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DEVELOPMENT OF THE REGIONALIZATION IN BULGARIA

AUTORS`S SUMMARY

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I. CHARACTERISTICS OF THE STUDY

1. RELEVANCE OF THE PROBLEM

The need to build effective territorial levels and governance in accordance with the needs arising from its current development is part of the democratic development of the modern state. The relevance of the topic of introducing decentralization at the regional level in Bulgaria is determined mainly by two main circumstances: the beginning of democratic changes after 1989 and European integration, respectively the trends in the development of the EU.

After the democratic changes in the early 90s of the 20th century with the adoption of the new Constitution in 1991, the model of country government was adopted, and at the sub-state level it is twofold: decentralized municipalities and deconcentrated districts. In constructing the administrative-territorial reform, the issues of local and regional government were raised in parallel, and due to the socio-economic specifics of the period in which our country was, it was decided to complete the reform at the municipal level and at a later stage to reform the intermediate level of government to complete the overall reform. In the years that followed, there was a periodic debate on the need for this reform and the introduction of regional self-government without a comprehensive vision for the development of this process.

Along with the strengthening of democratic processes, the country takes the path to integration into the European Union (EU). Trends in the development of the European Community, and in particular the need to adapt to the implementation of its cohesion policy, have an impact on the formulation of regional policy and its implementation at the various territorial levels. However, with regard to regional development, in recent years there have been unfavorable data, mainly related to insufficient effectiveness of the implemented policy and a negative trend in the development of Bulgarian regions in key socio-economic indicators, both among themselves and in comparison with the other countries of the European Union. At the European level, there is a strengthening of the role of the regions and the implementation of decentralization within the states, with a gradual emphasis on the process of regionalization. Part of this approach is the need to review the management of the individual sub-state levels in the country and their respective structures regarding the implementation of EU cohesion policy and compliance with its basic principles such as: programming, partnership, complementarity, subsidiarity. Cohesion policy provokes the definition of a regional level and, accordingly, its institutionalization through the funds with which it provides financial assistance. The partnership principle, considered as the basis of the model for multilevel governance, assume the existence of horizontal and vertical partnerships as a basis for taking more decentralized decisions, but at the regional level in the country there is practically no such strong participant formed so far.

The preparation for the programming period 2021-2027 is intended to be used as an accelerator of the change of the model for implementation of the regional policy in the country, using closer integration of the sectoral priorities and goals with those of the policy for regional development. This change is linked to the need to implement the EU's growing "integrated territorial approach" for the implementation of cohesion policy, considered through the new paradigm of regional development: the concept of a "place-based approach". This approach relies on the potential of development of the territory and developed multilevel governance, taking into account that the regional level is optimal for its implementation. In order to form a stronger representation at the regional level in the country, it is set to expand the functions, powers and composition of the regional structures operating in the regions for planning and strengthening their capacity. This new approach is reflected in the changes made in the Regional Development Act in 2020 and the planned implementation of Integrated Territorial Investments in the Program for Development of the Regions 2021-2027.

2. MAIN RESEARCH THESIS

The main research thesis represented in this paper is that the management system at the regional/intermediate level in Bulgaria (supra-municipal and sub-state) needs to be optimized, (fixing the territorial scope, reviewing and rethinking the functions and powers of management structures), in order to implement a more effective regional development policy to overcome the reported problems and a more concentrated and effective use of assistance from the EU Structural Funds for balanced development of the Bulgarian regions.

Problems reported so far in regard of the implemented regional policy in the country: insufficient efficiency in the undertaken measures, large number of strategic documents, ineffective mechanism for control and evaluation of the strategic documents, additional administrative burden in collecting and processing information for regional and spatial development, availability of large disparities in the development and lagging behind the Bulgarian regions in key socio-economic indicators compared to other EU countries, as well as a deepening trend of interregional differences in the country, support the requirement stated in the main research thesis. Due to the lack of a strong administrative body at regional level (planning regions are not administrative units and no financial resources are directed to them, as such resources are lacking at district level), the main responsibility for implementing priority projects and policies is taken over by municipalities.

The main research thesis is based on the acceptance or rejection of the following working hypotheses:

Hypothesis 1: Strengthening the capacity of public institutions/structures at regional level by providing adequate powers and resources for management, as well as improving coordination and partnership at this level, would affect the implementation of a more coordinated and effective regional development policy, which reflects local needs in a more focused way, thus influencing the development of the regions.

Hypothesis 2: Can the changes in the Regional Development Act (RDA) 2020, which set new functions of the Regional development councils (RDC) within the planning regions, be a prerequisite for the introduction of decentralization at the regional level.

Hypothesis 3: To what extent the process of Europeanization has had (in the pre-accession period to the EU) or may have influence (in full EU membership) on the internal administrative structure in the country, the powers of the established administrative structures at different levels and the conducted regional politics.

3. GOALS AND TASKS OF THE DISSERTATION

As a starting point for the present study, we focus on findings from the publications of Professor Marcou and Eng. Djildjov.

In his work from 2000, Marcou divides the regionalization into 5 types and determines that at that time in Bulgaria exist administrative regionalization. Analyzing other types of regionalization, he states: "it is possible that other countries may turn to regional decentralization, especially in Central and Eastern Europe (CEE). This option is provided in Slovakia in the Constitution (Article 64 (3)). Also in Bulgaria, the establishment of territorial authorities at the regional level has been envisaged since 1995 and may be undertaken after the 2001 elections; there are also discussions about maintaining the 28 current regions or creating new fewer and larger regions; however, the difference between the functions of the state and those of territorial authorities is not always clearly understood¹".

In an article from 2006, Eng. Djildjov states: "in the last 15 years, there has hardly been another reform that has been studied and delayed for as long as decentralization at the regional

¹ Marcou, G., La régionalisation en Europe, Situation, évolution et perspectives dans les États membres de l'Union européenne et dans les États candidats d'Europe centrale et orientale, Parlement européen, Luxembourg, 2000, REGI 108 FR04 – 2000/rév. 1, p. 27-28

level. Why is it happening that there is an understanding of the need for such decentralization, the political parties and governments include it in their priorities, the Council of Europe and the European Commission have recommended us to work in this direction, but in reality, things so far are limited to analysis with no publicity and intentions for public discussion?²“

Based on the findings of these two authors, our main goal is to study the dynamics of the circumstances that led to the territorial and administrative state of the regional level (planning area and district) in the country at present, by following the main directions of the Europeanization process, the implemented regional policy, the processes and the formed ideas for decentralization at regional level in the country, the tendencies regarding the regionalization in the EU member states and the implementation of the Operational Program "Regional Development" (OPRD) since 2007.

To achieve this goal, the following more important tasks are set, which determine the structure of the dissertation:

1. Identification of the main conceptions, notions and processes related to the implementation of the regionalization process and their definition for the purposes of the study with emphasis on: region, Europeanization, regional policy, decentralization, regionalization.
2. Highlighting main trends in the approaches between the countries of Western and Central and Eastern Europe in the development of ideas/processes for regionalization, with specific follow-up of examples from countries with experience in applying a two-tier model of self-government - Greece and the Czech Republic.
3. Analysis of the role and influence of Europeanization expressed by EU as "external" factor and the "internal" for the state processes, participants, and institutions in the processes of forming the current administrative-territorial structure and regional policy of the country.
4. Study and critical analysis of the ongoing processes and the formed ideas for decentralization at regional level, as part of the conducted policy of regional development in the country and their connection with the applied Operational Program for Regional Development. Highlighting the main challenges and outlining assumptions for the future development of the regionalization process in the Republic of Bulgaria based on the changes made in the structures of the Regional Development Councils in the planning regions introduced with Regional Development Act from 2020.

4. OBJECT AND SUBJECT OF THE RESEARCH

The object of the study is the process of regionalization (decentralization at the regional level) in Bulgaria. The subject of the study is the development of the process of regionalization and its possibilities for optimizing the distribution of powers between the various levels of government in Bulgaria after 1989.

The focus of the present study is the issue of regionalization in Bulgaria, which interacts with the processes of Europeanization, democratization, decentralization, which lead to institutional and territorial changes in the countries, as well as with the regional policy in the country. The analysis of the other countries of the European Union, as well as its regional policy, serve for comparison and analysis of the direction of possible influence in the formation of the state territorial policy.

5. RESEARCH METHODS

Based on the complex nature of the studied object, there is a need for joint use of a set of research approaches and different methods such as: preliminary analysis, systematic study of the literature, theoretical analysis, systematic, structural and functional analysis of the

² Djildjov, A., The saga of "decentralization" at regional level. Public Administration Magazine, Issue 1/2, 2006, p. 26-36

Europeanization processes and domestic policy approach to issues of decentralization at regional level and related development of regional policy.

Various methods have been used for obtaining and processing information and data, such as document research, systematization, comparison. Official statistical data from the National statistical institute, Eurostat, official statistical sources of the surveyed countries, as well as data from strategic documents, analyzes and expert discussions is processed.

To enrich, clarify and validate the information obtained, a survey method was used by conducting semi-structured interviews. It was done by taking an expert opinion of the interviewees, as the information provided is anonymous and the answers received are summarized. This approach allows to obtain information about not so popular documents, as well as about formal and informal attitudes and approaches to the issue. The interviews were conducted through a set of two types of questions: basic, valid for all and additional questions, according to the expertise of the respondent. According to the field of activity, the selected respondents are experts, representatives of: the central government - Council of Ministers, Ministry of Regional Development and Public Works, Ministry of Finance, representatives in the European Commission; local government; district administrations; non-governmental sector.

6. PLACE OF THE RESEARCH

The study focuses on the ongoing processes of decentralization in the management structure of Bulgaria with an emphasis on decentralization at the regional level - districts and regions for planning and the impact of Europeanization on them. The presented examples of the impact of Europeanization and democratic change in the EU countries serve mainly to bring out the main trends that should be analyzed when choosing the optimal model of regional decentralization for the country. In particular, the process of regionalization in the Greek Republic and the Czech Republic is presented. The main reasons for the choice of these two countries, to be able to draw conclusions relevant to Bulgaria are: form of government, size of the territory, population, similar administrative-territorial organization. At the same time, another criterion to be met is to be an EU member State and to have two functioning levels of local self-government to consider the approach of an administrative-territorial organization applied in the conditions of the above parameters. The information from the interviews had additional weight in the selection: at the beginning of the democratic process in forming ideas for the regional approach in our country the experience of the Czech Republic³ was studied, the approach in Greece was discussed as an example during the pre-accession process.

