organizationally and socially established, and the political system was quickly transiting from a single party dictatorship towards a multi-party democracy with all the ensuing policy coordination issues.

The consequence from this state of affairs with respect to regional policy-making was, basically, its disappearance. Factual decision-making powers were shifted both upwards, towards the national level, and downwards, towards the municipalities. The upward shift was warranted both legally, economically, and politically. Legally, to the adoption in the 1991 Constitution of a ban on municipalities to set either taxes or tax rates which effectively transferred fiscal decision-making completely into the hands of Parliament and *de facto* into the hands of the Ministry of Finance. Economically, the country entered its severe post-communist recession and the feeling of crisis and the needs for reform meant greater focus of factual powers at the central level. Politically, the post-communist period in Bulgaria can be characterized as a clear bi-polar episode with a strong ex-communist party and one major anti-communist coalition, with the two exchanging power after each election for about 10 years. In this framework, the main political battles were at the national level, decreasing the political significance of the regions and the municipalities.

The downward shift of powers was due to the democratization process. While the 1991 Constitution allows for many levels of government between the municipalities and the national level, only these two were quickly established with respective democratic procedures. Elections for mayors and municipal councils, which had always existed but for long periods were deprived of meaning or consequence, became real contests, obtained democratic legitimacy, and consequently their influence in the policy-making process increased, even though in reality they had very limited access to resources due to the strong fiscal centralization.

During the 1990s in Bulgaria the main social activities were devoted to tasks different from establishing and refining regional policy-making capacity and networks. The municipalities were busy establishing themselves as legitimate democratic entities, organizing themselves both internally and as a community of local governments, and establishing links, contacts, and eventually networks with the central levels of government, the focus being on resolving municipal level problems and challenges related to transition and economic hard times rather than any regional development.

In the first years of the 21<sup>st</sup> century the country reestablished the previously abolished districts, and also the third, regional level of government, was reintroduced in Bulgaria. According to the Constitution, the districts (NUTS III) are the main administrative units for the implementation of regional policy. There are no elective bodies at the district level. District Governors are appointed by the Council of Ministers and have primary responsibility for carrying out the centrally-decided regional policy and harmonizing national and local interests. They implement Government policy within the districts by: coordinating the functions of the executive authorities and their interaction with local authorities, organizing the development and implementation of district strategies and regional development programmes, interacting with the local authorities and controlling their activities. It is considered that there exists a conflict between the controlling functions of the district governor and their functions related to regional development. District administrations have departments with more or less explicit regional development related responsibilities, usually with a staff of 3-4. District Development



Councils chaired by the District Governors are supposed to ensure the coordination at the district level of national and local interests with the participation of local authorities. Their activities involve essentially discussing district development strategies. The district administrations do not have significant legal powers and, even less financial resources, to carry out public investments.

As opposed to district level structures, upon their creation in 2000 the planning regions were perceived as the territorial basis to prepare integrated regional development plans on a larger territorial scale which goes beyond the division into districts. However, the regions did not have either administration of their own, or their own resources for development. Their initial institutional setup did not envisage them as potential centers of regional policy-making, and they could physically not become parts of networks

Thus, the changes in the subnational governance structure in Bulgaria in 1998-2000, even though it led to the de facto reestablishment of the second level of government and introduction of a third level, did not necessarily mean the emergence of working regional policy-making structures. One reason was that the main practically working larger administrative-territorial units, the NUTS III level districts, were simply units of deconcentration of central power without any discretionary power in terms of policy-making, besides the ability to informally influence various central decision-makers. Another reason was that, at least initially, the NUTS II level regions were created only because this was a requirement for starting negotiations for EU membership, they were treated as purely statistical units without any policy-making capacity and powers envisaged.

The fact that the NUTS II regions in Bulgaria, as defined in 2000, were socially, economically and politically inconsequential is probably best illustrated by the relative ease with which a major reformulation of these regions took place in 2006 without any notice on the part of Bulgarian media or society. Two of the regions, as defined in 2000, had significantly less than the minimum population of 800,000 people strictly required for a region to enter the NUTS II class. The resolution of this problem proved to be technically challenging, and the final decision involved major transfers of districts between all regions but one. The magnitude of the change can be illustrated well by the only transfer of a district in the southern part of the country. The district of Stara Zagora was taken out of the South Central region, and transferred to the Southeastern region. Stara Zagora is a hugely important district, with very strong regional dynamic over the recent years, with nationally important capacities in the energy, high-tech and consumer industries, with livelier than elsewhere civil society which has been politically very active and especially involved in regional policy-making (for example, the largest group of municipal councilors in the city of Stara Zagora represents a civil group of active citizens and businesspeople who decided to run in the local elections outside of any specific party affiliation, and basically won the vote). It also has a significantly large population. Taking this district out of the region effectively transformed the region from a two-center into a single-center (in terms of economic and political structure) region. This is not just a statistical change, but a deep qualitative restructuring. If a working regional policy network really existed in the South Central region before such a change, all the members

