



*Original Contribution*

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**SUSTAINABLE ECONOMIC DEVELOPMENT AND REGIONAL  
ECONOMICS IN REPUBLIC OF BULGARIA  
(AFTER THE EXAMPLE OF SOUTH-EAST REGION FOR PLANNING)**

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**ABSTRACT**

The purpose of this work is to find out, on the basis of the sustainable development concept, the challenges for Bulgaria and to show the problems in one of the regions for planning – the Southeast region for planning. The transition of economy to sustainable development in Bulgaria is confronted with challenges which might be defined as: imperative; conceptual; connected with the objective situation and development of the country; instrumental, behavioural. This requires long-term forecast and planning with clear priorities, conformable to the conception of sustainable development. Within the Southeast region for planning the tendencies under surveillance indicate insufficient competitive power, unsolved demographic and ecological problems, a need of strategies development, based on knowledge and innovations. The revealed problems of sustainable development on national level and within the Southeast region for planning indicate that the challenges can be overcome in the following direction: on an individual level it is of essential significance that they have a clear understanding of the character of the idea itself and the philosophy of sustainable development; on a public level the problems concerning sustainability should be explained and popularised professionally, but on an accessible language, and operated for each particular case, and last but not least, build strong political will, public understanding and support.

**Key words:** sustainable development, regional economy, Southeast region for planning.

**INTRODUCTION**

The extension of the efforts in solving any global problem leads to considerable changes in the quantitative and qualitative characteristics of the whole complex of planetary, religious or local social-economic factors of social development. In proffering a solution, it is necessary not only to join the efforts of all countries but to change the contemporary attitudes and models of behaviour of governments, businesses, society and advance in science and technologies.

A general methodological basis is necessary through which the priorities in the development of the contemporary civilization will be balanced. This necessity evokes the advent of a conception for steady growth that is turning to a new paradigm in modern social development.

The objective of the present development is - on the basis of the conception for steady development – to show the challenges to Bulgaria and to highlight the problems of planning in one of the regions – Southeast region of the country.

**ESSENCE OF THE STEADY  
DEVELOPMENT**

The steady development is a comparatively new conception, developed in the 1980s and finding broad acknowledgement in the 1990s. Its roots can be traced from the end of the 1960s and the beginning of the 1970s when the limits put to human activities by the natural surrounding began to be considered. Its analogues can also be found in the far past of pre-industrial epoch – some American Indian tribes had judged each of their decisions and actions from the point of view of its influence upon seven following generations.

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The thing that turns it into a new conception is its global importance, the harmony of different objectives, principles and implemented mechanisms in one complete approach. The most popular definition for the steady development is formulated in a report of World commission on environment and development "Our common future" (known as "Brundland" report, 1987), "steady is a development that fulfils the needs of the present without putting to risk the abilities of future generations to satisfy their need"(1). Its basic idea is taking into consideration the fulfilment of human needs with the restricted resources as well as the equality of rights between the present and the future generations.

As this definition is too general and does not lead to operations, a number of other definitions arose (yet in 1989, 20 definitions had been quoted). They are orientated to the specifying of the concept in different aspects and to a great degree they reflect the evolution of the conception itself which is in a process of development:

1. "process of a change, where the exploitation of resources, directions of investments, orientation of the technological progress and the institutional change are in a mutual harmony and improve the present as well as the future potentiality for the satisfaction of human needs and desires".(1);
2. "a development where the basic ecological, social and economic services are provided to every member of society with no threat of the vitality of the natural, formed and social systems of which the ensuring of these systems depends"(2);
3. "steady is such a development that guarantees a continuous growth in quality of life and perfection of personality"(1)etc.