The dissertation focuses on the period from 1989 to 2020, which coincides with the beginning of democratic changes in the country, covers the implementation of two programming periods of the implementation of EU cohesion policy through OPRD (2007-2014 and 2014-2020) and proposal for a new approach in the implementation of regional policy for the next programming period 2021-2027.

7. LIMITATIONS OF THE RESEARCH

The limitations of the research derive from the broad scope of the topic, affecting the different levels of government in the country, as well as a set of policies. This requires the study to focus mainly on the approaches for decentralization at regional level - district and region for planning and when analyzing the regulatory framework on Regional Development Act and in particular the administrative structures with the functions that the Act sets at regional

³ Djildjov, Al., Hauser, Fl., Marinov, V., Review of the regional policy in Bulgaria, state, assessment and perspectives, FLGR, Sofia 2001, p. 87, where it is recommended to study the experience in the field of conducting regional politics in Poland, the Czech Republic, Hungary.

level and partially OPRD. The processes of decentralization at the municipal level remain outside the scope of the work, despite the understanding that they are inextricably linked.

In the dissertation, several terms will be considered known to the scientific community, so the author will not interpret them. These are the terms: decentralization, deconcentration, devolution, regional development, regional policy. As the concepts and terms described in this way are very broad and there is no consensus on their final definition, we will focus only on basic information that we believe is relevant to the present study. In this way we will set the framework in which it will take place.

Regarding the term "region", we will refer to some definitions that are related to those of regionalization and regional development/policy without claiming to be exhaustive because, despite the widespread use of this term, there is no generally accepted definition of it. In this sense, we will not consider the concepts of a region that extend beyond the nation state, nor will we dwell on the different types of regions existing in the state, but we will consider mainly the administrative ones. When using literature in a foreign language, problems with the translation and use of some terms have been identified, and where necessary, this will be explained.

Regarding the wide scope of the closely related normative documents (such as the Spatial Development Act, the Public Procurement Act, the Administration Act, the Environmental Protection Act, etc.), we make the stipulation that the Regional Development Act will be traced with an emphasis on the administrative framework it sets at regional level (district and region for planning) and partially Local Self-government and Local Administration Act and Act on the Administrative-Territorial Organization of the Republic of Bulgaria, insofar as they are related to the first one and to the administrative-territorial organization of the territory.

8. CONTENT OF THE DISSERTATION

The dissertation research consists of an introduction, three chapters with the relevant appendices, a conclusion, and a bibliography. In the three chapters, the development of ideas and the approach to decentralization at the regional level in Bulgaria is traced chronologically. At the same time, having in mind the interaction between the democratic processes in the country since 1990 with the process of Europeanization, the tendency to strengthen the role of the regions and the cohesion policy of the EU is presented. An approach from the general to the private is used: from the difference in implementation of reforms at European level between the Western and CEE countries in the first chapter, the focus narrows to the approach of the Greek Republics and the Czech Republic in the second chapter and ends with a presentation of the new EU regional approach and the changes that have occurred in the implementation of the regional policy in Bulgaria.

The first chapter introduces the research topic, briefly describes the problem area, the framework of the present study and determines the main lines of analysis. The interaction of the studied processes of Europeanization, democratization, decentralization and regionalization and their capacity as external and internal factors that influence the ideas of decentralization at the regional level is considered. Popular definitions, concepts, classifications related to the topic are considered and determined. The results of the analysis of the impact of the EU accession negotiation process as an external factor for exerting adaptation pressure and the country's internal processes in the formation of administrative-territorial organization and the basis of the institutional framework set in the Regional Development Act at regional and district level are presented in more detail. The particularities in the development of the ideas for regionalization in the countries of the European Union are traced, emphasizing the peculiarities and specifics during this process in the countries of Western Europe and those of CEE. The attempts to introduce common documents for local and regional self-government at

European level and the developed models and classifications of the regions in Europe are presented.

The second chapter is focused on the problematic aspects in the development of the ideas for decentralization at the regional level in Bulgaria, traced against the background of the ongoing decentralization at the local level. The connection between the programming periods of the EU cohesion policy (considered as an external factor) after 2007, the priorities of the Operational Program for Regional Development in Bulgaria and the implemented regional policy after 2004 is analyzed. The main object of the analysis is the process of institutional organization at regional level (the administrative structures created at district and regional planning level with their respective functions) and application of the principle of partnership in the field of regional policy. To structure the conclusions from monitoring the implementation of decentralization in other European countries comparable to Bulgaria, the approach to the establishment and functioning of an intermediate level of local self-government in the Greek Republic and the Czech Republic is presented in more detail.

The third chapter examines the new regional approach of the EU and the new philosophy set in the implementation of the programming period 2021-2027 in the country, through the implementation of Integrated Territorial Investments (ITI). It traces the emergence and introduction of an integrated territorial approach to EU cohesion policy through the new paradigm of regional development identified by the Organization for Economic Co-operation and Development (OECD) and the concept of a 'place-based approach'. The proposals for change in the NUTS 2 classification in Bulgaria and the place of these regions among the rest in the EU are presented. The activities accompanying the process of forming a new approach in the regional policy of Bulgaria are presented, which is reflected in the new Program for Development of the Regions 2021-2027 and the changes in the RDA of 2020. The mechanism of the expanded structure of the RDC is described. A qualitative analysis of the conducted semi-structured interviews is performed, based on which and in combination with the general analysis in the research activity characteristics/problems of the process of decentralization at regional level in the country for the four derived periods were outlined and an attempt was made to form possible scenarios for future development of regionalization in the country based on the proposed new approach in regional policy for the next ten years. The main challenges/opportunities/threats to the implementation of the planned change in the structures of the RDC and their possible strengthening in the future as a strong regional body are presented.

The conclusion summarizes the performed analysis and indicates the identified main obstacles, as well as the reasons for them, standing in front the implementation of regionalization in the country.

9. PRACTICAL USEFULNESS OF THE RESEARCH

The application of foreign models is not always successful but knowing them can still present good examples and lessons. In addition to presenting European examples in terms of regionalization, this paper focuses on tracking the ideas and attitudes in the country towards the introduction of regionalization and reveals the nature and problems of the Bulgarian approach. The chronological approach, combined with the expert information from the conducted interviews, are the basis for filling the outlined problem with the gradual loss of "memory" of what the plan was and the planned steps for its implementation during the various identified periods. In this way, the conclusions and outlined problems can be used in connection with possible future policy discussions related to the topic.

10. APPROVAL OF THE RESEARCH

The presented problems in the dissertation were the subject of consultations and discussions with lecturers in the Department of Regional Development, as well as with experts, representatives of central and local government, the non-governmental sector and during participation in workshops and meetings.

II. CONTENT OF THE DISSERTATION

Introduction

Chapter One: Theoretical and Methodological Aspects of the Regionalization Process

1. Nature and particularity in the implementation of the regionalization process
2. Normative and legal particularities in the development of regionalization in Bulgaria
3. Distinctions in the development of ideas for regionalization in Europe

Conclusions

Chapter Two. Problems and particularities in the implementation of the regionalization process in the Republic of Bulgaria

1. Development of ideas for decentralization at the regional level in Bulgaria
2. Analysis of the relationship between the programming periods of the EU Cohesion Policy, the priorities of the Operational Program for Regional Development and the implemented regional policy in the country after 2004.
3. Development of the regionalization process in the Greek Republic and the Czech Republic

Conclusions

Chapter Three: A New Approach and Future Development of the Regionalization Process in Bulgaria

1. The new regional approach of the EU and proposals for change in the NUTS classification in Bulgaria.
2. The application of new approaches in the formation of regional policy in the Republic of Bulgaria.
3. Challenges and guidelines for the development of the regionalization process in the Republic of Bulgaria.

Conclusions

CONCLUSION

Bibliography

Appendices

III. MAIN CONTENT OF THE DISSERTATION

Introduction

The introduction presents the relevance of the topic and indicates the publications that are accepted as starting points of the study. The main research thesis and the related working

hypotheses are formulated. The object and the subject of the research, the goal and the tasks are defined, which determine the structure of the dissertation. The methodology used and the limitations of the analysis are indicated, as well as a brief description of its content.

CHAPTER ONE: THEORETICAL AND METHODOLOGICAL ASPECTS OF THE REGIONALIZATION PROCESS

1. Nature and particularity in the implementation of the regionalization process

The first point of the chapter sets out the framework of the present study. On one hand it is based on the challenges that face countries of Central and Eastern Europe in the early 1990s, expressed in the restoration of democracy, part of which is the restoration of local government, and, on the other hand their integration into the European Community and in particular, the growing influence of its regional policy, which provides incentives for the establishment or strengthening of regional institutions. It is these two factors, pointed out by Marcou⁴, that are the basis for the appearance of the regionalization question in these countries. The expectations for them were to quickly "catch up with the Central European tendency to transfer more and more political power and autonomy rights from the national to the sub-national levels. In the early 1990s, it was widely believed that the ongoing political transformation in Eastern Europe would lead to an extensive process of regionalization and decentralization⁵". In order to connect the impact of Europeanization with the applied state policy in the field of regional development and decentralization at the regional level, the formulated three-step approach of Cowles, Caporaso, Risse⁶ is used. It analyzes how the process of European integration is changing countries, their internal institutions and political culture and the interaction between several levels of government: supranational, national and subnational. The first step of the approach concerns the existence of formal and informal norms, rules, regulations, procedures and practices at European level, which should be applied in the Member States in order to be able to comply with them. The second step is the "goodness of fit" between the process of europeanisation and the national state of institutions, rules and practices, which is defined as "adaptation pressure". The third step of the approach is determined by the so-called "mediating factors", which determine whether and to what extent the country concerned will adjust its institutional structure to EU requirements. In the case of strong adaptation pressure, the presence or absence of these factors is very important for the extent to which state change is expected to occur.

Based on the given framework and this approach, the main lines of analysis are determined: europeanization as an external pressure/factor (expressed through the EU cohesion policy) and the internal for the state processes/mediating factors in terms of its democratic construction (central government policy). Thus, the beginning of the process of europeanization of our country interacts with the processes of democratization, decentralization and regionalization. The result of this interaction is the basis for the formation of the model of territorial governance of the state and its regional policy, which provides an administrative and legal framework for the institutions that should implement it at different territorial levels.