of the network and all stakeholders in its activities, i.e. the whole population, would have been affected. Yet, no one noticed, no media covered it, and it proved to be a non-issue for the society at large. The same is true for the other 4 such transfers of districts between regions, which took place in the northern part of the country. This clearly indicates that there was no policy-making network or set of activities actually affecting people's lives in place at the time of the change.

The general conclusion from the analytical overview of the events concerning regional policy decision-making structures in Bulgaria since the late stages of socialism is that the policy setting mechanisms centered around the communist party have not been effectively replaced by working structures, and that the single most important driving force behind directional changes in regional policy-making structures in Bulgaria in the recent years has been the integration into the EU. Thus the EU regional policy-making setup, focus and traditions meet the tabula rasa of Bulgaria.

## **Potential evolution of regional policy-making in Bulgaria**

The discussion in the previous section concluded that the regional policy-making structures in Bulgaria are difficult to observe and unclear, without traditions, established practices, or visible network of actors. It is only recently that some processes which can eventually lead to a clearer structure and mechanisms in regional policy-making can be discerned. Some of them are formal changes, others less so.

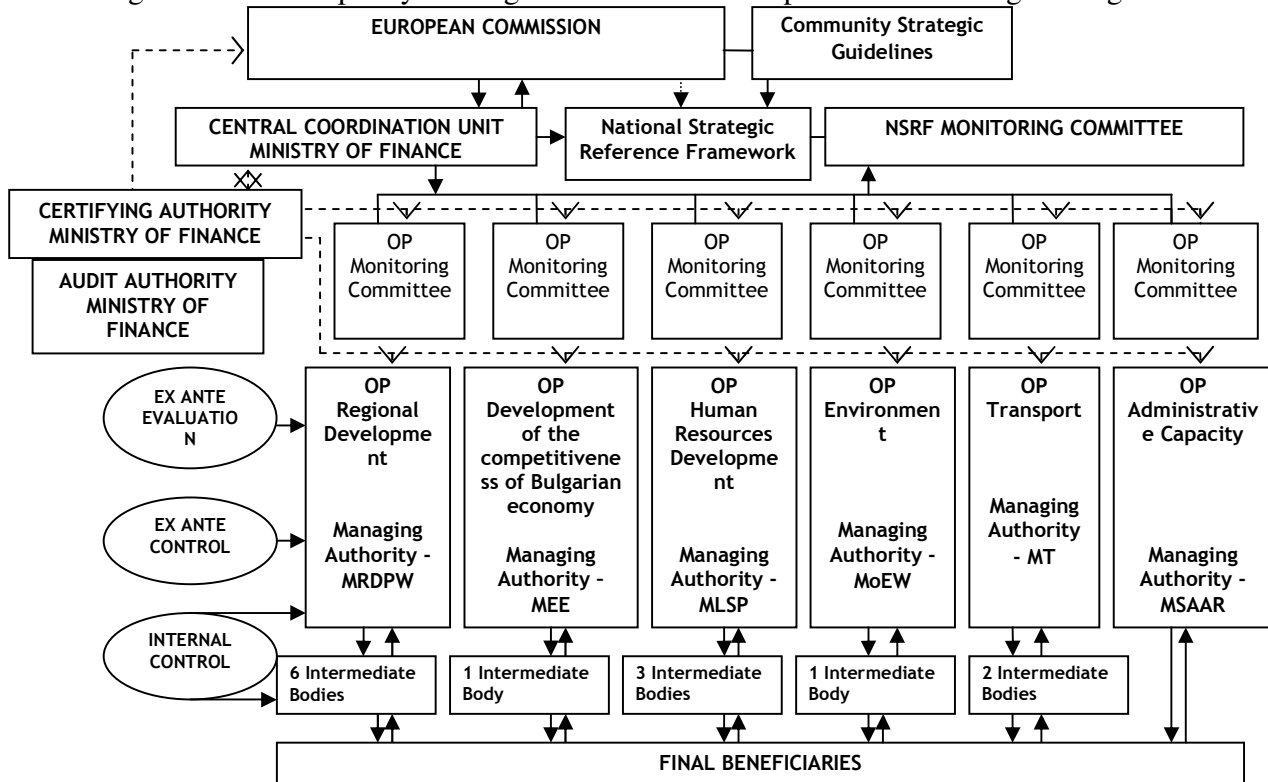
Among the most important formal changes has been the adoption in 2004 of the Regional Development Law (State Gazette, issue 14/ February 20 2004, amended by State Gazette, issue 32 of April 12, 2005), which replaced earlier legislation in this sphere. The adoption of this law coincided, and this cannot be considered accidental, with the conclusion of negotiations on Chapter 21 "Regional policy and coordination of structural instruments" between Bulgaria and the EU, so the present legislation in Bulgaria fully corresponds with the *acquis communautaire* and with the obligations undertaken by Bulgaria in this sphere. Another relevant piece of legislation with respect to regional policy is the Territorial Organization Law, adopted in July 2003, which also replaced earlier legislation with a set of norms more closely harmonized with requirements of EU directives. The two laws establish the basic principles and procedures for making decisions with respect to regional development, as well as the necessary state bodies and structures involved.