The core characteristics of the steady development consisting in an evident and non-evident type in its definitions and principles, can be generalized as follows: complete, complex view to the problems and comprehensiveness, reasonable use of the resources and the surrounding, attainment of a balance between the natural and artificial surrounding for the ensuring of opportunities for development of humanity and individuals, responsibility for the future, long-term orientated, strategic approach to the development, achievement of a balance between the economic, social and ecological

measurements, equality of the objectives in the three spheres and integration of the relevant policies, achievement of resource – saving management approach, equilibrium between the usage and protection of the restorable resources, minimum usage of non-restorable resources, conformity with the assimilation ability of the surroundings for absorption of wastes and emissions, equality / equity in the access to the resources generating welfare and to the allocation of the benefits and expenses including taking in consideration the external effects, incorporation of the efforts, partnership, shared responsibility among institutions and groups and at different levels (from local to global), wide participation of all people concerned in both, the defining of the policy's principles and the necessary actions, and their implementation too; a necessity of complete change in the society, of the established models of behaviour, the economic activity, consumption and management.

A number of evaluations of the progress in relation to the stable development in an international scale emphasize that in spite of the wide approval and making official the conception for stable development and progress in the resolving of some specific mainly ecological problems, the past progress is not a satisfactory one.

### **The stable development in the context of the regional economy in Bulgaria**

One of the most important characteristics of the contemporary development of the regional economy is the intensification and complex interweaving of the global problems having a social-economic, demographic, natural-resource and ecological character but they affect mostly the relation between the nature and the human being.

The challenges (obligations, needs, restrictors, opposition, sources of instability and the risks related to them) that the regional economy such as the one in Bulgaria puts before the stable development, are of the group of the so called specific challenges. They can be differentiated in several groups that show both the type and the origin of the problems as well as the degree of their surmounting and the possible impacts: imperative; conceptual challenges related to the objective country's state and the development; instrumental; behavioural.

The imperatives are objectively conscious ones or enforced from outside requirements and obligations for the adoption

of a policy based on the principles of steady development as well as implementation of specific actions or obeying of definite rules.

In the global context, Bulgaria is a small country in order to be able to generate global problems but the slow progress of stable development can be used as a basis for restlessness and quest of more effective ways.

The conceptual challenges are objectively laid in the very conception for steady development and are to great extent invincible as a fact but surmountable as an effect. They should be accepted as a fact, to be explicated and to take into consideration the specific actions for the minimization of the risk.

1. The principal conceptual challenge is that the stable development as a concept is absolutely clear to the society. That is shown by the presence of a great number of definitions and systems of principles and that makes their concretisation and operation extremely difficult and frequently conflicting one (the more specific the objective the greater the number of the differences in the opinions). Especially problematic is the concept concerning the solving of conflicts of type economy-ecology, global-national-local, wealthy-poor, rejection of the habitual model of consumption *etc.*
2. The conceptual lack of distinctness is increased by the fact that the principal documents, concerning the stable development are huge in amount and although that insufficiently concrete because of which they are known in their wholeness only by a restricted circle of people.
3. Too common are the examples for partial understanding of the steady development, for emphasis only on some of its aspects (especially ecological), for the presence of sectional and even departmental concepts for the stability and development of a respective proper "language" (terminology).
4. The general ambiguity of the concept and its difficult operativity are added to the absence of clear examples for the successful fulfilment of projects for a steady development not only at national but at a global range. That is objectively conditioned because of the long-term character of the actions undertaken which complete effect cannot be manifested in a period of some years. There is no universal formula or recipe and in the

process of implementation of the conception, it is natural to allow faults and mistakes.

The instrumental challenges are an exceptionally great number and heterogeneous in their character. They are bound with the instruments that have to ensure the execution of the steady development in practice.

### **The deficiency in planning**

Essential characteristic of the steady development is the long-term approach that involves the strategic planning (the steady development can be determined as "management of the present with view to a foreseen future"). The steady development presupposes a combination of three elements – planning, information and civilian society. In being are indications for a change in respect of the planning and including under the influence of the activities in international programs too. Except in the sphere of regional development, and town and country planning, and a number of sectors widely discussed, is the integrated planning that has a priority regional character.