⁴ Marcou, G., *Regionalization for Development and Accession to the European Union: A Comparative Perspective*, Open society institute, Local government and public service reform initiative, 2002, p. 13

⁵ Pitschel, D., Bauer, M., *Subnational Governance Approaches on the Rise - Reviewing a Decade of Eastern European Regionalization Research*, *Regional & Federal Studies*, German University of Administrative Sciences, Vol. 19, No. 3, 2009, p. 327-347

⁶ Cowles, M., Caporaso, J. and Risse, T., *Transforming Europe: Europeanization and Domestic Change*, Cornell University Press, Ithaca and London, 2001

In the study we assume that the term "region" as well as "regionalization" are broad and are used in different contexts. Without claiming to be exhaustive, the definitions of a region and the use of the term in our country are briefly outlined. Based on analyzes of various authors, it is noted that in the conceptual apparatus applied at the administrative, scientific and daily level, the terms "rayon" and "region" are used, often without distinguishing between them. Despite the lack of a unified concept of a region, there is a variety of forms of regions in different countries and different approaches to dividing their territory into sub-state and above municipal level. Various organizations in Europe are trying to find a way to uniformly interpret the concept of 'region', but in the end they had not come to a generally acceptable concept. The EC introduces the "Nomenclature of Territorial Units-NUTS" approach, which is based on aggregated statistics data that serves to divide Europe into relatively equal-sized territories, called regions, in order to facilitate and standardize the collection and development of harmonized regional statistics in the EU, to serve as a socio-economic analysis of the regions in the Member States and to define the framework for action in the field of EU Cohesion Policy. NUTS level 2 of this classification is the framework commonly used by Member States to implement their regional policies and is therefore the appropriate level for analyzing regional/national problems. These regions are becoming key to the implementation of EU cohesion policy, and from this perspective, Community regional policy is seen as a factor in promoting regionalization. Although the EU principle is non-interference in the legal systems and constitutional foundations of states and in this regard, the ongoing regionalization in them is largely the result of local, specific institutional and political development, though the European Parliament notes that through European cohesion policy, EU promotes administrative regionalization in almost all Member States.

The emphasis in the analysis of EU cohesion policy has been set on the reform of the Structural Funds since 1988, when multiannual planning was introduced and the four main principles: concentration, programming, partnership (based on the concept of multilevel governance and good governance), complementarity/co-financing, as well as introduced by the Maastricht Treaty of 1993: Committee of the Regions and the principle of subsidiarity. At the EU level, the Committee of the Regions notes the positive link between the implementation of a successful and sustainable European regional policy and decentralization.

As part of the internal democratic processes in the states, decentralization is seen as the transfer of powers and resources from the national level to one of the subnational, regional or autonomous (according to law) public units, and to these units should be ensured legal existence, budget, staff, democratic selectivity. Deconcentration is seen as an action by which a certain level of the state administrative structure transfers certain decision-making powers to a hierarchically dependent echelon within the same organization, but at a lower level⁷. Given that any decentralization process is a much more political than technical problem, we share the view of Marcou (2000) that in order to grasp the importance of the regionalization process, it is necessary to combine geographical with legal-political and regional economic approach. The creation or strengthening of institutions at the regional level is considered to be the basis for the emergence of regionalization issues. Based on a set of criteria, five types of regionalization were distinguished by Marcou (2000), which largely coincide with the four types identified by Pamfil (2003). The OECD (2020) also adheres to four types, based on the fact that there are different forms of regionalization, ranging from soft arrangements to stronger regional governance.

⁷ See Diaz, H., Decentralization in Bulgaria: General Assessment and Recommendations, United Nations Development Program, 1998, p. 8

2. Normative and legal particularities in the development of regionalization in Bulgaria

On one hand, the regulatory framework related to regulation of regional development and politics and the establishment of the country administrative-territorial structure reflects the views and the desire for reforms of the ruling majority at the time. On the other hand, in its formation, for the EU candidate and member countries the *acquis* also have influence. Considering this, the analysis approach in the second point is based on the identified in the previous point "external" factors that exercise "adaptation pressure" in the formation of the territorial organization and regional policy of the country and the formation of administrative bodies at different levels of government, as well as the respective role of "mediating factors " or internal for the state factors.

The influence of the EU accession negotiation process is seen as an "external" factor in exerting adaptation pressure. As a future EU member state, Bulgaria should adopt the *acquis communautaire* in the field of regional policy, and this takes place during the negotiation process in the framework of Chapter 21 "Regional Policy and Coordination of Structural Instruments". Regular reports during the negotiations are considered a good mechanism for influencing state policy in this area, which is reinforced by the fact that Bulgaria is in the position of a candidate for membership. In them, before the start of the formal negotiations in 2001, it was noted that in terms of regional policy, our country starts from a "low level of preparation". Having this in mind, at the beginning of the negotiation process, the "adaptation pressure" in the field of regional policy was expected to be high because there was no appropriate administrative framework for implementing this policy. At the end of the negotiation process, a legal framework has already been established, covering administrative structures at all levels and the relevant written procedures for their work. The NUTS classification of Eurostat for the purposes of conducting structural and regional policy has also been adopted, as the legal basis for the formation of planning regions in the country was established by the RDA in 1999. With the establishment of planning regions in our country corresponding to NUTS 2 the EU requirements for conducting regional policy are met. However, as noted among the main criticisms in the reports, the necessary capacity at local and regional level and the relevant stakeholder partnerships in the structures thus established have not been fully developed. This, in turn, is an unstable basis for the work of the RDC, which in case of strengthening their position are seen as the territorial basis of possible regional self-government in Bulgaria. Finally, at this stage the choice is to implement statistical or administrative regionalization instead of political, and with the creation of the RDC in the planning regions the requirement of the EC to have structures at all levels is met.

With regard to internal for the state factors, the central government has been identified as a major mediating factor due to the fact that is the only one with the power to impose appropriate changes. In this sense, attention is paid to the formation of the administrative-territorial structure of Bulgaria, the competencies of the territorial communities and the regulatory framework for regional development and the resulting institutional framework at the regional level.

The territorial organization of Bulgaria has undergone many developments in the recent past before the democratic changes and the main dilemma was what model of territorial governance is needed: three-tier (large districts - neighborhoods - municipalities), or two-tier (small districts - municipalities), with few exceptions, regardless of the change in the ratio of self - government - government at two of these levels there has always been self - government⁸.

⁸ FLGR, Report "Study of the practice of European Union member states with two functioning levels of local self-government", Sofia 2007, p. 48

Table: Distribution of the administrative-territorial division after the Liberation of Bulgaria until the end of the XX century.

Year	Degrees of the administrative-territorial division	Degree of units		
		District	Neighborhood	Municipality
1880	Three-tier	21	58	1354
1901	Three-tier	12	71	1893
1934	Three-tier	7	83	1 211
1944	Three-tier	9	100	1 771
1949	Three-tier	14	117	2 178
1959	Two-tier	30	0	979
1979	Two-tier	28	0	291
1987	Two-tier	9	0	273
1999	Two-tier	28	0	262

Source: Author's adaptation based on data from Stanev, Botev, Kovachev and Gencheva, Territorial-administrative structure of the Republic of Bulgaria, Sofia, 2000

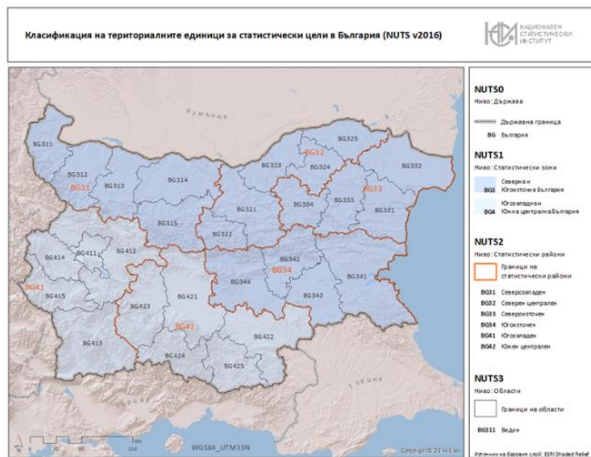
According to the adopted democratic Constitution of the Republic of Bulgaria from 1991, it is a united state with local self-government and without autonomous territorial entities (Art. 2, para. 1) with a two-tier model - municipalities and districts (Art. 135) and the possibility other administrative-territorial units (ATUs) and self-government bodies to be established by law. A model for deconcentrated state power has been adopted, exported to the territory in 28 districts and municipal self-government in 264 municipalities. The established mechanism of management at the regional level according to the Constitution is considered. Territorial units of ministries and agencies also function at the district level, and problems in their interaction with the district administration have been reported. The districts correspond to NUTS 3 level of the EU classification, and together with the planning regions - NUTS 2, where some of the ministries have established their territorial administrative structures, are the two structures at regional level in the country.

The reform of the administrative-territorial division in the country and the adoption of the RDA in 1999 are considered. This reform is limited to increasing the number of districts from 9 to 28, as this has been done automatically, without a complete review of the powers and tasks of district governors, to address the issues of the second level of self-government and the coordination of tasks of the territorial units at the district level⁹. The adoption of the RDA is seen as a new stage in the formation of regional development policy in Bulgaria and is in response to the Commission's criticism that regional policy does not exist in practice, as well as an administrative framework for its implementation. This law marks the beginning of a long process, followed by the development of bylaws, the creation and strengthening of new institutions and their organization and capacity, and the implementation of a new planning and programming process. The updated version of the RDA from 2004 aims to reflect the principles and approaches of the EU cohesion policy in the national legislation, thus creating conditions for subsequent full harmonization with the EU legislation, bearing in mind the membership of Bulgaria in 2007. Structurally, this version of the RDA appears to be the basis on which the next changes are made by 2020. In addition to the strategic documents for each level, the powers and functions of the bodies at the different levels of government, responsible for the formation and implementation of the regional development policy as well as for the

⁹ Djildjov, A., The saga of "decentralization" at regional level. Public Administration Magazine, Issue 1/2, 2006, p. 26-36

coordination between them, are defined. With regard to the regional level, the structures created in the planning regions and districts are considered. In the planning regions it is envisaged to establish Regional Development Councils, which by law are collective bodies for conducting the state policy for regional development as well as a place for meeting and discussions of the interests and representatives of the different levels of government: central, regional and local as well as other relevant civil and economic stakeholders. Their structure and functions are considered, as well as those of the district development councils.