The most important aspect of the implementation of the rules is the system of development plans, required for the absorption of EU funds with respect to regional development. So, besides the EU integration being the driving force behind the legislation, it is the EU funds which anchor it.

This system is headed by the National Plan for Economic Development, which outlines the longer-term vision of the state with respect to its economic development. This plan is

the basis for the National Strategic Reference Framework, which is the operative tool for the development of specific projects to be financed by EU funds. Based on these 2 documents, a National Plan for Regional Development and 6 Regional Development Plans are prepared, which are the concrete frameworks for the development of projects. The overall national coordination of policymaking, including the field of regional policy, is outlined in Figure 7.

Figure 7. National policy-making coordination with respect to EU funding in Bulgaria.



Under this national coordinating structure, regional development policies include involvement at the regional, and at the local level.

At the regional level, six Regional Development Councils (RDCs) support the implementation of the EU Cohesion policy within the territory of Bulgaria at NUTS II policy and planning level, which are carrying out this policy on planning region level. The Councils are presided over by one of the district governors on a rotary principle. The Deputy Chairman is a municipality representative. Members of the Council are the district governors from the regions, included in the relevant planning region, one municipal representative from each region, included in the planning region, determined by the Regional Development Council, one representative from the Ministry of Regional Development and Public Works, Ministry of Finance, Ministry of Environment and Water, Ministry of Agriculture and Forestry, Ministry of Economy and Energy and Ministry of Labour and Social Policy and the Ministry of Transport, as determined by the relevant ministers.

The Regional Development Councils:

- discuss and co-ordinate the projects of the regional development strategies and the progress of the Regional Development Plan;
- discuss and co-ordinate the measures that should be implemented in the National Operational Programme for Regional Development
- adopt the ex ante evaluation of the projects, suggested for the implementation of the measures;
- give a position on the annual and the final report;
- cooperate with the district development councils and with the central bodies of the executive authority;
- are supported by Departments for technical assistance, coordination and management of regional programs and plans.

At the local level greater variety in policymaking structures is observed due to different practices justified by the different situation in the different municipalities. As part of the EU accession process, Bulgaria has reached an agreement on the necessary activities for building up an adequate administrative and financial capacity at local level. Special Directorates have been set up in 20 % of the municipalities (big- and medium-sized) to work with European projects. Units have been established in 37% of the municipalities (medium), comprising of more than two experts, responsible for management of European projects. In the rest 43% of the municipalities (small) there are appointed civil servants, responsible for European projects, who perform other duties as well. In compliance with the partnership principle and with the commitments, that have been undertaken according to the Official cooperation memorandum, signed by the National Association of Municipalities in the Republic of Bulgaria (NAMRB) and the Council of Ministers on 12th of October 2005, three priority areas have been determined: development of the decentralization in management and financing; expanding the capacity and improving the status and management of municipal property and infrastructure; preparation of the municipalities for the Bulgarian membership in the European Union.