However, still, a methodic deficiency is being outlined (how to plan).

The inadequate evaluation and the reactive behaviour, the non-precise (usually optimistic) evaluations (diagnosis) lead to inadequate measures

The informational certainty of management is insufficient. The idea for a real development is often a malformed one and inevitably leads to inaccurate evaluations.

The recognition of a foreign experience is partial and disunited but often it is better in comparison to the recognition of Bulgarian experience. A definite advantage can be achieved from the systematic surveillance and evaluation of the effect from the implementation of projects and programmes for a steady development (independently of their executer or donor).

The key question for the implementation of the steady development instrument for measurement and evaluation.

### **Evaluation of the impact**

The legislative regulations for the evaluation of the influence on the environment is an important step in the direction of enlargement of the evaluation of the consequences from the human activities and a refusal for evaluation only on the basis of economic (financial) criteria. These evaluations, however, are still highly narrowed in range

(for example “the environment” in this case does not include the social environment, to evaluation are subjected specific projects but not strategic developments) and directly incomparable to the economic evaluations.

### **Institutional system**

The institutional system is in process of radical change. Still characteristic is its departmental limitation including the reluctance for circulation and sharing of information. At national level, there is no institution, especially bound up in actions for the implementation of the concept for a steady development.

### **Local authorities**

The local authorities play a key role in reference to the conception for a steady development because of the fact that the conception is operated and implemented mostly at a local level. At the same time they come across a wide range of problems especially financial and organizational ones. The local authorities as a whole prove to be unprepared to fulfil the role of a catalyser and engine of the social processes for a steady development at a local level.

### **Non-governmental organizations, programmes and projects for a steady development**

Serious problem is the absence of a network of organizations working on problems in the steady development.

The programmes and projects for a steady development are not few (in many cases the concept can not be found in title) but they are financed exclusively from foreign donors which brings in question the stability of their results.

### **Lack of dialogue**

Both central institutions and the local authorities, and the citizens and non-governmental organization, have no traditions and skills in leading a dialogue and interaction.

Challenges to the contemporary social-economic development of Republic of Bulgaria are as follows:

1. The instability in the economic processes is bound up not only and even not so with objective processes of transformation as with the faults in the management and with the non-objective evaluations and

prognoses and the acceptance of the conjecturally conditioned “fire” actions with groundless evaluations of the consequences even the ones with a long-term aspect.

2. The imperative requirement for economic growth: The contemporary economic and social state requires imperative quick economic growth for both, the solving of social problems and because of the requirements of International Monetary Fund and the European Union.
3. Marketing economy: The privatisation, restitution, growth of private initiative is relevant to strongly expressed and not rarely deformed to the utmost economizing in the thought and behaviour that is combined with non-advancing of the corresponding to the new conditions institutions and rules for behaviour.
4. Restricted possibilities for governmental interference: The restrictions forced by the international financial institutions and the necessity for payment of “debt of the past” narrows the possibilities for a flexible policy and especially for direct financial support for activities aiming at execution of a policy for steady development.
5. Insufficient quick restructuring: Preservation of the monopolist structure in large and important sectors as well as tough for overcoming corruptive practices that narrow the possibilities for a real application of the principle of the market; all these reduce the pressure applied for the increase of the competitive power and the effectiveness and lead to “injustice” to the consumers.

Theoretically, these restrictions are surmountable but they require great efforts including financial ones. They presuppose conformity of (subordination to) the overall policy for development at different levels of the “regulatory idea” and the principles for steady development. That presupposes most of all a strategic planning and effective institutional interaction.

The behavioural challenges are bound with the necessity of a change in the way of thinking, adaptation and behaviour of individuals, groups and institutions in the direction of stability. Although, at first sight, these challenges are easily surmountable because of the validity and comparatively wide acceptance of the concept for a steady development, the world experience, Bulgarian experience and the analyses themselves in the range of that study show that that is a sphere

where exceptional efforts will be necessary and quick results cannot be expected.