Image: The territorial organization in our country according to the requirements of the NUTS classification by 2021



Source: NSI

Scheme: Linkage of the planning and programming documents, according to the RDA 2004



Source: Mollov, B., presentation "Commitments under Chapter 21 "Regional policy and coordination of structural instruments" presented at an event "Regional Policy of the European Union, Regional policy in a national context", 10-11.12.2005, Sofia

3. Distinctions in the development of ideas for regionalization in Europe

Democratic systems face common and individual challenges for the respective countries, which lead to the need for transformation of the state through its modernization and reform, such as: decentralization, planning with the participation of citizens at local and regional level, institutionalized mechanisms of direct democracy. Some of the common challenges are: the globalization of the world economy and the crisis of the welfare state and the transformation of the role of the state and the enhanced role of civil society.

Over 60% of decisions taken at European level have a direct impact on cities, municipalities, districts and regions, and almost 70% of public sector investment in Europe comes from local and regional governments¹⁰. These two figures show the increasingly important role that local and regional authorities play in the European economy and in the lives of citizens. There is a difference in the emergence of the trend of regionalization in the countries

¹⁰ Council of European Municipalities and Regions, Local and Regional Governments in Europe: Structures and Competences, Brussels, 2016, p. 3

of Western Europe and those of CEE. In the first, it originated between the 70s and 80s of the 20th century and is taking place from the bottom up. Its emergence is a result of the need to increase the efficiency of the administration, democracy of local government and especially due to the crisis of legitimacy of the state arises the need to create relatively autonomous authorities at the sub-national level to take over some of its tasks. In the CEE countries, it arose at the beginning of the democratic transition under the influence of: the restoration of the democratic form of government and the EU and the influence of its regional policy. Considering regionalization as part of the process of decentralization in the CEE countries, it is typical for them to start a reform with the transfer of powers and strengthening of local self-government, before that on an intermediate level.

In this part of the study it is reported that within the EU countries there are two types of regions: administrative, formed by domestic law and historical development and formed under the influence of Europeanization - statistically, and that in all countries the municipality is the main territorial level with self-government. The countries of Western Europe are characterized mainly by three-tier and two-tier division, with self-government on at least two of the levels. In contrast, only three CEE countries are approaching this model with a three-tier division and management at the three levels in Poland and in two of them in Slovakia and the Czech Republic. The others are dominated by a two-tier division with one level of self-government. With regard to the coincidence of the administrative level with NUTS 2 level, this is observed in slightly more than half of the Western European countries considered. In the CEE countries, Poland is the only country where NUTS 2 coincides with administrative-territorial units.

The general conclusion made as a result of the review of the administrative-territorial organisation of the countries in question is that there is no single model for its structuring and application of decentralization at the individual levels. In each country, the structures with their associated competencies and powers are formed on the basis of a combination of different indicators such as: historical development, demographic characteristics, socio-economic development, features of local culture. Not always taking a model from another country can be successfully applied, but the knowledge can be used as an example of successful or unsuccessful practices, and the "experience of Western Europe" in terms of regionalization can serve for the opportunities and challenges which the CEE countries face. Taking into account the territory of Bulgaria and its comparison with unitary states with a similar area, it falls among the states that have built two levels of self-government below the state level.

Similar to the European Charter of Local Self-Government, which is the only legally binding document setting out the principles of democratic local self-government, an attempt is being made to draw up a European Charter of Regional Self-Government, but the draft does not receive support from a large number of Member States of the CoE. Finally, a Framework for Regional Democracy has been developed since 2008 in order to serve as a source of inspiration when countries decide to set up or reform their regional bodies, as well as to act as a set of principles on which the Congress of Local and Regional Authorities in Europe can count on when monitoring the regional democracy in the member states of the Council of Europe.

Conclusions

Based on the information presented in the three main points of the first chapter, conclusions are formed. It is stated that for the purposes of the development the term "region" will be used for the intermediate administrative-territorial level in the state and its functions in the management, located below the national and above the municipal one. Noting that the creation or strengthening of institutions at the regional level is the basis for the emergence of

regionalization issues, we consider the latter as a process of decentralization of power to regional units at the intermediate level. The EU's cohesion policy provokes the definition of regional level and, accordingly, its institutionalization through the funds with which it provides financial assistance and its legitimation as a statistical territorial organization through the NUTS nomenclature.

The first chapter focuses on the period 1990-2000, which was identified as the first stage in the development of decentralization ideas at the regional level. Within this time framework, the democratic Constitution of the Republic of Bulgaria 1991, the RDA and laws related to local self-government and administrative-territorial organization were adopted. The Constitution establishes the normative framework of the current administrative-territorial organization of the country. Opportunities were set for the realization of a second level of self-government through the Local self-governance and local administration Act in 1991 and as a result of the work of an interdepartmental working group in 1992, as both proposals were rejected. The final decision is first to complete the reform at the municipal level and then in the period 1998-2000 to concentrate on the district level, thus completing the entire reform, but the political processes in the country and the economic situation in the period 1996-1998. hinder its implementation. Thus, the strengthening of decentralization in the direction of municipalities only interfere the possibility of the intermediate territorial level for decision-making and economic recovery as part of the democratization process.

With the development of EU regional policy and the creation of the ERDF, scientific interest in the relationship between integration processes at European level and regionalization decisions within Member States is increasing, taking into account the difference in the emergence of this trend in Western-european Member States and, respectively, those of CEE. The administrative regions in the EU Member States are formed as a result of the development of the decentralization process at the sub-national level and are characterized by diversity in terms of governance, functions and names, as well as different approaches to the division of territory. The statistical regions formed in these countries are imposed by the NUTS nomenclature. In the countries with a larger area, the need for the division of administrative units and their transfer to decentralized powers naturally arises.

CHAPTER TWO. PROBLEMS AND PARTICULARITIES IN THE IMPLEMENTATION OF THE REGIONALIZATION PROCESS IN THE REPUBLIC OF BULGARIA

1. Development of ideas for decentralization at the regional level in Bulgaria

Issues related to decentralization and regional development, and in particular decentralization at regional level, are directly related to cohesion policy, as well as to the way in which EU Structural and Cohesion Funds are allocated and used. This connection is through the established institutional organization, financing and planning of this policy. This point traces the approach to decentralization at the regional level against the background of decentralization implemented at the local level applied after 1989 and the proposed options for implementation, with emphasis on the ideas after 2001. In connection with the Bulgarian transition to democracy, the issues of state administrative reform and decentralization are particularly important and closely linked to the economic structural reform that should be carried out.

In the period 2001-2005, the negotiation process for accession to the EU was implemented. The paper analyzes the work of the new government, which, in order to respond to the criticism in the EU reports, started a process of modernization of the state administration,

and within the process of decentralization was gradually prioritized. In general, the issue of the introduction of an intermediate level of self-government is beginning to occupy an increasingly high level among the outlined priorities, encouraging public discussion on the topic. A working group has been formed, and one of its tasks was to accelerate the process of decentralization of the system of public administration in Bulgaria. Working versions of the Decentralization Strategy and Law have been developed, but they have not been adopted, which slows down the development of the decentralization process at the regional level. The main direction of the ideas is aimed at optimizing the functions of the deconcentrated central administration and strengthening those of the regional governors by becoming primary managers of budget funds, as well as the establishment of a Council for Decentralization and Deconcentration within the Council of Ministers. The intensified process of pre-accession negotiations was an opportunity to use the EU as a precondition for reform at regional level, but this has not happened. However, the period is favorable to the development of the decentralization process in the country, especially with regard to municipalities.

In 2006, a year before full membership in the EU, the formation of a Decentralization Council at the Council of Ministers was considered as a sign of deepening the decentralization process in the country. The implementation of the adopted Decentralization Strategy and a program for its implementation has also started. This section examines the nature of the Strategy and its program, as well as the structure of the Council. With regard to the work of the Council, this is expected to be an advisory body where the interests of all territorial levels on decentralization issues meet. Despite the initial impetus, it was gradually recognized by local authorities as a place for making decisions in their own interest and the full participation of district governors was shifted. In this way, another opportunity is missed to create a strong defender of the interests at the regional level.

Within the framework of the Decentralization Strategy, options for regionalization have been identified, tending to create 12-13 districts. The main conclusions for this period are that in the country there are no conditions for the introduction of a second level of decentralized local authorities and the approach to it should be gradual. The main issue that must first be finally resolved is the issue of maintaining or changing the existing administrative-territorial division and, in general, the need to introduce a second level of local self-government. In the end, a concept was developed but not implemented, on the basis of which a second level of self-government was to be introduced in 2021 at the level of a planning region. Despite the fact that the Decentralization Strategy 2016-2025 still exists, in general, unsatisfactory results have been reported from the implementation of the measures of its program, and the developed documents in the field of regionalization remain only on paper. Since 2011, the work of the Decentralization Council has gradually lost its real authority of carrying out any reforms and discontinued its activity without being closed. This coincides with the period after 2014, when decentralization was no longer among the priorities of the government program. Thus, on the one hand, the government does not want to carry out real decentralization, as it has not been among its priorities since 2014, but on the other hand, by maintaining a non-functioning Council, it keeps visibility that something is going on.

In this part also are presented the conclusions of the monitoring report of the Committee of Local and Regional Authorities in Europe to the Council of Europe, prepared in 2011. The note, regarding the two different meanings: district and region for planning used instead of the term "region" in the country coincides with the observations in the dissertation.

2. Analysis of the relationship between the programming periods of the EU Cohesion Policy, the priorities of the Operational Program for Regional Development and the implemented regional policy in the country after 2004.

The second point analyzes the relationship between the priorities of the programming periods of the EU cohesion policy after 2007 and the priorities and experience of the implementation of the operational program for regional development in our country, as well as the challenges facing regional policy in terms of full membership in regard of the changes in the RDA after 2004 related to the regional level.