The power structure of regional policymaking in Bulgaria is dominated by the fact of very strong financial centralization in the country – according to various estimates, no more than 5 to 8 % of the expenditures made by municipalities are financed by revenues whose base and rates are under the discretion of local authorities. Despite a long-standing program for fiscal decentralization and for transferring of taxing and spending powers to the municipalities, little progress has been recorded. As a consequence, the de facto power of the central government in setting policy is extremely large, and this marks the actual practice of making policy to a significant extent. The fact that the local revenue base is extremely narrow and weak was until recently pre-determined by the constitutional limitations, under which the setting of all tax bases and tax rates was performed only by the national Parliament and municipalities had no powers in this respect. A direct consequence of this setup was the fact that local authorities had very little discretion at the expenditure side, and thus for setting development policies.

This constitutional situation was changed in February 2007, when a constitutional amendment was passed allowing municipalities to set the rates for local taxes, with the ensuing secondary legislation on this issue still pending. It is clear, that the new rules will change the incentive structure of municipalities with respect to their policies, including their participation and potential for regional development.

The power status of the two middle levels of government in Bulgaria is also very specific. The district level is actually a level of de-concentration of central government power rather than self-government – the district governors are not elected but rather appointed and replaced at full discretion by the Council of Ministers, their task is to promote the government's policies, and they are not accountable to the citizens of the respective districts.

The situation with the state of power at the level of the 6 planning regions in Bulgaria is extremely unclear at present. This level of power exists on paper only, but in the near future it will be very important, because this is precisely the level which is visible from the point of view of the EU – it is the level whose plans are coordinated, and the level which will receive EU funding. As of the moment there is lack of clarity about the way it will be organized – the most important strategic choice being whether it will involve self-government and respectively elections, or like the districts it will be only appointed by the national government.

With respect to the power to implement policies, except at the center, administrative capacity to make and implement policy is limited at all levels of government, even non-existing at some levels at present.

An important aspect of the present state of regional policy-making in Bulgaria is the broad set of actors involved, who are at this stage mostly potential. They can be loosely split into three main groups, separated on the basis of their position with respect to state power and of the level of their involvement. The structure of the actors follows the administrative division of the country. The main units of local self-government in Bulgaria are the 264 municipalities. They are included in 28 districts. Several district make up the 6 planning regions of the country.

The actors who represent state power in the process are two main types, the ones for whom regional policy-making is a primary focus, and others who participate in it among other things. The first type encompasses the actors with greatest importance in the process. They can be found in both the legislative and executive branches of power, at the central, regional, and local levels. More concretely, the national legislature's standing committee on Local Self-Government, Regional Policy and Urban Development is the main setter of rules. At the local level, the rule-making bodies are the municipal councils at the 264 Bulgarian municipalities. In the executive branch, the main actors are the Minister of Regional Development and Public Works, the District Governors, and the municipal Mayors. Still in the making are the Regional Development Councils, which will formulate policies at the planning region level.

Other representatives of state power, who are relevant for regional policy-making in Bulgaria, are various ministers and state agencies. The most important of them are the ministers of finance, of transportation, of economy and energy, of agriculture and forestry, and of environment and water. Their focus is not specifically on regional development and policy-making, but their area of activity is closely related to the processes in the regions by affecting the structure of economic activity, the local infrastructure, the standards of living conditions, and the availability of funding for different programs and projects.

The third broad group of actors in the process of regional policy-making includes the ones who do not represent the state power, but rather the civil society and other entities. Besides the citizens in general, who face the usual collective action challenges, there are the non-government organizations as representatives of specific interests of the citizens and followers of specific agendas in the process of regional policy-making. Possibly in the case of Bulgaria the most active civic organizations in this respect are the environmental groups. Another group of representatives of the civil society are the business organizations, which can be local chapters of national or international business organizations (the Bulgarian Industrial Association, the Bulgarian Chamber of Trade and Commerce, the Rotary Clubs, etc.) as well as specific organizations for the given locality or region. Finally, the group of non-state actors includes neighboring transborder regions, which are regions in other countries which are economically, geographically and possibly culturally related to the respective Bulgarian region and whose existence expands the opportunities for development and for the implementation of various projects and policies.

The detailed description of the actors, relevant for regional policy-making, and of the institutional and structural setup of the process in Bulgaria today, coupled with the analytical narratives of the previous sections, allow for a certain vision about the future development of regional policy-making in Bulgaria.

The first and most important anchor for this vision is the process of EU integration. It has two aspects. First, Bulgaria has adopted the EU *acquis* in this sphere completely. The second is that the sole purpose of the structure will be EU fund absorption.