Vital is a considerable change in the way of thinking both in the individuals and the institutions, transformation of the steady development into a belief will require earnest actions.

### **PROBLEMS IN THE STEADY DEVELOPMENT OF SOUTHEAST REGION IN PLANNING (1)**

The understanding of the regional and territorial economic problems is based on three initiatory factors: the advantages that create natural resources, economies that are realized from the concentration of activities, the role of the transport and communicational expenses. That means that of a decisive importance for the regional economy is laid on unperfected mobility and "divisibility" of the factors of production, of the goods and services.

Southeast region (SERP) is situated on a strategic position for Bulgaria with its wide outlet on the Black sea to the east and with its long border with Turkey. The region comprises four districts – Burgas, Sliven, Yambol and Stara Zagora.

The region has deposits of mineral resources and is one of the richest regions in Bulgaria in biological variety and natural old forests, opening opportunities for development of a specialized tourism and recreation in the interior of the region.

The climatic and soil conditions are favourable for the development of agriculture and the various relief and richness of mineral springs and curative mud are favourable conditions for the development of tourism.

Southeast region for planning is rich in cultural-historical respect. The cultural monuments with national importance are 124 and the cultural-historic reserves are 9.

SERP is poorly populated as the value of the index varies considerably at municipality level. These differences are due to the presence, one part to the mountainous and rural territories with a low density of the population, and on the other part - to developed urbanized centres where the density of the population is higher.

The natural growth of the population for SERP for the last 5 years has been kept negative, although the values are more favourable than the average for the country. The observed unfavourable tendency towards continuous reduction of the population is due to the ageing of the population, to the decline

in the health status and the low living standard. The indexes for mechanical growth show preservation of the tendency for increase in the inner immigration in the region. The age structure of the population in SERP shows perseverance of the unfavourable tendency to continuous decrease of the number and the share of people in the under-ability-to-work age, preserved is a greater share of the people in ability-to-work age, (60% on average for the region).

The educational structure of SERP is less favourable than the average for the country which restricts the potential of the region for development especially in the sphere of innovations. That structure is dominated by groups with average (32,8%) and mainly (27,2%) education – situation typical for the country as a whole (correspondingly 37,9% and 27,4%).

The unemployment in some municipalities reaches 27-32% (Kotel, Straldzha). The most affected social groups are that of the women (65.95%) and the youth (30.99%)

The cultural institutions (theatres, museums, cinemas, community centres and libraries) have restricted their activities because of the insufficient funds for the maintenance and provision of the activity and the low interest on the part of the local population. The state of the public buildings for culture especially in the villages is not good.

### **Economic state**

Until year, 2000 Southeast region reports high values of the indexes BIP and BIP per head of the population compared to the rest of the regions for the planning in the country. However, the high values of the indexes are formed in Burgas region, which puts the region in dependence of the economic growth of that district. In the last years the reverse tendency of a decrease of the values of these indexes is observed compared to the general ones for the country which puts the region in the next to the last place in comparison with the rest in the value of these indexes.

A steady tendency of decrease in some of the economic sectors for the index BSS for Southeast region for planning are in progress, whether at the same time the tendency in the country is a reverse one. The reason is the decrease in the indexes for the industry sector and the general decrease in Burgas, Sliven and Yambol districts in the agricultural sector which puts the region in more unfavourable economic situation compared to the rest of the

regions for planning;

The sector of services shows a tendency of a stable increase of BSS. For the investments in DMA, the level of SERP is under the average for the country, which has an unfavourable influence on the development of business in the region. Most investments in DMA are made in the sector "Reprocessing industry", a tendency is observed for a quick growth in the investments in the sector "Accommodation and nourishing" as well as in the sectors "Construction" and "Trade and decoration". That tendency leads to a change in the structure of business of SERP.