The RDA as a normative expression of regional development policy is seen as an important component of the decentralization process, as it provides the framework for the top-down and bottom-up regional development planning mechanism. It is argued that in order to increase interest and motivation in the process of regionalization in particular and decentralization in general, there should be a specific engine (the state and/or other than the state) that has a relative degree of independence in taking decisions or independence in order to direct efforts to make a change in this direction. The object of analysis here is the process of institutional organization at the regional level and the application of the principle of partnership in the field of regional policy between stakeholders. By institutional organization of the regions, we mean the administrative structures established at the district level and at the level of the planning region and their functions (although the planning regions are not administrative-territorial units). In this regard, we focus on those changes in the RDA after 2004, which relate to the institutional organization and framework of the strategic documents that they handle. In connection with the emerged new relations of our country with the EU after 2007, namely the status of a full member, they are bound by the basic requirements of the respective programming periods and the implementation of OPRD. In this way, the degree of gradual "merger" between the main directions of the EU's regional policy, the operational program in the field of regional development and the RDA is illustrated.

Issues related to decentralization are directly related to regional development policy, as well as to the way EU funds are allocated and used. Prior to full membership, there is already an established administrative framework for the implementation and management of EU funds with the presence of administrative structures at all levels and rules for their work through the RDA. Characteristic of EU cohesion policy is that it is modernized with each subsequent programming period to be able to respond to the changes and challenges of the world around us. In this perspective, the main changes in the implementation of this policy for the two programming periods: 2007-2013 and 2014-2020 are presented, as well as the main priorities and structures of OPRD. The changes made in the RDA have been followed, despite which, most of the main provisions of the law have been preserved.

Having in mind that strengthening the capacity of Districts and Regional Development Councils has been seen as a strategic need to improve regional development policy, a survey of regional governors on this topic has been addressed. Among its results, it was reported that the RDC, as a body for the implementation of state policy for regional development, contributes, but to a small extent, to effective decentralization and subsidiarity in the governance process. The conclusion is that there is a need to strengthen, expand and support the recognition of the functions of the RDC so that they can have an active and real participation in the process of formation and implementation of regional policy. To do this, the need for periodic training, the development of expertise and the improvement of horizontal and vertical coordination should be met.

3. Development of the regionalization process in the Greek Republic and the Czech Republic

This section traces in more detail the approach to the establishment and functioning of an intermediate level of local government in two EU countries: Greece and the Czech Republic. The Czech Republic is part of the fifth enlargement of the Community together with Bulgaria,

but unlike it joined as part of the first wave in 2004. The Hellenic Republic is part of the southern enlargement of the EU (covering the accession of Greece in 1981 and subsequently Spain and Portugal in 1986), bringing into the EU countries with lower development rates than those already members. The three countries are part of two enlargements of the Union, characterized by the adoption of relatively lagging countries in the existing common background. Considered by level of development, Greece, like Bulgaria, falls among the less developed Member States with a GDP per capita below 75% of the EU average in 2015, while the Czech Republic is among the middle-developed countries with a GDP per capita of population between 75% and 90%¹¹.

It is characteristic of the Hellenic Republic that adopts a democratic Constitution in 1975 and with the development of the process of decentralization and strengthening of the powers and structures of local government as well as reorganization of the administration, the process of regionalization began to develop. In the 1980s and 1990s, attempts were made to form a strong second level of government, which failed. It was not until 1994 that the prefectures became territorial authorities and the prefects and councils in them were directly elected. The administrative-territorial structure is characterized by two basic territorial reforms. The first is "Kapodistria" (1997) mainly aimed at reducing the number of municipalities and led to the formation of: municipalities, prefectures as a second level of decentralization and regions that are subdivisions of the state. The second is Kalikratis (2010), which also reduces municipalities, but focuses on the regional level. This reform was used despite the existing financial crisis in the country and as a tool against it and led to the creation of 7 decentralized state administrations, 13 self-governing regions corresponding to NUTS II and 325 municipalities. The study focuses on the structure and competencies of regional authorities.

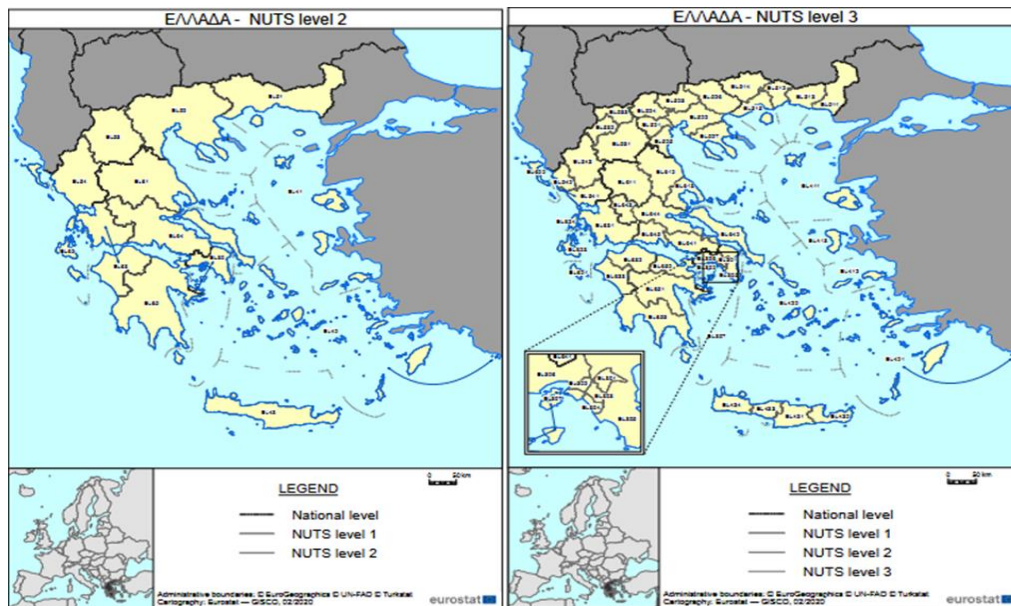
Table: Comparative table of the two administrative reforms in Greece: the Copodistrias Plan and the Kalikratis Plan

	First reform Plan Kapodistrias 1998-2010	Second reform Plan Kalikratis since 2011
Decentralized national administration	13 administrative regions (periferies)	7 decentralized administrations („Apokentromeni Diikesi“)
Regional level	51 prefectures Some are grouped into larger administrative prefectures or "hypernomarchies", while Attica prefecture is further subdivided into four administrative prefectures ("nomarchies").	13 regions (Periphery or peripheries) The regions are NUTS 2 level of the territorial classification of Eurostat.
Local self-governing level	900 municipalities 133 communities	325 municipalities (Dimos)

Source: Author's adaptation

¹¹ European Commission, Seventh Report on Economic, Social and Territorial Cohesion "My Region, My Europe, Our Future", Publications Office of the European Union, Luxembourg, 2017

Image: Maps of division on the territory of the Hellenic Republic, according to the European classification NUTS II and III



Source: Eurostat, *Statistical regions in the European Union and partner countries NUTS and statistical regions 2021*, Luxembourg: Publications Office of the European Union, 2020

The Czech Republic, in turn, is part of the Czechoslovak Federation, which existed until 1993, when it split into two separate countries: the Czech Republic and Slovakia. The territory of the Czech Republic consists of three historical regions and the evolution of the territorial-administrative units in the Czech Republic is historically considered. At the beginning of the democratic transition, the regional level of government was dissolved. The new democratic Constitution of 1992 provides territorial self-government, with the state divided into municipalities, which are the basis of this self-government, and regions, which are self-governing units at a higher territorial level. However, the regions were introduced after 2000. The administrative-territorial organisation of the country consists of 76 counties - 14 NUTS regions 3 - 6 258 municipalities. According to the EU statistical methodology, the regions in the Czech Republic correspond to NUTS 3 level, respectively at NUTS 2 level the country is divided into 8 major regions, which are used for statistical and planning purposes in the context of European Union policies. The structure and competencies of the regional authorities are reviewed.

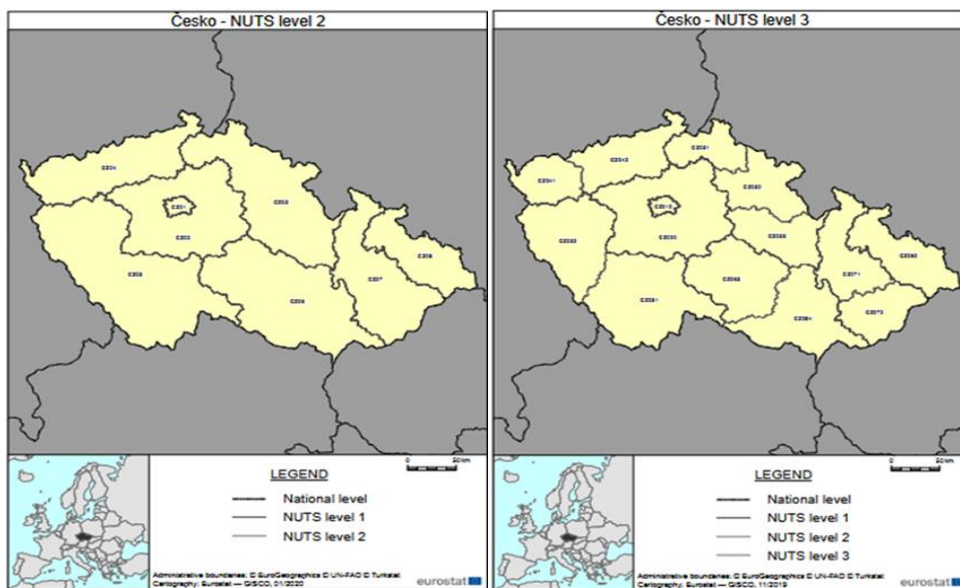
Table: Evolution of territorial-administrative units in the Czech Republic

Period	Division of the territory	Regions	District/County	Municipality
1949-1960	-	13 Czech Republic 6 Slovakia	180 Czech Republic 92 Slovakia	Around 8700 Czech Republic Around 3334 Slovakia
1960-1968	-	7 Czech Republic 3 Slovakia	76 Czech Republic 33 Slovakia	Around 4100 Czech Republic Around 2700 Slovakia
1969-1990	2	7 Czech Republic 3 Slovakia	76 Czech Republic 33 Slovakia	Around 4100 Czech Republic Around 2700 Slovakia

1991-1992	2	-	76 Czech Republic 38 Slovakia	Around 4100 Czech Republic Around 2700 Slovakia
1993-1996	-	-	76	6196
1996-1999	-	-	76	6196
2000-2002	-	14	76	6258
2003-2004	-	14	-	6258
2004 -	-	14	-	6258

Source: Author's adaptation of Brusis, Martin, „Czechoslovakia: State Formation and Administrative-Territorial Organization”, 2015

Image: Maps of division on the territory of the Czech Republic, according to the European classification NUTS II and III level



Source: Eurostat, *Statistical regions in the European Union and partner countries NUTS and statistical regions 2021*, Luxembourg: Publications Office of the EU, 2020

Conclusions

Based on the analysis and the information provided in the three points above, in this chapter are identified three periods in terms of the formation of ideas for regionalization: 2001-2005, 2006-2013 and 2014-2020. During the first period a process of modernization of the state administration was started, the process of decentralization was prioritized and the issue of the introduction of an intermediate level of self-government began to become more and more important. The 2004 version of the RDA was used for the preparation of the operational programs and the National Strategic Reference Framework for the Structural Funds cycle 2007-2013, thus establishing the link between this law and the priorities of the operational program for regional development. The intensified process of pre-accession negotiations has been an opportunity to use the EU as a precondition for reform at regional level, but this has not happened in practice.