The second anchor is the fact that Bulgaria is an established democracy at the national and at the municipal level, with a multi-party system and with various, and growing channels for the participation of the public in the social decision-making and policy-setting processes at various levels.

The third anchor is that there exists a regional-level institutional framework for formulating and implementing development policies. Also relevant in this respect is the observation that Bulgaria has experienced a number of institutional reforms in its administrative-territorial division.

The central feature of the vision about the future regional policy-making in Bulgaria, which can be formed on the basis of these three anchors, is that the central role will be

played by the planning regions, even though at present they hardly have more than nominal existence. The most likely future development will see them as the pivotal components of the social networks involved in regional policy-making.

There are several reasons for such a suggestion. The first is that it has already happened in the past that a relatively artificial and previously unused unit (the 1959 districts which were considerably smaller than previously existing districts, and considerably larger than previously existing counties), itself established mostly due to suit the internal dynamics of the Communist Party rather than to correspond to other dimensions of the Bulgarian society at the time, ultimately became well established and are by now considered traditional. The present state of flux in regional policy-making in Bulgaria, and the past examples of new units of sub-national government successfully taking root in society both mean that there will be no major general social forces opposing the establishment of the planning regions, institutionalized by the Regional Development Law of 2004, as the pivotal element of regional policy-making.

The second reason for the suggested vision is that Bulgarian policy-making is that the EU integration process has proven to be a major shaper of realities in Bulgaria over the recent years, and is most likely to continue to be so. A centerpiece of EU cohesion policy is the regional focus, which means that there will be ample funds available for cohesion countries like Bulgaria to absorb, provided that the focus of their absorption is regional. Once the whole framework of regional development plans with their connections with EU operating programs and respective earmarked funds becomes operational, the funds will start flowing. They will be flowing at the regional level, and this will certainly make the regions both relevant, legitimate, and interesting from the point of view of Bulgarian society.

The third reason for the suggested vision is that the existence of established national and local democratic procedures, political actors and emerging civil society representation means that once the resource flows from the EU funds start flowing at the regional level, the different stakeholders are more likely than not to find ways and mechanisms to obtain access to the decisions regarding these flows. This will happen regardless of whether there will be regional self-government with full fledged elections for regional government. If such elections are introduced, the regional governments will naturally become democratically contested entities, and will be the centers for any regional policy-making networks. But even if no such elected regional governments emerge, the presently existing social networks related to policy-making at the national and at the municipal levels will be extended to encompass regional decision-making, and possibly some civil society structures will become directly oriented towards this level of governance, given the resource flows and the decision-making structure provided by the Regional Development Law. Regardless of whether they will be explicated in an institution of regional self-government, or will have to work implicitly through the extension of existing mechanisms and networks, the democratic decision making mechanisms will make the regions a focus of attention, action and decision-making as long as the flow of funds is also focused at this level.

## **Conclusion**

The present study is based on an analytical narrative about the historical development and present features of the Bulgarian regional policy-making structures to outline a specific vision about their possible future development.

The look at the longer term development of the Bulgarian sub-national level governance shows a trend towards the drop in the number of sub-national levels from 5 under the Ottoman Empire down to 2 during the late communist period, with one of these two (the municipalities) being only marginally relevant. After the country definitively took the road towards EU integration after the late 1990s, however, this trend was reversed and a third level of regions was introduced above the municipalities and the districts. This is clearly related to the EU institutional setup, which relies on an explicit and considerable attention towards the regions of Europe as a major tool for achieving cohesion in the Union.

The focus on the period of changes during the post-communist transition of the country indicates that due to a combination of administrative, social, democratic, political and economic characteristics of the Bulgarian condition at the time, the Bulgarian society did not devote resources towards the design, construction and active use of regional policy-making structures, so that the already mentioned EU integration related introduction of regions happened in a situation of lack of previously existing structures.

The last section of the study steps on these two findings, and based on a detailed analysis of the regional level policy-making at present in Bulgaria concludes that with time the presently existing 6 planning regions will increase in importance and will become relevant and legitimate players in the national decision-making process with respect to regional development. Almost all of the weight of this expectation rests with the fact of Bulgaria's integration in the EU. The EU's policy focus on the regions and its financial backing with respective funds means that there will be a flow of resources centered at the level of the regions in Bulgaria. Given the lack of previous regional tradition, these flows will easily attract respective social organization. Given the established democratic mechanisms in the country, the society will develop the respective formal and informal networks to handle the rich on funding regional policy-making structures.