The direct foreign investments in the region for planning are with values under the average for the country. However, they follow the general tendency of increase that influences favourably the revival of business and economy both of the districts and of the region as a whole.

The districts in Southeast region for planning are inhomogeneous in the level of industrialization. Industry is represented mostly on the territory of Burgas with the leading sector of petrochemical and oil refining. Sliven district is important in the textile and food –beverage industry, light and food-beverage industry – Stara Zagora district and Yambol district – only food-beverage industry. Preserved are some traditional branches that form the aspect of some of the districts of SERP: textile industry, processing and canning of fish products and industrial fishing, woodworking and production of sea salt through solar evaporations.

The industrial enterprises are situated exclusively around the district centre. In this sense, they do not influence the recovery and revival of the undeveloped regions, which are far from the central town.

### **òourism**

Southeast region for planning has a favourable geographical location and has at its disposal natural resources for the development of sea recreation, cultural-cognitive, balneological, eco and rural tourism that can be developed independently. The sea recreation tourism has the leading role in the development of tourism but it is a seasonal one. The resource potential is territorially distributed in the whole region but it is mastered mainly in the municipalities at the Black sea region because of the lack of a complex tourist product for the region.

Tourism as an economic activity is concentrated in the private sector that is represented exclusively by micro and small enterprises.

In some regions attraction of high value such as "Karandila" land, "Sinite Kamani" natural park, Kotel town, the village of Zheravna and the village of Medven there is a lack of conditions for welcoming a great number of visitors (established parks, public houses, shops, information boards and services)

There is absence of a complete marketing, advertising and informational activity for the region or for the large places (including the municipalities) which is a restriction not only for attracting visitors in the interior but for their qualitative servicing at spot.

The efforts applied are considered not enough, for the adaptation of appropriate objects for tourist visits, for the improvement of the tourist infrastructure and for the establishment of products and events corresponding to the requirements of the international market.

There is a shortage in the quality and variety of the tourist offers, the possibilities for a round the year tourism and for the provision of alternative forms of tourism are not used.

### **Agrarian sector**

The unfavourable tendency in the last years is the decrease of the average yields, increase of the prime cost of the agricultural production and decrease in the size of the workable land. The technological expenses are reduced to the minimum that leads small yields and low quality. The technologies for cultivation of agricultural crops are not followed, the purchased seeds are of low quality, the soil treatment is not a qualitative one, and theoretically, substantiated fertilization and method for vegetative protection are not applied.

The variety structure is not always appropriate for the soil-climatic conditions and the continuous dryness in the region. It is necessary to test and apply new stable to the changing conditions sorts and cultures.

In stockbreeding, appropriate and effective breeds are not used; the non-rationed and non-balanced feeding of the animals is applied and with some proprietors, poor conditions for animal breeding can be observed. The low mechanization and the high share of manual labour raise the coast of the production of animal products and make it unprofitable.

There is a necessity for urgent interventions including direct help for the improvement of quality because of the high

requirements of EU concerning agricultural producers and the dependency of the region in the examined activity.

The market of real estate in the region is undeveloped. A relatively small number of deeds are concluded compared to the rest of the country. The processes of amalgamation of the land at this stage are too slowed down. The realization of the production produced is very hard and the compensation prices do not satisfy the producers. The absence of reliable markets for the agricultural production leads to reduction in the motivation and refusal of a number of agricultural producers to directing their attention to the agricultural production. A large part of the existing agricultural markets does not correspond to the requirements and does not have the necessary stalls, room and established rules for the control and implementation of the normal marketing interrelations. At many places, the agricultural production is offered in a non-regulated and in the most unfavourable hygiene conditions. In those places, almost no veterinary and medical control is applied. Herb-production (and in the latest years biological agriculture) in SERP is an alternative for the agriculture in the undeveloped parts of the region and is appropriate for small family farms and single farmers. There is a necessity for introduction to the potentially interested ones with the possibilities proposed by that type of agricultural activity and the conduction of an appropriate policy in that direction.