The second and third periods pass in the conditions of full membership and the expectation is that the idea of regionalization to come at the initiative of the state itself, not through imposition by the EU. In this regard, the Council for Decentralization within the

Council of Ministers has been officially formed and the adopted Decentralization Strategy and program for its implementation are being implemented. The practical implementation of OPRD is also started, as the general conclusions for the first OPRD are that it is in compliance with EU requirements and is based on the existing legislation at the moment, including the 2004 RDA. Despite the expanded representation of stakeholders in its preparation, the role of the central government in Bulgaria for the first programming period remains highly centralized, which with few exceptions (Integrated urban renewal and development plans) remains valid for the second. In the period 2010-2013, there was a process of centralization of public administration, while the process of decentralization flows at high tide and low tide, there was a lack of sustainability and security for a number of reforms. The two operational programs have generally similar logic, the sectoral approach prevails, but the manner of implementation of the second has changed, through the delegation of intermediate units in 39 municipalities and the implementation of Integrated urban renewal and development plans. Despite this and the applied regional policy in the country, inefficient implementation of the measures and deepening problems in the regions have been reported.

At the same time, at the European level for the period after 2014 a tool was presented – Integrated territorial investments (ITI), aimed at overcoming sectoral planning, reflecting the potential of the territory and uniting local partners for participation. It has been decided not to apply this instrument in our country, as the explanation for this is the lack of time to change the approach applied so far. The changes in the RDA in both periods are related to the preparation or implementation of the programming periods without a significant change in it. The postponement of the effective implementation of regionalization in 2007 and 2013 predict its failure, because with the approval of OPRD for these two periods, no changes can be made in the established mechanism for access to EU funds.

Regarding regionalization in the Greek Republic, reforms are being carried out on the one hand so that Greece can benefit from EU funds and development policies, on the other hand, the introduction of the regions is an example of administrative-territorial organization reform on the background of the current financial crisis and as a remedy against it. The reform was introduced after a discussion in 2011, at a time when it is planned to start preparations for a similar reform in Bulgaria, which has not been implemented. Historically, there has been a three-tier division in the Czech Republic, as at the beginning of the democratic transition, the regional level of government was disbanded and restored only in 2000 in the context of democratic processes and public administration reform and EU membership preparations. Finally, the regions are filling the institutional gap left by the abolition of administrative structures that previously existed in the country.

CHAPTER THREE: A NEW APPROACH AND FUTURE DEVELOPMENT OF THE REGIONALIZATION PROCESS IN BULGARIA

1. The new regional approach of the EU and proposals for change in the NUTS classification in Bulgaria.

This section examines the new regional approach in EU cohesion policy for the period after 2021. Attention is paid to the proposed changes in the NUTS classification in Bulgaria in connection with the preparation of the regions for planning for the implementation of the next programming period.

The new programming period of European cohesion policy 2021-2027 is characterized by specific priorities, and in general can be described with a desire to simplify the instruments. There is a tendency towards a general setting of topics in the regulations that countries should comply with. For this period, it is envisaged for the first time to lay down general provisions for the seven funds implemented through shared management. In addition, the concentration is

again in sustainable urban development and further development at the local level through the implementation of integrated measures through the ITI instrument. The path of the idea of implementing ITI has been traced, starting with an OECD report, which begins to pay more attention to the growing role of territorial policy, which is considered not only in terms of spatial planning and regional policy, but includes all other activities directed at it by the central government. In the foreground is the so-called territorial capital of each territory, which is unique to it, distinguishes it from others and is determined by: geographical location, size, climate, natural resources, traditions, social capital, etc. (OECD, 2001). Thus, the rethinking of regional policy leads to the introduction of a new paradigm in it, called by the OECD "place based approach", which takes into account the specifics and advantages of the territory and the need to involve local actors to properly identify that decisions are as effective as possible and that the right priorities have been set. A place-based policy is a long-term strategy aimed at using the potential of the territories to achieve competitiveness and activate multilevel governance. In line with this, since 2000, the benefits of European cohesion policy as an "integrated approach" to policy-making, through closer coordination of public policies, have gradually begun to be discussed. It is acknowledged that such coordination is only possible at regional level. The integrated approach is in line with a territorially based policy, such as European cohesion policy, and requires interaction with different levels of government. ITI combine investments that are supported by one or more funds, programs or priorities set in one program.

After an assessment ¹² of the experience from the implementation of ITI in the middle of the programming period 2014-2020 are identified benefits such as: accelerated implementation after delayed start-up; increasing the focus on projects related to specific needs of territorial development; encouraging individual institutions to work together by adopting a "unified" approach to tackling complex territorial development challenges; capacity building in multi-annual multi-level strategic planning and policy design, especially at local level, as increasing the role of local authorities, NGOs and other sub-national bodies involved in the management and implementation of European funds in the long term can help strengthen capacity for application of territorial development; developing a culture of cooperation (especially in cases where the limited tradition of cooperation among local authorities has led to fragmentation and competition in applying for funds, which is particularly noticeable in some CEE countries); promoting civic participation in local and regional government, strengthening accountability. Challenges were also reported regarding: difficulties in determining the optimal geographical scope, mobilization of potential beneficiaries, in which case there is a danger that the strategies will remain centrally managed by the municipalities with limited participation of other partners; development of strategic, integrated project proposals, etc.

Considering the need for the existence of an effective territorial basis for regional development and the development of the relevant strategic documents lying in the RDA, as well as the programs co-financed by the European Funds after 2020, the issue of changing the boundaries of the regions for planning in Bulgaria is reviewed. The aim is to "create strong and vibrant areas that are better geographically separated and located along major axes of development with strong, accessible and capacity-building centers". Non-compliance with the regulatory framework for NUTS 2 regions has been reported and as a result, possible options for the division of the country have been developed. At the end of 2017, three options for a new division of 6, 5 or 4 regions were presented.

¹² European parliament, Committee on Budgetary Control, Integrated Territorial Investments as an Effective Tool of the Cohesion Policy, Brussels, PE 636.472 - March 2019

Image: Maps with proposals of options for changing NUTS 2 level in the Republic of Bulgaria from 2017.



Source: Ministry of Regional Development and Public Works

Figure 9: Map of modification of a variant proposed by the Ministry of Regional Development and Public Works as proposed by arch. Mollov



Source: The proposal was published in the newspaper *Gradat*, electronic version, <https://gradat.bg/>, arch. Belin Mollov: "Options for new planning regions in Bulgaria of NUTS 2 level", April 23, 2018

Finally, in 2019, after discussions with Eurostat, a decision was reached to maintain the current coverage of the six NUTS 2 regions in the country until 2027, despite the reported population imbalances, mainly in two of them - Northwest and North Central.

2. The application of new approaches in the formation of regional policy in the Republic of Bulgaria.

Attention is paid to the approach in Bulgaria for programming of the OPRD, which is based on lessons learned from previous periods and formation of the regional policy in a new way, which was reported to not have taken place in the true sense and the respective actions to be directed only with the presumption of use of the European funds¹³. Based on trends for the implementation of ITI at European level, a concept for the implementation of an integrated

¹³ See: Capital newspaper, Politics sector, electronic version www.capital.bg, Ognyan Georgiev, Mila Cherneva, The New Map of Bulgaria, November 9, 2018.

regional approach in the new programming period for 2021-2027 foresees synchronization and permanent linking of strategic planning of regional development with the programming of European funds.

The ongoing processes in the country for preparation of the new programming period are traced and on the basis of an analysis of the current national policy for regional and spatial development are outlined problems such as: insufficient effectiveness in the measures taken, large number of strategic documents, ineffective mechanism for control and evaluation of strategic documents, additional administrative burden in collecting and processing information for the purposes of regional and spatial development, as well as the presence of large disparities in development and lagging behind the Bulgarian regions in key socio-economic indicators compared to other EU countries. In order to overcome the problems described and to comply with the priorities of the new programming period, the general idea is aimed at carrying out institutional reforms to expand the functions, powers and composition of the RDC in the planning regions, which can perform functions related to the implementation of programs co-financed by the European Structural and Investment Funds and the strengthening of their capacity.

