Spatial effects of EU Cohesion Policy in Bulgaria

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Contents

1. Macroeconomic imbalances of Bulgaria
2. Key factors leading to socio-economic effects
3. Spatial synergy of socio-economic effects from ESIF
4. ESIF support to the elements of the system of socio-economic effects in space 2007-2013
5. Findings and conclusions for the period 2007-2013
6. Good practices and proposals to be considered in the period 2021-2027
Macroeconomic imbalances of Bulgaria

• The Bulgarian economy is gradually emerging from the crisis but there is still no comprehensive recovery;
• Despite its sustainability, the financial system still remains at risk;
• The high rate of people at risk of poverty or social exclusion remains one of the major economic and social challenges;
• Gradual reduction of imbalances is insufficient to restore private investment;
• There are still challenges in terms of the business environment.

Alert Mechanism Report, European Commission, 2016
Key factors leading to socio-economic effects

- **Personal development** (the individuals and their aspirations and potential for development) - **OP Human Resources Development, OP Administrative capacity**

- **Business environment** (which, in principle, should be created by the State through regulations and sectoral policies) – **OP Regional Development, OP Environment, OP Transport, Programme for Development of Rural Areas, Programme for Fisheries and Aquaculture, OP Administrative capacity, OP Technical Assistance**

- **Corporate structure** (as a catalyst for capital and development of business ideas and innovations) – **OP Competitiveness, OP Human Resources Development, Programme for Development of Rural Areas, Programme for Fisheries and Aquaculture**
Spatial synergy of socio-economic effects from ESIF

The model is adapted on the basis of theoretical scheme from publication “Spatial Development and Spatial Planning in Germany”, Federal Office for Building and Regional Planning, 2001

*Final condition, product form interaction among the elements of spatial synergy
** Elements of spatial synergy
*** Driving forces of spatial synergy
ESIF support to the elements of the system of socio-economic effects in space 2007-2013 (1)
ESIF support to the elements of the system of socio-economic effects in space 2007-2013 (2)
ESIF support to the elements of the system of socio-economic effects in space 2007-2013 (3)
ESIF support to the elements of the system of socio-economic effects in space 2007-2013 (4)
Change in population growth 2006-2015

Population growth per NUTS II regions 2006-2015

Northwest: 916,308 to 783,909
North central: 909,962 to 815,441
Northeast: 986,125 to 944,458
Southeast: 1,110,344 to 1,052,575
Southwest: 2,126,182 to 2,121,185
South central: 1,523,752 to 1,436,216
Change in GDP (MEUR) 2006-2015

GDP (MEUR) per NUTS II regions 2006-2015

- South central: 4,123, 6,427
- Southwest: 3,082, 11,737
- Southeast: 2,447, 3,619
- North central: 2,325, 3,074
- Northwest: 5,535

GDP million EUR 31.12.15, GDP million EUR 31.12.06
Findings and conclusions for the period 2007-2013 (1)

• The set indicators do not actually show the contribution to achieving the objectives of OPs, nor do measure the efficiency of input resources;

• There is no financial commitment on behalf of Bulgaria concerning lack of achievement of the defined indicators’ target values;

• When programming the OPs, the disparities in the development of distinct NUTS II level region are not taken into account;

• Instead of overcoming the regional disparities within the country, ESIF make them bigger and affirms the polycentric model “the capital and the periphery” and “the big city centres and the rest of the territory”.
Findings and conclusions for the period 2007-2013 (2)

• The EU grants are not efficiently spent and allocated according to the needs of the driving forces for achieving synergy in space, especially on NUTS II level;

• The initial programming of ESIF at the level of the state is not adequate, or the grants made available to the regions with greater needs are re-distributed to the territory that already have better conditions and higher potential for development.

• The EU Cohesion policy for the period 2007-2013 at national level was not programmed and implemented in a way which makes the elements of the system for spatial development to interact effectively and efficiently in order to achieve spatial synergy.
GDP per capita – EU NUTS II (2006 -2015)
Good practices and proposals to be considered in the period 2021-2027

• Introducing programming with “bottom-up” instead of “top-down” approach to address the real needs and challenges of the regions and their territory;

• Elaborating Regional OPs at NUTS II level in order to use the local competitive advantage of the regions and to develop them on the basis of the resources and potential of the territory;

• Moving from centralized to decentralized policy, management and implementation approach, including financial decentralization which will enable the better interactions among the elements of the system of socio-economic effects in space.
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Thank you for your attention!