The usage of the forest continues to be mainly for the production of wood.

### **Transport and infrastructure**

The region is covered with a network for power supply, telecommunication infrastructure and water-supply network. There is a great number (over 150) of bus line for the different districts with a well-developed sea, railway transport as well as air transport in Burgas municipality.

Important role in the future development of the mobile, internet telecommunication networks, and the network for public gas supply. Relatively low is the development of the transportation infrastructure, the drainage network and GSWS, as well as of the infrastructure for management of the wastes in the region as a whole, and the their unequal distribution among the districts and municipalities: they put the region in an unfavourable competitive conditions and surrounding for development; they create unequal conditions for

development and competition of the districts and especially of some municipalities, that burdens the environment mainly with the throwing out of waste waters in the rivers, with the establishment of unorganised dung-hills and pollution from depots that does not conform with the standards. The absence of a system for re-circulation of the wastes increases additionally the burden on environment and the expenses for management and the depots. Similarly, the burdening of environment decreases the possibilities for public usage of the already restricted water resources, the attractiveness of the region and the possibilities for development of tourism.

### **State of the environment**

1. The water resources, although restricted, are sufficient for the fulfilment of the needs of the population but they are not managed effectively.
2. The quality of surface waters in the region is good except for the sections polluted from the non-purified public and industrial waters in the main towns. The subterranean waters are polluted with nitrates from agriculture.
3. In some municipalities there is an excess of the stated norms (PSC) for QAW. All of them have drawn up programs.
4. In a number of municipalities there are still problems with the safe storage of the deposited qualities of the unused and stale pesticides.
5. The soils' pollution with oil products is localized mainly in the region of Burags and Yambol towns. Lukoil Neftohim" implements a program for liquidation of the old pollutions including for liquidation of the polluted with oil products soils.
6. Erosion processes are observed in the soils as well as an increase in the saltiness.
7. SERP is among the richest in biological variety that determines the great potential for its inclusion in European network Nature 2000.
8. The network of protected territories is well developed as here is to be found the largest protected area in the country – NP Straldzha. The bio-variety and PA are of the most important factors for the development of tourism in each of its forms and especially the ecotourism.
9. The noise pollution in the town centers of the districts is a very high one.
10. Radiation situation is a normal one with

- exception of Sliven mine.
11. The data for the quantitative wastes are insufficient and unreliable though there is a tendency for improvement of the reading system
  12. The generated quantitative public wastes are high and they are increasing.
  13. In the region functions a system for separate collected and deactivation of the hospital wastes and of most of the public wastes. There is no separate collection and re-circulation of public wastes.
  14. The landfill processes in the Black sea municipalities, in Kotel and Byala Palanka in Sliven district are considerate and require special measures.

In the sphere of innovations and technologies, the region has at its disposal a basic network of business centres and business incubators, which can help to enlarge their activity orientating their efforts to the transfer to the new technologies.

## CONCLUSION

The transition of economy towards a steady development, will require long-term prognosis and planning, clear and consistent with the conception for steady development priorities, resourcefully well-provided investment policy directed at a change of the existing structure (not only for the private resources of the country but for possible sources for their attraction), marketing environment, integration of the economic, social ecological and regional policy, wide in range evaluation of the influences on the environment, informational certainty and monitoring of the development and not at the last place, strong political will and public understanding and

support. The lack of an adequate balance between the legislative, administrative and marketing instrument for regulation of the development and especially the efficient mechanism for their implementation.

In the framework of Southeast region for planning, the tendencies observed show insufficient competitive power, unsolved demographic and ecological problems, a need for the drawing up of standards based on the knowledge and innovations.

The problems revealed in the steady development at a national level and in framework of Southeast region for planning show that the challenges are to a high degree surmountable if actions are taken in the following direction: at the level of society problems concerning stability have to be explicated and popularised professionally but in simple language and operated for every concrete case and not at the last place, formation of a strong political will and public understanding and support.

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