Based on cooperation with the OECD and the International Bank for Reconstruction and Development, options have been prepared to strengthen the regional development process for the next programming period 2021-2027 and to identify an approach to build the capacity of RDC for their participation in the implementation of a new integrated territorial instrument supported by the operational program. After a thorough review of the development of multilevel governance in the country and the decentralization process, a report¹⁴, prepared by the OECD found mainly: Bulgaria ranks last among all 28 EU countries, according to the European Quality Index for Governance for 2017, due to lack of elected governors in the Bulgarian regions, their political significance is reduced and their assessment of the quality of governance is hampered; territorial disparities have increased at regional, district and municipal level; the efforts made since the early 1990s towards decentralization and local regional development have not yet given the desired results, with the country maintaining its centralized model of multilevel governance; the applied regional policy, which is still being implemented from top to bottom, does not promote an integrated approach in the different sectors and the specific territorial needs are not taken into account, which does not allow all regions to realize their full economic potential; effective regional governance has not been achieved at both district and planning level, partly due to a lack of sufficient power and administrative and financial resources. The decentralization process undertaken has "mixed results", which is a very diplomatic way, again, to say that almost nothing has been achieved in practice. The topic itself is not considered a priority, but rather a secondary issue, after the issues of the economic and financial condition of the country. Regarding the regional policy in Bulgaria, it was found that it is not sufficiently based on the place-based approach, which is not yet applied in practice. There is a lack of effective regional governance because the current approach to implement regional policy fails to meet the needs and unlock the potential of regions and municipalities, in particular small towns and rural areas, to take advantage of cross-sectoral synergies. Sectoral policies still dominate strategic planning for regional development, especially at the sub-national level. With regard to the system for planning the territorial development of theory, coordination of the goals and priorities at all levels is ensured; but in practice this approach fails to ensure strategic coherence.

With regard to the Decentralization Strategy 2016-2025, a recommendation was made to strengthen the link between decentralization, regionalization and regional development and

¹⁴ OECD, Making multi-level governance and decentralization work for regional development in Bulgaria, CFE/RDPC(2020)18, 2020, officially presented report at a remote seminar on 23.02.2021

to reactivate the work of the Decentralization Council. Three recommendations are given regarding a possible reform of multilevel governance in the country: it is recommended to strengthen the “place-based” approach by: improving municipal governance, strengthening district administrations as a deconcentrated administration and strengthening planning regions as bodies for regional development.

Annex: Scheme for improving and strengthening the process of decentralization and regionalization in Bulgaria, OECD proposal

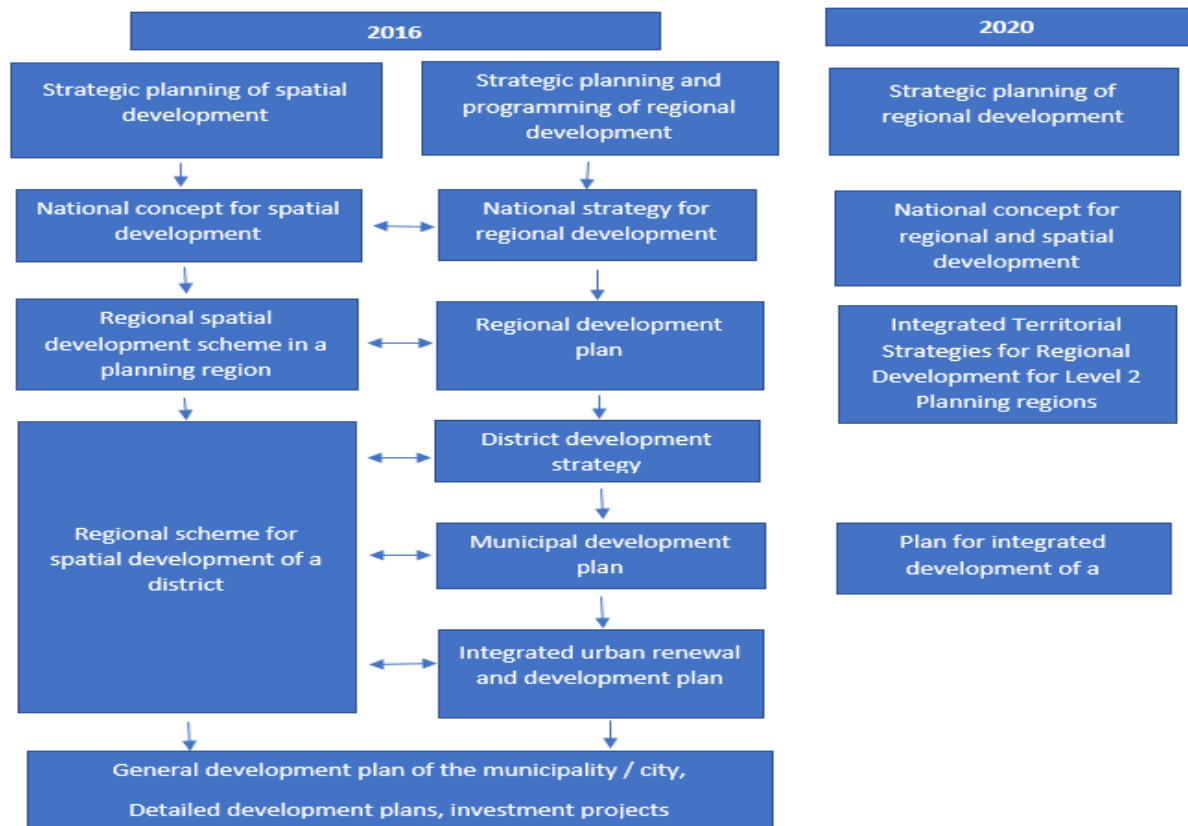
Making MLG and decentralisation work in Bulgaria for better regional development	Improving municipal governance	Political decentralisation: - Reinforcing intra-municipal decentralisation - More civil society participation practices, transparency and accountability
		Administrative decentralisation - Improving the assignment of responsibilities - Investment: more room for maneuver, more MLG - Administrative and strategic capacities - Inter-municipal cooperation and metropolitan governance
		Fiscal decentralisation - Reforming the grants' system - Towards a local tax reform - More external financing - A sound financial framework and financial management
	Strengthening districts as state territorial administration	Reconfiguring districts responsibilities and scope
		Reinforcing human and financial capacities of the districts
		Which territorial organisation for the districts?
	Strengthening planning regions as regional development body	Providing a legal personality to planning regions
		Choosing a governance model
		Setting up governance structures
		Defining responsibilities and functions
	Providing human and financial resources	

Source: author's adaptation by: OECD, *Making multi-level governance and decentralization work for regional development in Bulgaria, CFE/RDPC(2020)18, 2020*

In preparing the programming period and complying with these recommendations, the issue of strengthening the regional level and decentralization in the public space was again raised, in line with the need to comply with the requirements for the implementation of EU cohesion policy, and not due to internal awareness of this need. In addition to these topics, the topic of the contribution of multilevel governance is touched upon again and the term regionalization is introduced, which is not widely used in its meaning analyzed in the present paper. In the end, the recommendations made in this way were accepted, as the main drivers of the partnership and the choice of investments in the country it was decided to be the Regional Development Councils in the respective planning region of NUTS 2 level. With changes in the RDA from 2020 they are delegated with more functions and responsibilities, thus strengthening the decentralization of the management of EU funds at the regional level. The main changes in the RDA from 2020 can be summarized as follows:

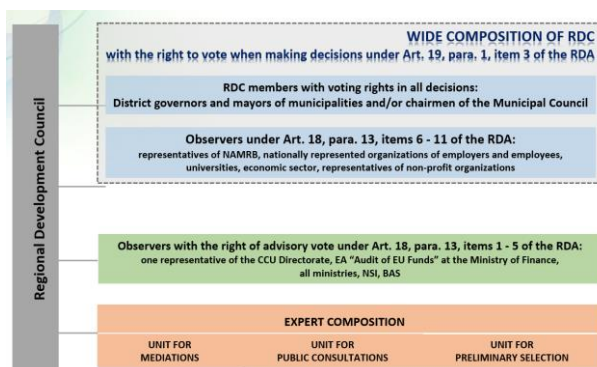
1. Reduced number of strategic documents with a clear focus and clearly defined links and interactions between themselves and between them and other sectoral documents;
2. Improved and simplified process of monitoring, control and evaluation of strategic documents for regional development, reduced administrative burden and volume of information collected and processed for the purposes of regional and spatial development;
3. Institutional reforms, which are aimed mainly at the Level 2 regions and are aimed at expanding the functions, powers and composition of the regional structures, which will be able to perform functions related to the implementation of programs co-financed by the ESIF, as well as strengthening their capacity.

Image: Strategic documents developed at different territorial levels according to RDA 2016 and RDA 2020 versions



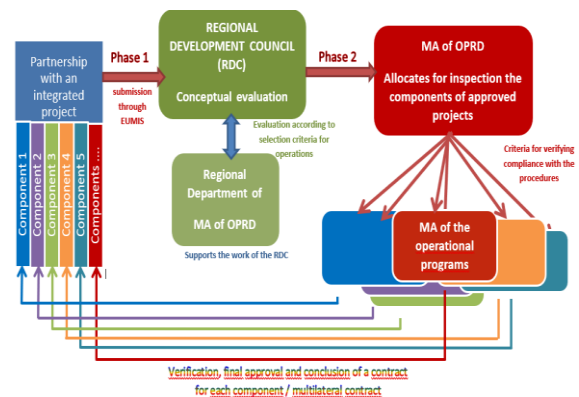
Source: Author's interpretation of the Ministry of Regional Development and Public Works, Methodological guidelines for the preparation of regional schemes for spatial development, Sofia, 2016 and RDA 2020.

Image: Scheme of the members and structures in the RDC



Source: MA of OPRD (from the official presentation of an OECD report at an online held seminar on 23.02.2021)

Image: Scheme of a new concept for a regional approach for the programming period 2021-2027 in Bulgaria



Source: Managing Authority of OPRD

The expectation after the implementation of the programming period is to contribute to reducing the differences between and in the regions of the country, to increase economic activity and to improve the quality and standard of living, as well as to continue and upgrade the reform in the country with respect to both regionalization and decentralization, by creating working and strong regional structures, which will have a leading role in the implementation of the regional policy of Bulgaria. Intention, which is set, but not fulfilled at the initial formation of the RDC.

3. Challenges and guidelines for the development of the regionalization process in the Republic of Bulgaria.

The information from the conducted interviews as part of the present study was used in the development of each chapter. This third point begins with a more in-depth analysis of the results of the general questions asked by the respondents. After that, the main achievements and challenges faced by the process of regionalization in the Republic of Bulgaria are outlined chronologically and it ends up with a hypothetical forecast for future development.

The analysis of the results of the general questions of the interviews does not aim to present specific quantitative data on the answers to the individual questions, because their number alone would not be representative information, but gives an idea of expected attitudes towards the researched process. There are two main reasons for that: the respondents did not answer all the questions and our aim is to present the expressed opinions and the emerging trend, which can be compared with the documents analyzed in the text. In general, the impression that arises is that on the topic of the survey itself there are conflicting opinions as well as on some of the questions from the interviews. The conclusions from the analyzed results support and repeat to a large extent the derived characteristics and problems of the decentralization process at regional level in the country.

The conclusions of the analysis made so far, and the interviews conducted on Bulgaria's approach to the design and implementation of the process of regionalization or decentralization at the regional level and the ultimately achieved administrative regionalization (without reaching regional decentralization, as hinted by Prof. Marcou (2000)) are synthesized by partially using elements of the SWOT analysis approach. From the point of view of the outlined four periods, guided by the finding that at the regional level there are no strong administrative structures, an attempt was made to mark the main ones: positive steps (strengths), obstacles or obstacles (weaknesses) and possible consequences (threats) or missed opportunities in the central government's approach to the process in question.

Based on this information, an attempt was made to identify three possible scenarios for future development of regionalization based on the reported problems so far and a proposed new approach in regional policy for the next 10 years: "Pessimistic", "Moderately optimistic" and "Optimistic". The main element on which the success of these scenarios is based is the possibility for realization of the planned capacity building at regional level and skills for synergistic actions on the part of the stakeholders from the specific territory. It is also marked that in the preparation of the next planning period, the issue of change in the territorial scope at NUTS 2 level will be on the agenda again having in mind the preserved trends of population decline. The scenarios considered in this way refer to the model set in the implementation of regional policy in the RDA from 2020. Our interest in them and the correlation of the model to the issue of regional decentralization is based on the fact that this is the first practical reform in regional structure since 2004, when RDCs are formed, regardless of the type of changes set.

The main challenges are also highlighted, which in many cases can be used both as opportunities and as threats for the implementation of the planned change in the structures of the RDC and their possible strengthening in the future as a strong regional body: the way one

will approach to achieve a synergistic process, given that the interests of different stakeholders will be crossed in them; the motivation and training for the application of the new methods of work in their composition and among its experts and the complicated political situation in 2021 with a delay in the formation of a cabinet.

Conclusions

Focusing on the territorial capital of each territory leads to rethinking of regional policy and the introduction of a new paradigm in it "place-based approach" for the implementation of which there is a need to involve stakeholders at all levels or multilevel governance. The application of this approach in the EU cohesion policy is carried out through the implementation of the ITI instrument, introduced during the programming period of 2014. Although since the beginning of the democratic process in our country progress has been made in implementing regional policy and practical experience in implementing OPRD the desired results were not achieved and adverse trends were reported. In the context of the preparations for the new programming period, the European Commission makes it clear that the sectoral approach in the operational program applied so far should be replaced by focusing on the needs and potential of the respective territories (application of the place-based approach) using a partnership approach, as well as strengthening the regional aspect. The application of this approach in our country is difficult due to the lack of strong administrative bodies at the regional level and the unresolved dilemma on which of the existing two: district or region for planning to strengthen the functions. From the point of view of EU regional policy, the level of NUTS 2 regions is the more appropriate place for its implementation, although within the state they are not administrative-territorial units unlike the districts.

Since its establishment, the RDCs have been designed as a meeting place for the various interests of the state and municipal level and the civil sector, and they have been expected to become a strong factor at the regional level. However, the question of their capacity has been raised since their creation, its strengthening is set in a number of documents, but in practice it has not been achieved. With regard to OPRD, there is already practical experience from its implementation in two programming periods, calling for the development of practical capacity based on a partnership for integrated regional and local development at the beginning of the process of compiling it in early 2007, which has not been achieved, but separate sectoral projects are being implemented. Bearing in mind this, the conclusion is that the proposed new approach to regional development would rather lead to a moderately optimistic scenario. With the right approach, the new structures of the RDC would develop as units for deconcentrated functions of the Managing authority of the operational programme. The lack of political will for decentralization at the regional level and the dilemma at which levels to implement it would rather lead to waiting for the examination of the functioning of the new structures to be analyzed before raising this issue again. Most likely, at the end of the programming period or even after it, it will be possible to be reported whether more effective management of the regions has been achieved and, accordingly, whether the implemented measures would lead to a large overcoming of the reported interregional differences.

Although the EU's policy is not to interfere in the decisions on the internal administrative-territorial organization of the states, by financing a project in 2018, implemented by the OECD for building administrative capacity for the next programming period, the issues of decentralization and regionalization in the country are put on the agenda. The main recommendation is to implement a possible reform related to the multilevel governance to support the implementation of a "place-based" approach by strengthening district administrations as a deconcentrated administration and planning regions as regional development bodies. Based on this recommendation, a change was made in the RDA 2020 in

which the main directions are related to the simplification of the system of strategic documents and the expansion of the functions of the RDC. This enlargement is seen as a possible precondition for future decentralization at this level, which is currently considered not possible.

CONCLUSION

The conclusion presents the main observations, summaries and conclusions from the analysis made in the dissertation based on the information in the three chapters. Based on this, the formulated main thesis is confirmed, as well as the first hypothesis is supported, that with the attempt to restore the main functions set in the establishment of RDC as a meeting place of stakeholders in order to solve the problems of the region and their planned new structure and way of work would influence the implementation of a more coordinated and effective regional development policy, which would reflect local needs in a more focused way.

Regarding the second hypothesis about the possibility of expanding the functions of the RDC, so as they to be a prerequisite for the introduction of decentralization at the regional level, the forecast is rather skeptical. The reason for this is the way in which it has been implemented, which is dictated by the need to implement the priorities of the EU cohesion policy programming period and the implementation of the new regional development program, rather than by the internally recognized need for reform of the state level. In this sense, it is more realistic to achieve the outlined in the current study "moderately optimistic" development scenario in which the newly established structures in the RDC can continue and for the future to represent a decentralized approach for the implementation of the operational program, which will bring them closer to the problems of the citizens in the programming and implementation and will be a prerequisite for the performance of quality and sustainable projects.

Regarding the third hypothesis about the degree of influence of the Europeanization process on the internal administrative structure in the country and the powers of the established administrative structures at the different levels, the conclusion is that it has been used differently. It sets the framework and structures for the implementation of regional policy but misses the opportunity to require decentralization at the regional level. The planned reform at the district level from the early 1990s has been postponed to a later stage, with the strengthening of decentralization to municipalities only hampering the possibility of the intermediate territorial level for decision-making and economic recovery as part of the process of democratization. This is the period that Marcou (2000) notes as an opportunity to undertake reform towards the creation of territorial authorities at the regional level and the transition from administrative to political regionalization, although at this time he recognizes that the difference between the functions of the state and those of territorial authorities not yet clearly understood. From that moment on, periodic discussions began about the size, level, and functions of determining regional authorities or, as Djildjov (2006) summed up, the "saga of decentralization at the regional level".

Based on the chronological analysis in the dissertation, four periods of development of the questions for regionalization have been identified. Within the period 1989-2020, this process is generally characterized by: delayed start (1990-2000), rise in the issues of regionalization without a real result, but with reported results in decentralization at the municipal level (2001-2005), continuing the inertia by legalizing a strategic document for decentralization, followed again by an increase in the implemented activities as regard to prepared documents, but due to the lack of practical implementation, followed by a sharp decline (2006-2020). Within each of the identified periods, there was an opportunity to start actions in the direction of transition from administrative to political regionalization or regional decentralization, but it was not implemented. The maintenance of structures (Decentralization Council) implementing strategic documents (Strategy with Decentralization Program) for

implementation of decentralization without real weight and without being confined, reveal the unwillingness of the central government to carry out real decentralization, which since 2014 is no longer among its priorities, but also the need to have visibility that something is being done in this direction.

Opinion is expressed that figuratively represented, the regionalization of "saga" can be seen as a "vicious circle" in which the main mantra is the lack of capacity in the structures at the sub state level. The main obstacles to its implementation are: the lack of political will, as well as the lack of an "engine" at the sub-national level to promote and protect the interests of the regional level, similar to NAMRB as regarding municipalities. The most significant reasons that led to these obstacles have also been identified.

As a summary, it is noted that there is neither a model for decentralization, in particular at the regional level, nor its introduction leads to rapid and significant results. The main conclusion of the study is that the optimization of the work at the regional level and the practical implementation of the initial idea of the RDC as a meeting place for all stakeholders in order to improve the development and competitiveness of the territory would lead to more effective regional development policy, more concentrated and effective use of EU Structural Funds assistance and strengthening multilevel governance. In the interests of sustainability and strengthening the functions of this body, it would be considered to support it with a budget and powers, and it is most realistic to do so, taking into account the results of its work set out in the new RDA 2020, which is likely to happen at the end of the programming period.

IV. REFERENCE ON THE CONTRIBUTIONS IN THE DISSERTATION WORK

1. Based on information from various Bulgarian and foreign sources and conducted interviews, a follow-up, summary and analysis of the ideas and proposals for regionalization in the country in the period 1990-2020 was made.
2. After a chronological follow-up of the achievements and challenges to the ideas of regionalization in the Republic of Bulgaria, four periods in the development of the process of regionalization or decentralization at the regional level for the period 1990-2020 are outlined and analyzed.
3. An attempt has been made to identify possible scenarios for future development of regionalization based on the problems reported so far and the proposed new approach in regional policy for the next 10 years.
4. The main obstacles to the implementation of regionalization are identified and the most significant reasons that led to the identification of these obstacles are identified.

V. PUBLICATIONS RELATED TO THE DISSERTATION

1. Gramadska, E., The new tendencies in the European regional policy for the period 2007-2013 and their territorial dimensions, Yearbook of Sofia University "St. Kliment Ohridski", Faculty of Geology and Geography, Book 2-Geography, 2008, Volume 100, p. 215-233
2. Gramadska, E., The new functions of the regional development councils in Bulgaria: prerequisite for regionalization or deconcentrated structures, Knowledge-International Journal, 2020, 43.5: 985-991, ISSN 2545-4439
3. Gramadska, E., Europeanization role in regional development and sub-national government structures in Bulgaria, Knowledge – International Journal, 2020, 43.5: 973-978, ISSN 2545-4439

VI. DECLARATION OF ORIGINALITY

I declare that the present dissertation is entirely an author's product and in its development other publications and works have not been used in violation of their copyright.

Sofia University "St. Kliment Ohridski "
Department of Regional Development
Sofia, 2021